

**ASHOKA BUILDCON LIMITED**  
**S. No. 861, ASHOKA HOUSE, ASHOKA MARG, VADALA, NASIK – 422 011**

**CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

This Code is framed under the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

This Code is adopted by the Board of Directors at its meeting held on March 15, 2019 in line with the aforesaid Regulations and is effective From April 01, 2019.

**1. Definitions**

- 1.1. "Act"** means the Securities and Exchange Board of India Act, 1992.
- 1.2. "Board"** means the Board of Directors of the Company.
- 1.3. "Code" or "Code of Conduct"** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Ashoka Buildcon Limited as amended from time to time.
- 1.4. "Company"** means Ashoka Buildcon Limited and its subsidiaries, as the case may be.
- 1.5. "Compliance Officer"** means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Managing Director and if so required, Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
- 1.6. "Connected Person" means**
- (i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
  - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established;

- (a) an immediate relative of connected persons specified in clause (i); or
- (b) a holding company or associate company or subsidiary company; or
- (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- (d) an investment company, trustee company, asset management company or an employee or director thereof; or
- (e) an official of a stock exchange or of clearing house or corporation; or
- (f) a member of 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; or
- (g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- (i) a banker of the company; or
- (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;

- 1.7. "Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- 1.8. "Designated Person(s)"** shall include employees as stated in Annexure A.
- 1.9. "Director"** means a member of the Board of Directors of the Company.
- 1.10. "Employee"** means every employee of the Company including the Directors in the employment of the Company.
- 1.11. "Key Managerial Person"** means person as defined in Section 2(51) of the Companies Act, 2013
- 1.12. "generally available information"** means information that is accessible to the public on a non-discriminatory basis;
- 1.13. "insider"** means any person who is:
- i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
- 1.14. "immediate relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

- 1.15. **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 1.16. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 1.17. **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.18. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly. As per explanation given by the Act, this definition is an inclusive definition and may include pledge, derivatives on the Securities of the Company as the case may be.
- 1.19. **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- 1.20. **"Unpublished Price Sensitive Information"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- a) financial results;
  - b) dividends;
  - c) change in capital structure;
  - d) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - e) changes in key managerial personnel; and
  - f) material events in accordance with the listing agreement.
- 1.21. **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 1.22. **"Specified Persons"** means the Directors, connected persons, deemed connected persons, the insiders, the Designated Person and the promoters and immediate relatives are collectively referred to as Specified Persons.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

## **2.0. Compliance Officer**

- 2.1.** The compliance officer means Company Secretary or such other Senior Officer appointed by the Company who is mainly responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", implementation of this Code within the Company under the overall supervision of the Board of Directors of the Company, pre-clearing of trades by designated employees and their dependents (directly or through respective department heads), monitoring of trades by Designated Employees and dissemination of information to the Stock Exchange/(s).

The Compliance Officer shall report to the Board of Directors and in particular to the Chairman of the Audit Committee on quarterly basis.

- 2.2.** The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
- 2.3.** The compliance officer shall assist all the employees in addressing queries or any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

## **3.0. Preservation of "Price Sensitive Information"**

- 3.1.** All the Employees/directors shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities. No unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations."

- 3.2.** The board of directors of the Company shall make a policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct"

## **3.3. Need to know**

UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company; or not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company and the information that

constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of UPSI.

All unpublished Price Sensitive Information should be handled on a “**need to know**” basis, *i.e.*, Price Sensitive Information should be disclosed only to those within the company 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.

All non-public information directly received by any employee should immediately be reported to the head of the department.

#### **3.4. Limited access to confidential information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

- 3.5.** The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.”

#### **4.0. Prevention of misuse of “Unpublished Price Sensitive Information”**

- 4.1. All Directors and designated employees of the Company shall be subject to trading restrictions as enumerated below:

#### **4.2. Trading window**

- 4.2-1** The company shall specify a trading period, to be called “trading window”, for trading in the company’s securities. The trading window shall be, inter alia, closed from the end of every quarter till 48 hours after the declaration of financial results.

