

ASHIKA CREDIT CAPITAL LIMITED

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

INTRODUCTION:

Securities and Exchange Board of India (SEBI) has vide the Securities & Exchange Board of India (Insider Trading) (Amendment) Regulations, 2002, amended the Securities & Exchange Board of India (Insider Trading) Regulations, 1992. These regulations shall now be called "Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992" (hereinafter referred to as "the Regulations") in terms of which the Company is required to frame a Code of Conduct for prevention of Insider Trading by employees of the Company, including the Directors, in relation to the securities of the Company

In line with the said Regulations, the following Code of Conduct for Prohibition of Insider Trading (hereinafter referred to as the 'Code') was adopted by the Board of Directors of the Company and thereafter modified from time to time.

DEFINITIONS: For the purpose of this Code.

- (a) **"Company"** means Ashika Credit Capital Ltd.
- (b) **"Code"** means this ACCL Code of Conduct for Prevention of Insider Trading, as modified from time to time.
- (c) **'Insider'** means any person who is or was connected with the company or is deemed to have been connected with the company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or who has received or has had access to such unpublished price sensitive information.
- (d) **"Securities"** shall mean and include Equity Shares and such other instruments as may declared to be such by the company from time to time.
- (e) **"Promoter and Promoter Group"** shall have the same meaning as defined in Securities and Exchange Board of India (SAST) Regulation, 2011
- (f) **'Designated Employee' means :-**
 - All Directors whether Executive, Non- Executive or Independent;
 - Every Key Managerial Personnel like Chief Executive Officer (CEO), Chief Financial Officer (CFO) Company Secretary, Compliance Officer etc;
 - All concerned persons including Statutory Auditor, Internal Auditor and Secretarial Auditors of the Company;
 - Officers comprising the top three tiers of the company management
 - Such other employee as may be determined by company from time to time.
- (g) **"Dealing in Securities"** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or otherwise deal in securities either as principal or agent.
- (h) **Connected Persons'** means any person who
 1. Is a director of the company; or
 2. An officer or employee of the company; or
 3. Has a professional or business relationship with the company

- (i) **'Dependent Family Members'** shall mean the designated employee's dependant spouse, dependent parents and dependent children
- (g) **'Deemed Connected Persons'** means and includes:
- 1) Any group company, company under the same management or subsidiary /Associate of the Company;
 - 2) Bankers of the Company;
 - 3) Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker, Portfolio Manager, Investment Advisor, Sub-broker Investment Company or an employee thereof, or, is a member of the 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 who has a fiduciary relationship with the company;
 - 4) Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company;
 - 5) Any person who was a connected person, whether temporary or permanent six months prior to an act of insider training;
 - 6) Investment Company, Trustee Company, Asset Management Company or a designated employee or director thereof or an official of a stock exchange or of clearing house or corporation.
 - 7) A member of the Board of Directors, or an employee of a public financial institution as defined in section 4A of the Companies Act, 1956
 - 8) Relatives of the connected person
 - 9) A concern, firm, trust, HUF, Company or association of persons wherein any of the connected persons have more than 10% of the holding or interest.

COMPLIANCE OFFICER:

The Company Secretary or such other officer of the Company as may be designated by the Board of Directors as such shall be the Compliance Officer ("the Compliance Officer") for the purposes of the Regulations. The Compliance Officer shall report to the Managing Director / Chief Executive Officer.

- ❖ The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing; of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the listed company.
- ❖ The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
- ❖ The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct

TRADING WINDOW:

Trading Window means trading period for trading in company's securities. All days shall be the trading period except when trading window is closed. When the trading window is closed, all directors / designated employees and their dependent shall not buy/sell in the company's securities during the closure of "Trading Window" in such period. The trading window shall be closed during the following period:

- (a) 10 days prior to Board Meeting for declaration of quarterly, half- yearly and annual financial results till twenty-four hours after the announcement of the financial results for the relevant period to the Stock Exchanges.
- (b) From the date of circulation of the agenda of the meeting of the Board of Directors , in which any material, price sensitive and unpublished event, including the following are proposed :
- ❖ Issue of Securities
 - ❖ Dividends
 - ❖ Buyback and splitting of Securities
 - ❖ Significant expansion plans or execution of new projects,
 - ❖ Acquisition, Amalgamation, Mergers, Takeovers etc,
 - ❖ Disposal of whole or substantially whole of the undertaking, and
 - ❖ Significant changes in policies, plans or operation of the Company.

However, if the circumstances so allows the time for closing the window may be increased or decreased with the approval of Directors, Chairman or Managing Director.

The trading window shall open 24 hours after close of board meeting at which decisions in respect of the above events are taken or after the information in respect of the above events is made public, whichever is later.

Designated Employee shall conduct all their dealing in the Securities of the Company in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company securities during the period when the trading window is closed or during any other period as may be specified by the company from time to time.

