

MOHANLAL HEMCHAND PVT LTD

Code of conduct for prevention of Insider Trading

A. Preservation of “Price Sensitive Information”

Employees and Directors shall maintain the confidentiality of all Price Sensitive Information. Employees and Directors must not pass on such information directly or indirectly by way of making a recommendation for the purchase or sale of securities.

1. Need to know

Price Sensitive Information is to be handle on a “need to Know” basis, i.e.Price Sensitive Information should be disclosed only to those within the organization 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.

2.Limited access to confidential information

Files containing confidential information shall be kept secure with Compliance officer. Computer files must have adequate security of login and pass word, etc.

3.Chinese Wall

- To prevent the misuse of confidential information the organization shall adopt a “Chinese Wall” policy which separates those areas of the organization 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”. Accordingly “Dealing room” at 605 P J TOWER is identified as inside area where as “Administrative Office” is identified as outside area.
- The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.
- The employees in inside area are demarcated and physically segregated in trading office from employees in public area in back office.
- In exceptional circumstances employees from the public areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the compliance officer.

B. Prevention of misuse of Price Sensitive Information

Employees/ Director shall not use Price Sensitive Information to buy or sell securities of any sort, whether for their own account, their relative’s account, organization’s account or a client’s account. The following trading restrictions shall apply for trading in securities.

1. Pre clearance of Trades

All Directors/ Officers/ Designated employees of the organization who intend to deal in the securities of the any company above 1% of paid up capital of that Company shall obtain pre-clearance the transactions from the Compliance Officer.

C. Other restrictions

- All Directors/ designated employees shall execute their order within one week after the approval of pre-clearance is given. If the order is not executed within one week after approval is given, the employee/ Director must pre clear the transaction again.
- Analysts, if any, employed with the organization while preparing research reports of a client Company(s) shall disclose their share holdings/ interest in such Company(s) to the compliance officer.
- Analysts who prepare research report of a listed company shall not trade in securities of that company for thirty days from preparation of such report.

D. Penalty for contravention of code of conduct

- Any employee/ director who trades in securities or communicates any information or counsels any person trading in securities, in contravention of the code of conduct may be penalized and appropriate action may be taken by the organization.
- Employees/directors of the organization who violate the code of conduct may also be subject to disciplinary action by the company, which may include wage freeze, suspension, etc.
- The action by the organization shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.