

ABANS FINANCE PRIVATE LIMITED

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY
INSIDERS**

**[Under Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of
Insider Trading) Regulations, 2015]**

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Adoption	Board of Directors	February 2020

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I. PREFACE

The Securities and Exchange Board of India (SEBI) in its attempt to protect the interests of stakeholders in general and to regulate the securities market, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations') including any amendments thereto, in exercise of the powers conferred on it under the SEBI Act, 1992.

Abans Finance Private Limited (the 'Company') having its Non-Convertible Debentures Listed on BSE Limited, recognizes its role as a corporate citizen and endeavors to adopt practices and standards of corporate governance through transparency in business ethics, accountability to its customers, government and various stakeholders at all times. In line with this belief, the Board of Directors of the Company has adopted the 'Code of conduct to regulate, monitor and report trading by insiders' ('Code') and has been framed in accordance with PIT Regulations, including any amendments thereto.

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

II. OBJECTIVE OF THE CODE

The Code is laid down in due compliance of Regulation 9 of Chapter IV read with Schedule B of PIT Regulations including any amendments thereto and lays down the practices to be followed by the persons to whom the code is applicable to promote ethical behavior and ensure transparency and accountability by persons dealing with UPSI.

III. APPLICABILITY

This Code shall be applicable to all Designated Persons and their immediate relatives thereof as identified by the Board of Directors in consultation with the Compliance Officer.

IV. DEFINITIONS

In this Code unless the context otherwise requires;

'Act' means Securities and Exchange Board of India Act, 1992;

'**Audit Committee**' means Audit Committee constituted pursuant to Non-Banking Financial Company - Systematically Important - Non-Deposit taking Company (Reserve Bank) Directions, 2016 (Master Directions) issued by Reserve Bank of India read with Section 177 of the Companies Act, 2013.

'**Board**' means the Board of Directors of the Company;

'**Company**' means Abans Finance Private Limited;

'**Compliance Officer**' means the Company Secretary of the Company or in his absence such other senior officer, designated and reporting to the Board of Directors, who is financially literate

and is capable of appreciating requirements for legal and regulatory compliance under these Regulations 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.

‘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 recognised 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 percent of the holding or interest;

‘Contra Trade’ means a trade or transaction which involves buying or selling any number of Securities of the Company and within 6 months of trading or transacting in an opposite transaction involving such sell or buy following the prior transaction.

‘Designated Person’ the Board of Directors in consultation with the Compliance Officer shall specify Persons, from time to time, to be covered by the Code on the basis of their role and function in the organisation and the access that such role and function would provide to UPSI and shall include the following class of persons:

- (a) the promoters of the Company and all persons falling within the meaning of Promoter Group as defined in Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 or any modification thereof;
- (b) all members of the Board of Directors and Key Managerial Personnel of the Company and its subsidiaries;
- (c) employees up to two levels below the Chief Executive Officer of the Company and its material subsidiary;
- (d) Senior Management includes Chief Officers;
- (e) every employee in the Finance, Accounts, Information Technology, Tax and Secretarial and Compliance department of the Company and its subsidiaries, who may have access to UPSI and as identified by the Compliance Officer in consultation with the Heads of respective departments;
- (f) Any other category of persons, as required to be identified as such under the applicable laws or otherwise identified by the Compliance Officer.

‘Financially Literate’ means a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account and statement of cash flows.

‘Generally available information’ means information that is accessible to the public on a non-discriminatory basis;

‘Immediate relative’ or **‘Dependent’** 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;

Note: It is hereby clarified that “spouse” of a person will be considered immediate relative irrespective of whether he/she is financially dependent or consults such person in taking decisions relating to trading in securities.

‘Insider’ means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

‘Key Managerial Personnel’ means person as defined in Section 2(51) of the Companies Act 2013 and rules made thereunder;

‘Legitimate Purpose’ shall include sharing of UPSI in the ordinary course of business by an insider with statutory/regulatory authorities, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of this code of conduct.