PRESERVATION OF PRICE SENSITIVE INFORMATION (PSI):

Designated Employee shall maintain strictly confidential all PSI in or coming in their possession or control. To this end, no designated employee shall:

- ❖ pass on PSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities, or
- ❖ disclose PSI to family members, business acquaintances, friends or any other individual, or
- ❖ discuss PSI in public places where others might overhear, or
- ❖ disclose PSI to any Employee who does not need to know the information to do his or her job, or
- ❖ recommend to anyone that they buy or sell the Company Securities while being in possession, control or knowledge of PSI, or
- ❖ give others the perception that he/ she is trading on the basis of unpublished PSI.

NEED TO KNOW:

PSI is to be handled on a “need to know” basis, i.e., PSI should be disclosed only to those within the Company who need the same to discharge their duty and whose possession of PSI will not give rise to a conflict of interest or appearance of misuse of the information. All non-public information directly received by any Employee should immediately be reported to the head of the department & subsequently to Compliance Officer

LIMITED ACCESS TO CONFIDENTIAL INFORMATION:

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc. without prejudice to the above.

PRE-CLEARANCE OF TRADES:

- (a) All Directors/ officers/ designated employees of the company and their dependants who intend to deal in the securities of the company above a minimum of 100000 (either in one transaction or in a series of transactions) should pre-clear the transactions as per the pre-dealing procedure as described hereunder.
- (b) An application shall be made to the compliance officer indicating the estimated number of securities that the designated employee/ officer/ director intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- (c) An Undertaking shall be executed in favor of the Company by such Designated employee/ Director/ Officer incorporating, *inter alia* the following clauses, as may be applicable :
 - ❖ That the designated employee/director/officer does not have access or has not received "Price Sensitive Information" up to the time of signing the Undertaking.
 - ❖ That in case, the designated employee/director/officer/dependant family member has access to or receives "Price Sensitive Information" after the signing of this undertaking but before execution of the transaction, he/she shall inform the Compliance Officer of the change in position and that he/she shall completely refrain from dealing in the securities of the company till the time such information is made public.
 - ❖ That he/she has not contravened the Company's Code of Conduct for Prevention of Insider Trading as notified by the company from time to time.
 - ❖ That he/she has made full and true disclosure in the matter-

OTHER RESTRICTIONS:

- (a) All directors/officers/designated employees and their dependants shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the employee/director must pre-clear the transaction again.
- (b) All directors/officers/designated employees shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period shall also apply to subscription in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.
- (c) All directors/officers/designated employees who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction.
- (d) In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard.

REPORTING REQUIREMENTS BY ALL DESIGNATED EMPLOYEE:

Designated employees shall make the following disclosures of shares and other securities held in the company by them and their dependant family members, to the Compliance Officer:

- a) Disclosure shall be made by Designated Employees of the number of shares and other securities held, and position taken in derivatives by Designated Employees and his dependents in **Form B**. This disclosure shall be made within 2 working days of becoming a Designated Employee.
- b) Disclosure shall be made of the number of shares and other securities held, upon becoming a Promoter or person belonging to Promoter group, at any point of time in **Form B**. This disclosure shall be made within 2 working days of becoming a Promoter or part of Promoter group.
- c) Annual disclosure of number of shares and other securities held as on 31st March, including details of purchase / sale of shares, positions taken in derivatives and other securities during the financial year including statement of dependent family members shall be made by the Designated Employees. This disclosure shall be made within 30 days from the close of each financial year.
- d) Disclosures shall also be made by Designated Employees holding more than 5% shares to the Company in **Form C** of the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made and such change exceeds 2% of the total shareholding or voting rights in the Company.
- e) Disclosures shall also be made by Designated Employees to the Company and to the Stock Exchanges where the securities of the Company are listed about the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such shareholding of such Designated Employees and their dependents and the change exceeds Rs.5 lakhs in value or 25,000 Equity shares or 1% of total shareholding or voting rights, whichever is lower. This disclosure shall be made within 2 working days in **Form D**.
- f) Disclosures shall also be made by any person who is a Promoter or part of Promoter group to the Company and to the Stock Exchanges where the securities of the Company are listed about the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such shareholding of such persons and the change exceeds Rs. 5 lakhs in value or 25,000 Equity shares or 1% of total shareholding or voting rights, whichever is lower. This disclosure shall be made within 2 working days in **Form D**.

RECORDS:

The Compliance Officers shall maintain records of all the above declarations in the appropriate form for a minimum period of three years from the date of filing thereof.

The Compliance Officers shall place before the Chairman & Managing Director, on a monthly basis, all the details of the dealings in the Securities of the Company done by Directors, Officers and Designated Employee of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged above.

PENALTY FOR CONTRAVENTION:

Violations of this code will invite severe appropriate disciplinary action by the company. Such Disciplinary action will be irrespective of action that may be taken by SEBI under the Regulations.

ENQUIRIES:

For any questions regarding whether they have PSI, the Directors, Officers, and Designated Employee may also contact the Compliance Officer of the Company.