The trading window shall be closed during the time the information referred to in para 4.2-3 is unpublished.

**4.2-2** When the trading window is closed, the designated employees shall not trade in the company's securities during such period.

**4.2-3** Unless otherwise specified by the Compliance Officer, the Trading Window shall be, inter alia, closed for the following purposes:

- (a) Declaration of financial results (quarterly, half-yearly and annually);
- (b) Declaration of dividends (interim and final);
- (c) Issue of securities by way of public/rights/bonus etc.;
- (d) Any major expansion plans or execution of new projects;
- (e) Amalgamation, mergers, takeovers and buy-back;
- (f) Disposal of whole or substantially whole of the Company's undertaking;
- (g) Any changes in policies, plans or operations of the company;
- (h) Winning of any new Project or the Company being declared as the successful bidder in any project;
- (i) Changes in Key Managerial Personnel;
- (j) Any material events in accordance with the listing agreement.

The Compliance Officer shall intimate the closure of trading window to all the Specified Persons of the Company when he determines that a Specified person or class of specified persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

**4.2-4.** The trading window shall be opened for trading forty-eight (48) hours after the information referred to in para 4.2-3 is made public.

**4.2-5.** All directors/designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred to in para 4.2-3 or during any other period as may be specified by the Company from time to time. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

**4.2-6** In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

## **5.0 Prohibition to Buy/Sell securities of the Company based on Unpublished Price Sensitive Information**

All Directors/Designated Employees, while in possession of any Unpublished Price Sensitive Information pertaining to the Company, shall not:

- Buy/ Sell securities of the Company, either on their own behalf or on behalf of any other person
- Communicate or counsel or procure any Unpublished Price Sensitive Information to/from any person.

## **6. Pre-clearance of trades**

**6.1** All directors/designated employees of the company and their dependents, who intend to deal in the securities of the company when the trading window is opened and above the threshold limit of the value of **Rs.5 Lakh** should pre-clear the transaction as per the pre-dealing procedure as described hereunder.

**6.2** An application may be made in the prescribed form (Annexure B) in this regard, to the Compliance Officer indicating the estimated number of securities that the designated employee/director and their dependents intend to deal in, the details as to the depository with which he has a security account, the details 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.

**6.3** An undertaking shall be executed in favour of the company by such designated employee/director and their dependents, incorporating, *inter alia*, the following clauses, as may be applicable :

- (a) That the employee/director and their dependents do not have any access or has not received "unpublished Price Sensitive Information" up to the time of signing the Undertaking.
- (b) That in case the designated employee/director and their dependents have access to or receive "unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.
- (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- (d) That he/she has made a full and true disclosure in the matter.

## **7.0 Other restrictions**

**7.1** All directors/designated employees shall execute their order in respect of securities of the company within Seven (7) trading days of the approval of pre-clearance is given. In case the transaction is not undertaken, a report to that effect shall be filed. If the order is not executed within that period, the employee/director must also pre-clear the transaction again.

**7.2** All Directors / 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. All directors/

designated employees shall also not take positions in derivatives transactions in the shares of the Company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of **30 days**. The holding period would commence when the securities are actually allotted.

**7.3** 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. However, no such sale will be permitted when the Trading window is closed.

## **8. Disclosure Requirements**

**8.1** Every promoter/ Key Managerial Personnel / Director / Officers / Designated Employees of the Company shall be required to forward following detail of their holdings in securities of the Company presently held by them including the statement of holdings of dependent family members , to the Compliance Officer, as per format prescribed in the Regulations.

(a) Number of shares or voting rights held and positions taken in derivatives by such persons and his dependents, within 2 trading days of becoming Director/ Officer of the Company in Form I.

(b) Any change in shareholding, if such change exceeds Rs.10,00,000 in value, (including off-market trades) in one transaction or series of transactions over any calendar quarter, within 2 trading days of the change in the prescribed format.