‘Promoter’ and **‘Promoter Group’** shall have the same meaning as assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modifications thereof;

‘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;

‘Trading’ means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities of the Company, and ‘trade’ shall be construed accordingly;

‘Trading day’ means a day on which the recognized stock exchanges are open for trading;

‘Trading Window’ means a trading period for trading in the Securities of the Company as informed by the Company from time to time and informed by the Compliance Officer

the period during which trading may be carried out in Company’s securities by Designated Persons.

‘Trading Plan’ means a plan for dealing in securities of the Company for a period not less than 12 months by the persons who may be perpetually in possession of unpublished price sensitive information

‘Unpublished Price Sensitive Information’(‘UPSI’) 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) Consolidated or standalone quarterly/half yearly/annual audited or un-audited financial results;
- b) Dividends (both interim and final);
- c) Change in capital structure;
- d) Mergers, de-mergers, acquisitions, delisting’s, disposals and expansion of business and such other transactions;
- e) Changes in key managerial personnel;
- f) Any such other information which may materially affect the price of securities

Words and expressions used and not defined in this Code but defined in the PIT Regulations, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder, each as amended from time to time shall have the meanings respectively assigned to them in those legislation.

V. ROLE OF COMPLIANCE OFFICER

The Compliance Officer shall:

1. be entrusted with the responsibility of setting forth policies and procedures to regulate, monitor and report trading by insiders and implementation of Code of Conduct under the overall supervision of the Board of Directors of the Company;
2. report directly to the Board of Directors. In addition, the Compliance Officer shall provide report on compliance of this code to the Chairman of the Audit Committee at least once during a year;
3. regulate and monitor the Trading Window for dealing in Securities of the Company and inform the closure / re-opening of the same to all the concerned;

4. informing any instance of violation of the Code to the Company;
5. obtain requisite declarations from the Designated Persons as and when they have been identified and whenever there is a change in the declaration provided as prescribed by the Code and SEBI PIT Regulation;
6. maintain a list of all designated persons and other persons with whom UPSI is shared and ensure that requisite agreements are signed and other such records as may be required for compliance of the said Code;
7. assist the Designated Persons in addressing any clarification and/or issues relating or arising out of the SEBI PIT Regulations and the Code;
8. make necessary intimations to the Stock Exchange where the concerned securities are traded, in such form and manner as may be specified by SEBI from time to time.

VI. TRADE IN SECURITIES WHEN IN POSSESSION OF UPSI

No Designated Person and Insiders shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information unless such trades were according to the trading plan or otherwise permitted under the Regulations.

When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Provided, that the Insider may prove his innocence by demonstrating the circumstances including the following: –

- i. the transaction is an off-market *inter-se* transfer between Insiders who were in possession of the same unpublished price sensitive information without being in breach of Regulation 3 of the PIT Regulations and both parties had made a conscious and informed trade decision;

Provided that such off-market trade shall be reported by the concerned Designated Person to the Company within 02 working days. The Compliance Officer shall notify the particulars of such trade(s) to the Stock Exchanges, on which Securities are listed, within 02 working days from receipt of such disclosure or from becoming aware of such information.

- ii. the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of Regulation 3 and both parties had made a conscious and informed trade decision
- iii. the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona-fide transaction.
- iv. the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable Regulations.
- v. in the case of non-individual Insiders: –

- a. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
 - b. appropriate and adequate arrangements were in place to ensure that the provisions of the Regulations and this Code of Conduct were not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- vi. the trades were pursuant to a pre-approved trading plan set up and submitted to the Company.
- vii. In cases of trades by Connected Person, the onus of establishing that they were not in possession of UPSI shall be on such Connected Person and in any other case the onus would be on SEBI

VII. MEASURE TO PREVENT MISUSE OF UPSI

A. Trading plan

A Designated person or insider shall be entitled to formulate a trading plan in compliance to the Code and the PIT Regulations 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.

Such trading plan shall:–

- a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- b. 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;
- c. entail trading for a period of not less than twelve months;
- d. not entail overlap of any period for which another trading plan is already in existence;
- e. 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
- f. not entail trading in securities for market abuse.

The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the PIT Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

The Compliance Officer shall within 15 days of the receipt of trading plan, on the basis of assessment, approve or dis-approve any trading plan so submitted. In case of dis-approval the Compliance Officer shall record the reasons for the same.

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.

