



## Policy on Prevention of Insider Trading

Issue No

Issue Date

1.0

08/06/10

### **B D SHAH SECURITIES LIMITED**

R-701, Rotunda, Apollo Street, Fort, Mumbai – 400057

#### **POLICY ON PREVENTION OF INSIDER TRADING**

This Policy on Prevention of Insider Trading is the Property of M/s B D SHAH SECURITIES LIMITED and is confidential, no part, contents should be copied with prior approval of the undersigned.

This manual is prepared as per Prohibition of Insider Trading laid down under SEBI Act 1992 (15 of 1992) by Securities And Exchange Board of India.

**I hereby approve the Policy on Prevention of Insider Trading**

For B D Shah Securities Limited

Mitesh Bipin Shah

Director

Date:

Place:



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## 1. Contents, Distribution, Amendments

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### Distribution List

Sr. No.	Copy Type	COPY HOLDER	Location
		Designation	
1	Master Copy (Original & hard copy) and original soft copy	Ashish Shah, Director	Vile Parle
2	Soft read only copy on shared folder	All internal employees	Vile Parle

*Amendments Made till 08 /06/ 2010*

No.	Nature of Amendment	Reason for amendment	Date of Amendment
1			
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The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, was amended on 22nd February 2002 (hereinafter referred to as “Regulations”) in terms of which a Stock Broker is required, inter alia, to frame a Code of Conduct for Prevention of Insider Trading by Employees of a Stock Broker, including its Directors In line with the said Regulations, the following Code of Conduct (hereinafter referred to as “the Code”) has been adopted by B D Shah Securities Limited (hereinafter referred to as “BDSSL”), Member of the Stock Exchange, Mumbai & National Stock Exchange Ltd.

### **1.0 Compliance Officer**

- ❖ Ms. Pragna H. Doshi is a Compliance Officer for the organization, reporting to the Board of Directors.
- ❖ The Compliance Officer shall be responsible for setting Policies and Procedures and monitoring the Rules & Regulations for the preservation of "Price Sensitive Information", pre-clearing of all Designated Employees and their Dependents Trades (directly or through respective Department heads as decided by the BDSSL), monitoring of Trades and the Implementation of the Code of Conduct under the overall Supervision of the Directors
- ❖ The Compliance Officer shall maintain a record of all BDSSL Employees and any Changes done in the Employees List form time to time & help to understand any Clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 1992 and BDSSL’s Code.

### **2.0 Prevention of “Price Sensitive Information”**

- ❖ Employees / Directors shall maintain the Confidentiality of all Price Sensitive Information & must not pass such Information directly or indirectly by way of making a Recommendation for the Purchase or Sale of Securities.

### **3.0 Need to Know**

- ❖ Price Sensitive Information is to be handled on a "Need to Know" basis, i.e. Price Sensitive Information should be disclosed only to those within BDSSL, who need the Information to discharge their Duty and whose Possession of such Information will not give rise to a Conflict of Interest or Appearance of Misuse of the Information.

### **4.0 Limited access to confidential information**

- ❖ Files containing Confidential Information shall be kept Secure & all computer files must have Adequate Security of Login and Password, etc



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### **5.0 Chinese Wall**

- ❖ To prevent the misuse of confidential Information, the organization shall adopt a “Chinese wall Policy which separates those Areas which routinely have access to Confidential Information, considered "Inside Areas" from those Areas which deal with Sale / Marketing / Investment Advise or other Departments providing Support Services, considered "Public Areas".
- ❖ The dealing room shall be separated from the back office and other departments.
- ❖ The Employees in the Inside Area shall not communicate any Price Sensitive Information to anyone in Public Area.

### **6.0 Prevention of “Misuse of Price Sensitive Information“**

- ❖ Employees / Directors shall not use Price Sensitive Information to Buy or Sell Securities of any sort, whether for their Own Account, their Relative’s Account, BDSSL’s Account or a Client's Account. The Trading Restrictions shall apply for Trading in Securities.

### **7.0 Other Restrictions**

- ❖ All Directors / Employees of BDSSL, who intend to deal in the Securities of listed Companies where BDSSL has some assignments shall pre-clear the Transactions as per the pre-dealing Procedure are as described here below:
  - An Application may be made in such form as specify by BDSSL in this regard, to the Compliance Officer indicating the Name and Estimated Number of Securities that the Employees / Director intends to deal in with details of Demat DP with which he has a Security Account, the Securities in such Depository Mode and any other details as may be prescribed by BDSSL in his rule & regulations.
- ❖ An Undertaking shall be executed in favor of BDSSL by such Employees / Directors incorporating, the following Clauses, as may be applicable
  - That the Employees / Director does not received any "Price Sensitive Information" at the time of signing the Undertaking
  - That in case the employees / director / partner receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance officer of the change in his position and that he/she would completely refrain from dealing in the securities of listed companies.
  - That he / she has not contravened the Code of Conduct for prevention of Insider Trading as specified by BDSSL.



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- That he / she has made a Full and True Disclosure in the matter

## **8.0 Restricted / Grey List**

- ❖ In order to monitor above Procedures and Trading in Client Securities based on Inside Information, BDSSL shall restrict Trading in certain Securities and designate such List as Restricted / Grey List.
- ❖ Security of a Listed Company shall be put on the Restricted / Grey List if BDSSL is handling any Assignment for the Listed Company or preparing Appraisal Report.
- ❖ Any Security, which is being purchased or sold or is being considered for Purchase or Sale by BDSSL on behalf of its Clients shall be put on the Restricted / Grey List.
- ❖ As the Restricted List itself is a Highly Confidential Information it shall not be communicated to anyone outside BDSSL. The Restricted List shall be maintained & kept by Compliance Officer.

## **9.0 Penalty for Contravention of the Code**

- ❖ Any Employee / Director who trades in Securities or communicates any Information or counsels any Person Trading in Securities, will be treated as Contravention of the Code & conduct, may be penalized and appropriate Action may be taken by BDSSL
- ❖ Employees / Directors of BDSSL, who violate the Code, may also be subject to Disciplinary Action by the Company.
- ❖ The Action by BDSSL shall not preclude SEBI from taking any Action in case of Violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

## **10.0 Information to SEBI in case of Violation of SEBI (Prohibition of Insider Trading) Regulations**

- ❖ In case of any violation observed by company / its Compliance Officer that there has been a Violation of these Regulations, SEBI shall be informed by the organization/ compliance officer.

===== **End of Documents** =====