CODE OF CONDUCT FOR EMPLOYEES/OFFICER'S

ADOPTED BY

GIRIRAJ STOCK BROKING PRIVATE LIMITED

MEMBER: BSE LTD

NSE LTD

CODE OF CONDUCT FOR EMPLOYEES/OFFICER'S

Introduction

Giriraj stock broking Private Limited is Securities and Exchange Board of India (SEBI) registered Stock broker of the BSE LTD & NSE LTD.

Background

The SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Markets) Regulations, 2003 are wide enough to cover transacting in anyway in any security by any person as principal, agent or intermediary. While carrying on stock broking activities or execute order for clients or dealing with clients, or transacting on proprietary account, certain conduct is expected of all the officers and employees of the Company; The company or the employees shall not buy, sell or deal in securities in a fraudulent manner.' Fraud ' includes any act, expression omission or concealment committed whether in a deceitful manner or not by a any other person with his connivance or by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether or not there is any wrongful gain or avoidance of any loss, and shall also include:

- Knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
- *Suggestion as to a fact which is not true by one who does not believe it to be true*
- An active concealment of a fact by a person having knowledge of belief of the fact;
- A promise made without any intention of performing it
- A representation made in a reckless and careless manner whether it be true or false;
- Any such act or omission as any other law specifically declares to be fraudulent;
- Deceptive behavior by a person depriving another of informed consent or full participation
- A false statement made without reasonable ground for believing it to be true

Nothing in this clause shall apply to any general comments made in good faith in public or in private, regard to

- The economic policy of the government
- The economic situation of the company
- Trends in the securities markets
- Any other matter of a like nature

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The Company of the employees shall not deal in securities in an unfair manner:

- Indulging in an act which creates false or misleading appearance of trading in the securities markets
- Dealing in a security not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;
- Any act or omission amounting to manipulation of the price of a security.
- Entering into a transaction in securities without intention of performing or without intention of change of ownership of such security.
- Promising a certain price in respect of buying or selling of a security to a client and waiting till a discrepancy arises in the price of such security and retaining the difference in prices as profit for himself.
- Providing clients with such information relating to a security as cannot be verified by the clients before dealing in such security.
- Reporting trading transactions to clients entered into on their behalf in an inflated manner in order to increase his commission and brokerage.
- Not disclosing to client transactions entered into on his behalf including taking an option position.
- Circular transactions in respect of a security entered into between intermediaries in order to Increase commission or to provide a false appearance of trading in such security or to inflate, depress or cause fluctuations in the price of such security.
- Encouraging the clients to deal in securities solely with the object of enhancing his brokerage or commission
- Predating or otherwise falsifying records such as contract notes.
- Buying or selling securities in advance of a substantial client order or whereby a futures or options position is taken about an impending transaction in the futures or options contract.
- Planting false or misleading news which may induce sale or purchase of securities.
- Taking part in or entering into either directly or indirectly transactions with the intention of Artificially raising or depressing the prices of securities and thereby reducing the sales purchases of Securities' by any person.
- Indulging in any act which results in reflection of prices of securities based on transactions that are not genuine trade transactions.
- Indulging in falsification of books of accounts and records whether maintained manually or in computer or in any other form.
- Counseling any person to deal in securities on the basis of unpublished price sensitive information.
- Indulging in manipulative, fraudulent or deceptive transactions or schemes or spread rumors with a view to: distorting market equilibrium or making personal gains.
- Creating false market either singly or in concert with others or indulge in any act detrimental to investors interest or which leads to interference with the fair and smooth functioning of the market.

GIRIRAJ STOCK BROKING PVT. LTD. KOLKATA

- Disclosing or discussing with any other person or make improper use of the details of personal investments and other information of a confidential nature which he comes to know in his business relationship.
- Deal or transact business knowingly, directly or indirectly or execute an order for a client who has failed to carry out his commitments in relation to securities with another stock broker.
- Make a recommendation to any client who might be expected to rely thereon to acquire, dispose of, retain any securities unless she has reasonable grounds to believe that the recommendation is suitable for such a client upon the basis of the facts, by such a client as to his own security holdings, financial situation and objectives of such investment. He should seek such information from clients whenever he feels it is appropriate to do so.
- Front-running and dealing on the back of (piggybacking) customer or proprietary orders.
- Employees may not pre arrange any transaction between their Personal Accounts and an account of a client.
- Dealers/Employees should be careful not to make any reckless comments to clients on phone or otherwise while interacting with them.

