

FAQs on Insider Trading Code

(1) What is Trading?

Trading as per the Insider Trading Code includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in the equity shares of the Company.

(2) What is Insider Trading?

Insider trading means trading in the equity shares of the Company by an insider while in possession of an Unpublished Price Sensitive Information (“UPSI”).

(3) Who are all Designated Persons for a Company?

Designated Person(s) includes the promoters; directors; key managerial personnel; auditors; all employees and support staff of the Accounts, Finance, Legal, Internal audit, Information technology and Secretarial Department; Key Managerial Personnel of the material subsidiary of the Company; Secretaries/Executive Assistants reporting to the Directors and the Key Managerial Personnel; all Departmental Heads of the Company; Employees upto two levels below the Board of Directors of the Company; and such other persons as may be identified by the Compliance Officer.

(4) Who is an Insider of the Company?

Insider means any person who is a Designated person and their immediate relatives or a Connected Person or who is in possession of or having access to UPSI.

(5) I am a Designated Person. Can I trade in the securities of the Company?

Designated Persons can trade (buy/sell) in the equity shares of the Company when the trading window is open. They can trade in the equity shares of the Company without obtaining pre-clearance from the Company Secretary, if the aggregate value of trades (buy/sell) in the equity shares of the Company, whether in one transaction or a series of transactions over any calendar quarter, does not exceed Rs.10 lakhs.

If the aggregate traded value is likely to/exceeds more than Rs.10 Lakhs, the designated person should obtain pre-clearance from the Company Secretary and then trade in the shares of the Company. If the value of the trade exceeds Rs.10 Lakhs, the concerned employee shall submit a declaration in Form I (*refer annexure to the insider trading code*).

(6) When a Designated person cannot trade?

When the trading window is closed, a Designated person cannot trade in the shares of the Company. Generally the trading window is closed on a quarterly basis, when the board meets to consider and approve the quarterly financial results. The window will be closed from end of each quarter till 48 hours after the declaration of the financial results.

In other cases, the Trading Window closure period will be notified by the Company Secretary and the Compliance Officer from time to time, as and when required.

(7) Can I keep on buying and selling securities of the Company frequently during period when Trading Window is not closed?

Contra Trade (opposite trade: i.e., if you buy, then you cannot sell) for six months is not permitted for Designated Persons. Therefore, if any Designated Person enters into buy trade, then he/ she is not permitted to enter into sell trade for a period of six months from the date buy trade is executed and vice versa.

For eg: if a designated person has purchased 100 shares on 1st September 2019 and then again purchased 400 shares on 15th September 2019, then he can sell the shares only after 15th March 2020 (provided the trading window is not closed in and around 15th March 2020). vice versa for sale of the shares of the Company.

(8) Can I trade through my relative in the securities of the Company?

Insider trading code covers all insiders and their immediate relatives which shall include spouse, parent, siblings and children of a person, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities. Hence trading through relatives is restricted during window closure period. When the trading window is open, the immediate relatives can trade.

(9) What is unpublished price sensitive information?

“Unpublished Price Sensitive Information” or “UPSI” means any information, relating to the 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 include but not restricted to, information relating to the following: -

- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- (v) Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- (vi) Changes in Key Managerial Personnel.

(10) Inadvertently I enter any trade which is in violation of the Code of Conduct. What immediate action should I take?

Upon knowledge of any trade in the shares of the Company which is in violation of Code of Conduct; the Designated person or employee should, without any delay, inform the Company Secretary of the Company. The Company Secretary will keep the Audit Committee/Board informed of the same and act as per the Code. Any violations of the Code will be reported to the Securities and Exchange Board of India.

(11) What Pre-cautions shall I take while in possession of any UPSI?

You, as a Designated Person, shall not: (i) Communicate any UPSI of the Company except in furtherance of legitimate purpose of performance of your duties and legal obligations. (ii) Trade in the securities of the Company while in possession of any UPSI.

(12) Is there any penalty for violating the Code of Conduct?

The Code of Conduct in case of violation, as per the SEBI Regulations, prescribes the disciplinary actions which includes warning, fine, wage freeze, suspension, forfeiture of existing stock options grant, restriction to trade in the securities of the Company for a specified period, etc. *Refer Annexure IV of the code.*

The Code of Conduct to regulate, monitor and report trading by insiders is hosted in the website of the Company at www.ashokleyland.com under Investors Section - Policies. For any clarification or consultation in the matter of Code of Conduct on Insider Trading you may contact the company secretary and the compliance officer or the secretarial department at secretarial@ashokleyland.com. Employees are requested to read through the Insider Trading code adopted by the Company.