

NIKUNJ STOCK BROKERS LIMITED

CIN:U74899DL1994PLC060413

Member: BSE & NSE and DP-NSDL

Regd. & Head Office: A-92, GF, Kamla Nagar, Delhi-110007

Tel: 47030000-01, Fax: 23845104 email: info@nikunjonline.com

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Preamble:

NIKUNJ STOCK BROKERS LTD (hereinafter referred as 'the Company') is a Stock & Share Broker registered with SEBI. It endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent the misuse of such information. The Company is committed to transparency, fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations in force.

Every director, officer, designated employee of the Company has a duty to safeguard the confidentiality of all information obtained during the course of his or her employment at the Company.

In terms of SCHEDULE B and sub-regulation (2) of regulation 9 under the SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015, the following policies and procedures have been set forth for the implementation of trading in securities by the employees of the Company (hereinafter referred as Code of Conduct). The salient features of the Code of Conduct are as under:

This Code of Conduct will be effective from 15th May 2015, with the start of business hour.

A. Applicability: This Code of Conduct shall be applicable to the employees including Director and KMP of the Company along with its out sourced employees, if any.

B. Definitions & Interpretation

1. "Act" means the Securities and Exchange Board of India Act, 1992;
2. "BOARD" means the Board of Directors of the Company.
3. "REGULATIONS" mean the SEBI (Prohibition of Insider Trading) Regulations, 2015;
4. "CODE OR CODE OF CONDUCT" shall mean this Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by Insiders of the NIKUNJ STOCK BROKERS LIMITED as amended from time to time.
5. "COMPANY" means Nikunj Stock Brokers Limited;
6. "COMPLIANCE OFFICER" means the designated Compliance officer of the Company.
7. "DEALING IN SECURITIES" means to subscribe, sell, buy or agreeing/agreed to subscribe, sell, purchase or deal in the securities of the Company by himself/herself/itself or through an agent.
8. "DESIGNATED EMPLOYEE(S)" shall include:—
 - (i) All Executive Directors including Managing Director, Whole Time Director and Key Management Personnel (KMP)
 - (ii) All department heads and vice presidents of the Company.
 - (iii) Every employee in the Finance, Accounts, Corporate Secretarial and Legal Department as may be determined and informed by the Compliance Officer;
 - (iv) Such other persons or employee as may be determined and informed by the Compliance Officer from time to time.
9. "DIRECTOR" means the member of Board of Directors of the Company.
10. "EMPLOYEE" means the every employee of the Company including Director in the employment of the Company.

"INSIDER" means any person who is:

i) a connected person; or

ii) in possession of or having access to unpublished price sensitive information.

11. "IMMEDIATE RELATIVES" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

12. "GENERALLY AVAILABLE INFORMATION" means the information which is available for public on nondiscriminatory basis.

13. "KEY MANAGERIAL PERSON" means the person as defined in Companies Act, 2013.

14. "PROMOTERS" shall have the meaning assigned to it under the Securities And Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

15. "Securities" means as defined under SCRA, 1956 or any modifications thereof.

16. "Takeover Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

17. "Trading" means and includes subscribing, purchasing, selling or agreeing/agreed to subscribe, purchase and sell or deal in securities.

18. "Trading Day" means a day on which the recognized stock exchanges are open for trading.

19. "Connected Person" means:

i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,

a) an immediate relative of connected persons specified in clause (i); or

(b) a holding company or associate company or subsidiary company; or

(c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or

(d) an investment company, trustee company, asset management company or an employee or director thereof; or

(e) an official of a stock exchange or of clearing house or corporation; or

(f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or

(g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or

(h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or

(i) a banker of the company; or

(j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

20. "unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

(iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;

(v) changes in key managerial personnel; and

(vi) material events in accordance with the listing agreement.

21 "relative" means a person, as defined in section 2(77) of the Companies Act, 2013;

22 "unpublished" means information which is not published by the company or its agents and is not specific in nature.

23 "Specified Persons" means the Directors, connected persons, the insiders, the designated employees and the promoters and immediate relatives are collectively referred as Specified Persons.