The implementation of the trading plan shall be deferred if any UPSI in possession at the time of formulation of the plan has not become generally available at the time of commencement of implementation of such plan.

Trading on the basis of Trading Plan shall not lead to market abuse. If any manipulative activity is detected, it would open to initiate proceedings breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

The Compliance Officer shall notify the particulars of the approved trading plan to the stock exchange(s) where its securities are listed.

No Pre-clearance would be required for dealing in the securities of the Company once the Trading Plan gets approved. Trading Window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.

B. Trading Window

1. Designated Persons and their Immediate Relatives are not allowed to trade in the securities of the Company during the period(s) when the Trading Window is closed.
2. The Trading Window shall remain closed from the end of every quarter till 48 hours after the declaration of financial results.
3. In addition to the above, the Trading Window shall also remain closed during such times as the Compliance Officer deems fit, till 48 hours after the information becomes generally available.
4. The Compliance Officer shall take all reasonable steps to inform the Designated Persons about the date of closing and re-opening of the Trading Window.
5. The trading window restrictions shall not apply in respect of transactions:
 - (a) specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of the Insider Trading Regulations and in respect of a pledge of shares for a bona fide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the respective regulations made by SEBI;
 - (b) which are undertaken in accordance with respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time

C. Pre – clearance of trades

1. Designated Persons who intends to deal, in the securities of the Company and where any such dealing in securities is for an amount exceeding Rs. 10,00,000/- (Rupees Ten Lakhs Only) shall be subject to pre-clearance by the Compliance Officer as per the procedure described hereunder.
2. The application for pre-clearance shall be made by the concerned Designated Person to the Compliance Officer, in the form and manner as prescribed. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant is not in possession of any unpublished price sensitive information. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate
3. The Compliance Officer may accord his approval/dis-approval to any of the pre- clearance requests. In case of dis-approval the Compliance officer shall record the reasons for the same.
4. The restrictions contained in this clause shall also apply to Immediate Relatives in respect of which the concerned Designated Person shall be responsible for the compliance under this policy.
5. Any pre cleared trade not executed within 7 trading days of its pre clearance will require fresh pre-clearance.
6. The concerned persons shall disclose to the Company in the prescribed Form the number of securities acquired or disposed of for which pre-clearances is obtained within two trading days of such transaction.

D. RESTRICTION ON CONTRA-TRADES

Any Designated person who is permitted to trade shall not execute a Contra Trade within six months. In case any Contra Trade is executed, inadvertently or otherwise, in violation of the restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act. This shall not be applicable for trades done in pursuance of a valid and approved trading plan and trades done pursuant to exercise of employee stock options.

In case trading in securities is necessitated by personal emergency, the holding period of six months as specified above may be waived by the Compliance Officer after recording in writing his/her reasons in this regard, provided the same does not violate the regulations.

VIII. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

a. Initial Disclosures

- i. Every person on appointment as a Key Managerial Personnel or a Director of the company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within 7 days of such appointment or becoming a promoter.

b. Continual Disclosure

- i. Every promoter, member of the promoter group, Designated Person and Director of every company shall disclose to the company the number of such securities acquired or disposed of within 2 trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten Lakh Only) in the form and manner as may be prescribed by the Company;
- ii. Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within 2 trading days of receipt of the disclosure or from becoming aware of such information.

c. Disclosures by other connected persons

The Company may, at its discretion, require any other Connected Person(s) to make disclosure of holdings and trading in securities of the Company in the prescribed form (Form D) and at such frequency as may be determined by the Compliance Officer.

d. Preservation of Disclosures

The Compliance officer shall maintain records of all the declarations in the appropriate form given by Designated Persons for a minimum period of five years.

IX. PENALTY FOR CONTRAVENTION

- i. Any contravention of these Regulations shall be dealt with by SEBI in accordance with the SEBI Act, and rules made thereunder.
- ii. Designated Persons who violate the Code may also be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery, claw back, ineligibility for future participation in employee stock option plans, etc. Any amount collected under this shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- iii. The action by Company shall not preclude SEBI from taking any action in case of violation of Regulations.

X. AMENDMENT

The Board of Directors of the Company reserves the power to review and amend this Policy from time to time, subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under

this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.