



**Policy Note on Maintaining & Operating Trading Account**

**By**

**Vinod Shares Limited Employees &**

**Their Dependent Relatives**

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## **1 INTRODUCTION**

### **1.1 BACKGROUND INFORMATION**

Vinod Shares Ltd provides facility to trade in Equity Market, Currency as well as Commodities Market. Many employees have opened their trading account with Vinod Shares Ltd. To ensure compliance with various Regulations/ Rules, there is a need to evolve guidelines for Vinod Shares employees to open and operate trading of self and dependant family members.

### **1.2 PURPOSE**

There was a need for a guideline for opening and operating account for Vinod Shares employees & their dependent relatives taking into account the following factors:

- To meet the Prohibition of Insider Trading guideline of SEBI Regulations and the Code of Conduct of the Company to ensure Regulatory Compliance.
- To restrict the employee from taking undue exposure so that the performance or official duties of the employee are not affected.
- To ensure the disclosure requirements of employee trading under the statutory provisions.

### **1.3 GUIDELINE OVERVIEW**

This policy is applicable to

- All employees of Vinod Shares Ltd
- All Sub –brokers, AP & their employees
- Dependent relatives as declared by the respective employees

## **GUIDELINE**

### **2.1 Disclosure Requirements**

- Employee needs to declare in the prescribed format the Trading account which s/he holds whether with Vinod Shares and/or other brokers. It is advised to submit copy of PAN card along-with declaration for signature authentication.
- Employee should also disclose in the prescribed format all the trading accounts in Vinod Shares which belong to his/her dependent relatives.
- The hard copy of the declaration should be sent to Compliance Department.
- A summary of trades done by employees in their account with outside broker should be disclosed to Compliance on monthly basis. However there is no need to send the trade details on Vinod Shares platform as the same will be taken by compliance from back office at their end.
- Prior intimation is to be given to compliance if any single order placed in CM segment worth of Rs.10 lacs or more however in F&O segment prior intimation need to be made if single order is worth of Rs.25 lacs or more.
- The declaration by employees in branches about their own accounts & their dependent relatives' accounts can be submitted with Local Compliance Officer of the branch who will send the details to HO Compliance team.

### **2.2 Opening & Operating Trading account guidelines by Employee & their dependent relatives:**

- Employees & their relatives are advised to trade only through ONLINE platform. However, under exigency condition/cases Employees can also place order through Branch or at HO.
- Adequate margin is to be maintained at all times for transactions.
- No dealer shall execute his/her trades or his/her dependent relative's trades through trading terminal allotted to him/her.
- Trading in shares of Vinod Shares should be undertaken strictly as per Insider Trading Policy for which timely communications are duly issued by the Compliance Officer of the Organization.
- Quarterly Ledger Balance shall be signed & submitted by the Employee & his/her dependent relatives.

### **2.3 Penalty for Violation**

- Non-disclosure of information will be treated as violation on the part of employee & will lead to appropriate penal action.
- Any Employee, who himself or through his/her dependent relatives' account trades in contravention of the defined guidelines will be liable for appropriate penal action which may include wage freeze/ suspension/ withholding of promotions/ termination from employment.

3. SUMMARY:

SUMMARY OF GUIDELINES	EMPLOYEE	RELATIVES
Trading Account	Should be through Online platform	
Declaration required from Employee	All trading accounts held by employee of Vinod Shares Ltd in Vinod Shares or with any other broker	All trading accounts of his /her dependent relatives with Vinod Shares
Trading Exposure	The exposure is allowed according to the standard margin norms. No exceptions allowed.	
ECN is mandatory for validation	YES	
QBC is mandatory on every quarter	YES	
Operation of Trading Account	Employee cannot operate his/her dependent's accounts nor his/her dependents can appoint IB employee as attorney to operate his/her account	