Words and expressions used and not defined here but defined in the SEBI Act, 1992, SCRA, 1956, Depositories Act, or the Companies Act, 2013 and the rules and regulations made thereunder shall mean as defined therein.

24. "Restricted Securities" means Security (ies) of which price sensitive information has been acquired

C. Role of Compliance Officer

i. The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

ii. The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

iii. Maintaining relevant documents for complying this regulations

D. Chinese wall policy

i. To prevent the misuse of confidential information the organization has adopted a 'Chinese Wall' policy which separates those departments of the Company which routinely have access to confidential information, considered "Sensitive Departments".

ii. The Employees in the 'Sensitive Department' shall not communicate any Price sensitive information to anyone in other department.

iii. The employees in sensitive departments are physically segregated from employees of other departments. Demarcations of the various departments as sensitive departments are implemented by the Company.

In exceptional circumstances, employees from the Sensitive departments may be brought “over the wall” and given confidential information on the basis of “need to Know” criteria, under intimation to the Compliance Officer.

E. Preservation misuse of “Price Sensitive Information”

i. All insiders of the Company shall maintain the confidentiality of all Price Sensitive Information. Price sensitive information in our business will be any information acquired in related as described in B(20) during the course of business which otherwise would not have been available to general public

ii. 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 the Company 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.

iii. Employees shall not use price sensitive information to buy or sell securities of any sort, whether for their own account or their relative’s account.

iv. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

v. The employees in the Research department shall follow the policies, procedures & disclosures requirements as given in the Chapter III of SEBI (Research Analysts) Regulations, 2014.

F. Holding Period for Restricted Securities

i. Holding period of the Security(ies) of which price sensitive information acquired (‘Restricted Securities’) ,should be for a Minimum period of 6 months (inclusive of Sundays and other holidays) for any trade including for F&O.

ii. The holding period shall also apply to purchases in the primary market (IPO) of Restricted Securities. In the case of IPOs, the holding period would commence when the Restricted Securities are actually allotted.

iii. In case the sale of restricted securities is necessitated due to personal emergency, the Compliance Department may waive the holding period after recording in writing reasons in this regard.

G. Restricted / Grey List

i. In order to monitor Trading in Client Securities based on Inside Information, the Company shall restrict Trading in certain Securities and designate such List as Restricted/Grey List.

ii. Security of a Listed Company shall be put on the Restricted / Grey List if the Company is handling any Assignment for the Company or preparing Appraisal Report.

iii. As the Restricted List itself is a Highly Confidential Information it shall not be communicated to anyone outside the Company.

H. Initial Disclosures & Continual Disclosures

i. The disclosures to be made by any person include those relating to trading by such person’s immediate relatives, and by any other person for whom such person takes trading decisions in prescribed format if any.

- ii. Every promoter/ Key Managerial Personnel / Director / Officers / Designated Employees of the Company, , shall forward to the Company the details of all holdings in securities of the Company held by them including the statement of holdings of dependent family members in the prescribed Form as circulated which will be declared as Restricted or Grey listed Security immediately.
- iii. Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of restricted securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.
- iv. Any change in holding pattern of that Restricted or Gray Listed Securities should be informed immediately.

I.CODE FOR FAIR DISCLOSURE

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles includes as below:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

I. Penalty for contravention of the code of conduct

- i. Employees who violate the Code of Internal Procedure and Conduct will be subjected to appropriate action by the Company, which may include disciplinary action, wage freeze, suspension, termination of services etc as decided by the management.
- ii. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations 2015.
- iii. In case it is observed that there has been a violation of these Regulations, the Company shall inform SEBI.

J. Compliance and questions

The Company considers it extremely important that all employees conduct themselves in a manner consistent with this insider trading policy. Each employee is responsible for his or her compliance with this policy and the related procedures, and the Company will endeavor to answer any questions employees may have regarding this subject.

Employees are requested to direct any questions regarding the Company's insider trading policy or procedures to the Compliance officer.