(c) Annual statement of all holdings in securities as at March 31 every year in the prescribed format.

(d) Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

**8.2** The Compliance Officer shall maintain records of all statements/declarations in the appropriate form given by Directors / Designated employees for a minimum period of 5 years.

**8.3** The Compliance Officer shall place before the Managing Director or a Committee, if any, appointed by the Company, on a monthly basis all details of dealing in securities by Directors/ Designated employees of the Company and the accompanying documents that such persons have executed under the pre-dealing procedure as envisaged in this Code.



## **Annual Disclosure**

**8.4** Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes:

- a) immediate relatives;
- b) persons with whom such designated person(s) shares a material financial relationship;
- c) Phone, mobile and cell numbers which are used by them;

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

## **9. Dissemination of Price Sensitive Information**

**9.1** No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

**9.2** Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

## **10. Institutional Mechanism for Prevention of Insider trading.**

**10.1.** The Chief Executive Officer, Managing Director or such other analogous person of the Company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

- 10.2.** The internal controls shall include the following:
- a) all employees who have access to unpublished price sensitive information are identified as designated employee;
  - b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
  - c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
  - d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
  - e) all other relevant requirements specified under these regulations shall be complied with;
  - f) periodic process review to evaluate effectiveness of such internal controls.
- 10.3.** The board of directors of the Company and the board of directors or head(s) of the organisation of intermediaries and fiduciaries shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with regulation 9 and sub-regulations (1) and (2) of this regulation.
- 10.4.** The Audit Committee of the Company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- 10.5.** The Company has formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.
- 10.6.** If an inquiry has been initiated by the Company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry conducted by the Company."

Professional Firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company shall be collectively referred to as fiduciaries for the purpose of these regulations.

## **11. Trading Plan**

- 11.1** An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

11.2. Trading Plan shall:

- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- iii. entail trading for a period of not less than twelve months;
- iv. not entail overlap of any period for which another trading plan is already in existence;
- v. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- vi. not entail trading in securities for market abuse.

**11.3** The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith in consultation with the Managing Director. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

**Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.**

**11.4** The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such UPSI becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

**11.5** Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

**12.0 Penalty for contravention of code of conduct**

**12.1** Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

- 12.2** Any designated employee/director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalised and appropriate action may be taken by the company.
- 12.3** Designated employees/directors of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligible for future participation in employee stock option plans, etc.
- 12.4** The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 12.5 Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.**

In case it is observed by the company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be informed by the company.

## **Annexure A**

### **List of Designated Person(s):**

- a. Directors & Key Managerial Personnel of Company;
- b. Directors & Key Managerial Personnel of Project SPVs and Subsidiaries;
- c. Employees of Company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;
- d. Employees of the Project SPVs designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
- e. Chief Executive Officer and employees up to two levels below Chief Executive Officer of Company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the Company or ability to have access to unpublished price sensitive information;
- f. Any support staff of the Company, intermediary or fiduciary such as Accounts staff, secretarial staff or finance staff who has access to unpublished price sensitive information.

## **ANNEXURE – B – Pre-clearance Letter format**

To  
The Compliance Officer  
Ashoka Buildcon Limited  
Nashik – 422 011

Date :

### **Sub: Pre-Clearance of Trade**

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I, the undersigned, designated employee, hereby intend to purchase / sale \_\_\_\_\_ equity shares of Ashoka Buildcon Limited through Stock Exchanges during the period from \_\_\_\_\_ to \_\_\_\_\_.

I further undertake that:

(a) I do not have any access or has not received "Price Sensitive Information" up to the time of signing the Undertaking.

(b) In case I have access to or receive any "Price Sensitive Information" after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the company till the time such information becomes public.

(c) I have not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.

(d) I have made a full and true disclosure in the matter.

I hereby request you to pre-clear the trade. I shall execute the transaction within one week after the approval of the pre-clearance is received and will intimate about the trade within two trading days of execution of the said trade.

Thanking you,

Regards,

**(Name)**  
**Designation of the Designated Employee**