



# ASHIKA CREDIT CAPITAL LIMITED

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## ASHIKA's CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

### **Introduction:**

ACCL is committed to protect and enhance stakeholders' value by fulfilling their desired contractual obligations and conducting the affairs of the company in ethical and lawful manner. The senior management personnel and all its directors are committed to adopt the Code of Conduct and its lawful policies and procedures. They shall affirm compliance with the Code on Annual basis by fulfilling their duties and responsibilities and commitment towards the company in a well desired manner.

### **Basic Policies & Code:**

### **Functioning with responsibility and accountability:**

We work in an organized way and discharge our duties and responsibilities given whether individually or in a group. While discharging our functions we avoid such actions which are meaningless to the image of our company. The company encourages the spirit of productive debate and discussions among the directors & executives. This is in a spirit of co-operation, understanding and fellow feeling. Law is the pillar on which company's ethical standards are built.

### **Conflict of Interest :**

The Board Members and the Senior Management team do not engage in any activity or enter into any pecuniary relationship which might result in conflict of interest, either directly or indirectly. Further they do not derive any personal benefit by influencing any decision relating to any transaction or involve in any dealing with the company's promoters, its management or its subsidiaries, suppliers, shareholders and other stakeholders which, in the judgment of the Board, may affect the independence of judgment of the Director concerned.

### **Full and fair disclosure of accounting matters:**

In performing the duties and responsibilities, it is kept in mind that all companies' data's, records, reports; documents must be in full, fair, accurate and timely manner. All information transmitted to the company must be true and accurate, as the integrity of the company is based on accuracy and validity. The financial data's of the companies are according to the applicable Accounting Standards and policies & falsifications of records are always unacceptable to the company.

### **Company funds and property :**

We all are responsible and accountable for proper utilization of the funds of the company. It is our responsibility that we must see that the fund are not misutilised by any of the employees or directors of the company. We are personally responsible towards proper care and use of the property and other equipments of the company. It must not be utilized by for personal purpose by any one , nor sold out unless otherwise expressed or implied, given away or disposed of without proper authorization.

### **Record keeping :**

The company requires keeping correct, true and accurate records of all its accounting and other information. It is necessary that all its employees should report correct information to its senior executives and should not misguide them. All books, records and accounting of the company must reflect accurate and true position of the activities and status of the company, no misleading information should be there. As there are some of the documents which are

meant for public reading also, and if they are not accurate or are misleading then this will reflect the company's position in darkness. Records we always retained or destroyed according to the Company's record retention policies and applicable law. In accordance with those policies, in the event of threatened or actual claims, litigation or governmental investigation, please consult the Company's Legal Department regarding retention or destruction of any related materials.

#### **Confidential Information :**

All information developed within the Company with respect to its business is confidential and is not disclosed to any unauthorized person. Employees do not discuss confidential Company information outside the Company, even with their families. Such information is protected because unauthorized disclosure could destroy its value to the Company and give unfair advantage to others.

#### **Insider Trading :**

The Board Members and Senior Management Personnel shall comply with the Code of Internal Procedures for Regulating, Monitoring and Reporting of Trading and Conduct of Practice & procedure for Fair Disclosure of Unpublished Price Sensitive Information, in dealing with securities of the Company.

#### **Conduct of Business :**

The Board Members and the Senior Management team conduct the Company's business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders.

The Board Members and the Senior Management team are not involved in any activity that would have any adverse effect on the objectives of the company or against national interest. The corporate objectives pursued is to sustain the competitive edge of the company and not to indulge in any activity which is detrimental to the society at large.

#### **Competitive Practices :**

The company does not use unlawful, improper or illegal way of collecting competitive information owned by others. This is kept in mind by all employees that they should not disclose any information gathered from their past employment to their present employers. We seek to outperform our competitors fairly and honestly. Each employee endeavors to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and employees. No employee takes unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

#### **Gifts and Gratitude :**

The Board Members and the Senior Management team neither receives nor offers or make directly/indirectly any illegal payments, gifts, donations or any benefits which are intended to obtain business or unethical favours and except nominal gifts which are customary in nature or associated with festivals.

#### **Financial reporting and disclosures to the regulatory authorities, government agencies, etc. :**

The Board of Directors shall ensure that the financial statements and reporting, made on behalf of the Company, do not contain any untrue statement or omit any material fact or content that might be misleading and shall strive to present a true and fair view of the company's affairs in compliance with the prevailing Accounting Standards, applicable laws and re

#### **Outside Activities :**

All Board Members as well as the Senior Management team are free to pursue any kind of civil/political activities and can become Members or Office Bearers of any Trade Organization so long as it does not adversely affect or is detrimental to the business interests of the Company.

### **Declarations to the Board :**

A Board Member does not take membership of more than such number of committees or act as Chairman of more than such number of committees across all companies as is prescribed under applicable law or provisions of Listing Agreement with Stock Exchanges. Every Board Member informs the Board of all such membership at the beginning of each financial year and also of every change as and when they take place.

The Board Members and the Senior Management team informs their equity holding in the company and any changes that may take place and do not indulge in any trading of the securities of the company which would come within the purview of the Company's Insider Trading Regulations. In case of any agreement or contract which is or shall be entered into by and between two corporate entities, in which a Director is interested, the Director forthwith draws the attention of the Board about the fact and does not participate in the deliberations nor vote on the resolution relating to the same.

### **Protection and Proper Use of Company's Assets :**

The Directors and senior management of the company protects its assets and property. Company's assets are used only for legitimate business purposes and unauthorized use or distribution of it involves violation of Company's policy, which could also be illegal and result in civil or even criminal penalties.

### **Compensation and Disclosures :**

The fees and compensation payable to the Board Members (both executive and non executive) are fixed in accordance with the approvals as per the applicable provisions of law and the same are fully disclosed in the Annual Report.

### **Duties of Independent Directors :**

Pursuant to section 149(6) & (7) read with Companies (Appointment and Qualification of Directors) Rules 2014 along with Schedule IV for Code of Independent Directors and the recent amendments made by SEBI in clause 49 of Listing Agreement vide circular no CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 and circular no CIR/CFD/POLICY CELL/7/2014, dated 15th September 2014 , the Independent Directors shall adhere to the duties as follows -

- (1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) Strive to attend the general meetings of the company;
- (6) Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) Keep themselves well informed about the company and the external environment in which it operates;
- (8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

(10) Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(11) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

**Liability of independent director :**

An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing Agreement & Companies Act, 2013

**Annual Compliance Reporting :**

In terms of clause 49 of Listing Agreement, All board members and senior management personnel shall affirm the compliance of this code on an annual basis. The Annual Report of the company shall also contain a declaration to this effect duly signed by CEO of the company.

**Amendments & Modification to the Code:**

The provisions of this code can be modified /amended by the Board of Directors of the company from time to time and all such amendments / modifications shall take effect from the date stated therein.

**Placement of the Code on the website :**

This Code and any amendments thereto shall be hosted on the website ([www.ashikagroup.com](http://www.ashikagroup.com)) of the company.

The revised Code of Conduct has being adopted by the Board of Directors in its meeting held on 1<sup>st</sup> May 2015.

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