Being a stock broker, the company is also a 'deemed connected person' under the SEBI (Prohibition of Insider Trading) Regulations. The company and the employees shall;

- Not to deal in securities either on own behalf or on behalf of. any other person when in possession of any unpublished price sensitive information;
- Not communicate, counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities;

CODE OF CONDUCT SPECIFIED BY SEBI IN THE SEBI (STOCK BROKERS AND SUB-BROKERS) REGULATIONS, 1992

GENERAL

- Integrity: A stock-broker, shall maintain high standards of integrity, promptitude and fairness in the oviduct off all his business.
- Exercise of Due: skill arid care stock-broker, shall act with due skill, care and diligence in the conduct of all his business.

- Manipulation: A stock –broker shall not indulge in manipulative, fraudulent or deceptive *transaction or schemes or spread rumors* with a view to distorting market equilibrium of making personal gains.
- Malpractices: A stock –Broker shall not create falls market either singly or in concert with others or indulge in any act detrimental to the investor's interest or which leads interference with the fair and smooth functioning of the market. A stock-broker shall not involve himself in excessive speculative business in the market beyond reasonable levels not commensurate with his financial

GIRIRAJ STOCK BROKING PVT. LTD. KOLKATA

soundness.

- Compliance with Statutory Requirements: A Stock- broker shall abide by all the provisions of the Act and the rules, regulations issued by the Government, the Board and the stock Exchange from time to time as may be applicable to him.

DUTY TO THE INVESTOR

- Execution of Orders: A stock-broker, in his dealings with the clients and the general investing public, shall faithfully execute the orders for buying and selling of securities at the best available market price and not refuse to deal with a Small Investor merely on the ground of the volume of business involved. A stock-broker shall promptly inform his client about the execution or non-execution of an order, and make prompt payment in respect of securities sold and arrange for prompt delivery of securities Purchased by clients.
- Issue of Contract Note: A stock-broker shall issue without delay to his client a contract note for all transactions in the form specified by the stock exchanges.
- Breach of Trust: A stock Broker shall not disclose or discuss with any other person or make improper use of the details of personal investments and other information of a confidential nature of the client which he comes to know in his business relationship.
- Business and Commission:
    a) A stock-broker shall not encourage sales or purchases of securities with the sole object of
    Generating brokerage or commission.
    b) A stock-broker shall not furnish false or misleading quotations or give any other false
    Or misleading advice or information to the clients with a view of inducing him to do business in particular securities grid enabling himself to earn brokerage or commission thereby.
- Business of Defaulting Clients: A stock-broker shall not deal or transact business knowingly, directly or indirectly or execute an order for a client who has failed to carry out his commitments in relation to securities with another stock-broker.
- Fairness to Clients: A stock-broker, when dealing with a client, shall Disclose whether he is acting as a principal or as an agent and shall ensure at the same time that no conflict of interest arises between him and the client. In the event of a conflict of interest, he shall inform the client accordingly and shall not seek to again a direct or indirect personal advantage from the Situation and shall not consider clients interest inferior to his own.
- Investment Advice: A stock-broker shall not make a recommendation to any client who might be expected to rely there on to acquire, dispose of, retain any securities unless he has reasonable grounds for believing that the recommendation is suitable for a client upon the basics of the facts, if disclosed by such a client as to his own security holdings, financial situation and objectives of such investment. The stock-broker should seek such information from clients, wherever he feels it is appropriate to do so.

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Investment Advice in publicly accessible media —

- A stock broker or any of his employees shall not render, directly or indirectly, any investment advice about any security in the publicly Accessible media, whether real - time or non real-time, unless a Disclosure of his interest including the interest of his dependent family Members and the employer including their long or short position in the Said security has been made, while rendering such advice.
- In case, an employee of the stock broker is rendering such advice, he shall also disclose the interest of his dependent family members and the employer including their long or short position in the said security, while rendering such advice.
- Competence of Stock Broker: A stock-broker should have adequately trained staff and arrangements to render fair, prompt and competent services to his clients.

STOCK-BROKERS VIS –A-VIS OTHER STOCK –BROKERS

Conduct of Dealings: A stock-broker shall co-operate with the other contracting party. In comparing unmatched transactions. A stock-broker shall not knowingly and. wit ally deliver documents which constitute bad delivery and shall co-op irate with other contracting party for prompt replacement of documents .Which are declared as bad delivary.

Protection of. Clients Interests: A stock-broker shall extend fullest co- operation to other stock-brokers in protecting the interests of his clients regarding. Their rights to dividends, bonus shares, right shares and any other right related to such securities.

Transactions with Stock-Brokers: A stock-broker shall carry out his transactions with other stock-brokers and shall comply with his obligations in completing the settlement of transactions with them.

Advertisement and Publicity: A stock-broker shall not advertise his business publicly unless permitted by the stock exchange.

Review the Policy

The policy may be reviewed as and when there is any charge introduced by any statutory authority or as and when it is found necessary to change on account needs or Risk Management Policy.

For Giriraj Stock Broking Private Limited

Vinay Jajodia

Vinay Jajodia
Compliance Officer