

Policy for Insider Trading

Background

Insider Trading, in general means an act of dealing in the securities of a Company based on some unpublished price sensitive information to which a person may be privy to. The Securities and Exchange Board of India (SEBI), has issued the SEBI (Prohibition of Insider Trading) Regulation, 1992 ("The Regulations") by which Insider Trading has been prohibited in India.

The Regulations require all the listed Companies to set up an appropriate mechanism and to frame and enforce a policy of internal procedures and conduct so as to curb Insider Trading.

In compliance with the above requirements, Pumarth Credit & Capital Ltd. framed an Insider Trading Policy and which was circulated in July 2002. With a view to simplify the understanding and implementation of the Policy, the Company replaced the Insider Trading Policy with the revised Insider Trading Policy (hereinafter referred to as "Policy") w. e. f. 1st January, 2009 and revised the policy from time to time. Further, the Committee of Directors in its meeting held on 1st March, 2012, with an object to streamline the policy, yet again modified the Policy and the revised Policy is set forth below.

Objective

The Company endeavors to preserve the confidentiality of all un-published price sensitive information(s) and to prevent misuse of such information(s). The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every "Insider", as defined in the SEBI Insider Trading Regulations, has a duty to safeguard the confidentiality of all such information(s) obtained in the course of his/her work at the Company or by virtue of his/her relationship with the Company. No Insider shall use his/her position with or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating and/or counseling others with respect to the securities of the Company. Such persons should also refrain from profiteering by using the unpublished price sensitive information(s).

Applicability of the Policy

This Policy shall be applicable only to the following categories of persons:

Officers:

- All the Directors of Pumarth Credit & Capital Ltd.;
- Chief Executive Officer (CEO) / Chief Financial Officer (CFO) of Pumarth Credit & Capital Ltd.;
- Company Secretary (CS) of Pumarth Credit & Capital Ltd.; and
- Auditors of Pumarth Credit & Capital Ltd.
(Hereinafter collectively referred to as “the Officers”)

Designated Employees:

- All Employees in the Accounts, Finance, Taxation, Legal and Secretarial department of Pumarth Credit & Capital Limited;
- All Employees in other Departments/Divisions of Pumarth Credit & Capital Ltd. from the level of General Manager & above;
- All employees in Corporate Relation & Corporate Communication Deptt. of Pumarth Credit & Capital Ltd. .
- All employees who are attached to Directors/MD/CEO’s Office of Pumarth Credit & Capital Ltd.; and
- Employees of other Departments/Divisions on a case-to-case basis, who could be reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, to be decided by the Chairman/Managing Director/Whole-Time Director/ Compliance Officer, on a case-to-case basis.(hereinafter collectively referred to as the “Designated Employees”)

Dependants:

The Policy is also applicable to the dependent family members of Officers and Designated Employees as defined in the Policy and these Officers and Designated Employees shall be responsible for adherence of this Policy by their dependent family members.

Compliance Officer

1. The Company has appointed its Company Secretary as Compliance Officer (senior level employee) who shall report to Managing Director/Chief Executive Officer of the Company.
2. The Compliance Officer shall be responsible for:-
 - a. setting forth policies, framing rules and procedures;
 - b. monitoring adherence to the rules for the preservation of “Price Sensitive Information”;

- c. pre-clearing of proposed trades of Officers and Designated Employees and their dependents and monitoring of trades after pre-clearance; and
 - d. Implementation of this Policy under the overall supervision of the Board of Directors of the Company.
3. The Compliance Officer shall maintain record of the Officers and Designated Employees and any changes therein.
4. The Compliance Officer shall maintain records of all the Applications, Undertakings, Declarations etc. submitted by Officers and Designated Employees and their dependants for a period of three years from the date of receipt of the document.
5. 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.
6. The Managing Director / Compliance Officer shall inform the SEBI of any violation of the Regulations and rules made there under.

Preservation of "Price Sensitive Information"

All Officers and Designated Employees of the Company shall:

1. Maintain the confidentiality of all un-published Price Sensitive Information(s) and shall not pass on, directly or indirectly, such information to any person by way of making a recommendation for the purchase or sale of Shares of the Company or otherwise.
2. Keep secure all files/papers containing confidential un-published Price Sensitive Information(s). Computer files must have adequate security of login and password, etc.
3. Handle the unpublished Price Sensitive Information(s) on a "need to know" basis, i.e. such Information shall be disclosed only to those persons 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(s).
4. Immediately report to the Head of the Department all non-public Price – Sensitive information directly received by him/her.

Restriction on trading in Shares of the Company

All Officers and Designated Employees of the Company shall be subject to trading restrictions as enumerated below:-

Trading window:

1. The trading period, for trading in the Company's securities, called as "trading window", shall be closed during the time the information referred to in this para is un-published.

2. The Officers/ Designated Employees and their dependants shall not deal in any transaction involving the purchase or sale of shares of the Company during the periods when “Trading Window” (i.e. trading period) is closed.
3. The Trading Window shall be closed for the period as may be specified by the Managing Director/Compliance Officer, subject to the minimum period of seven days, during which any material price sensitive and unpublished event, including the following, are proposed:
 - 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 undertaking.
 - g. Any changes in policies, plans or operations.
 - h. Such other information, as the Managing Director/Compliance Officer may prescribe from time to time.
4. The Trading Window shall automatically get opened 24 hours (one day) after the information referred above in para (iii) is made public.
5. All Officers/ Designated Employees of the Company and their dependants 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 above or during any other period as may be specified by the Managing Director/Compliance Officer from time to time.
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.

Pre Clearance of Trades:

1. All Officers/ designated employees and their dependants who intend to deal in the securities of the Company exceeding the minimum threshold limit of 25000 shares OR Rs. 5.00 lacs in transaction value, in a calendar month shall obtain pre-clearance of the transaction(s) from the Compliance Officer before entering into the transaction as per the pre-dealing procedure as described hereunder.
2. An application shall be made in prescribed Form, attached as Annexure I, to the Compliance Officer indicating the estimated number of securities that the Officer / Designated Employee intends to deal in. The application shall contain, inter alia, the following information:
 - a. estimated number of shares intends to deal in
 - b. the details as to the depository with which he/she has a Demat account.
 - c. such other details as may be required by the Compliance Officer in this behalf.

3. An undertaking executed in favour of the Company, forming part of the Application Form as mentioned hereinabove, shall incorporate, inter alia, the following clauses:
 - a. That the Officer/Designated Employee does not have any access or has not received “Price Sensitive Information” upto the time of signing the undertaking
 - b. That in case the Officer/ Designated Employee has access to or receives “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 fact 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 / SEBI from time to time.
 - d. That he/she has made a full and true disclosure in the matter.

Other restrictions:

1. Transaction must be executed within one week from the next day after the approval of preclearance obtained from the Compliance Officer. If transaction is not executed within one week, the Officer(s)/Designated Employee(s) must obtain pre-clearance for the intended transaction once again.
2. All 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. All Officers/Designated Employees shall also not take positions in derivative transactions in the shares of the Company at any time.
3. In case of subscription in the primary market, all Officers/ Designated Employees must hold their investments in securities of the Company for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
4. Incase 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 for transactions in securities

All Officers / Designated Employees shall submit the following statements showing details of holding of securities / transactions in the shares of the Company including that of dependent family members to the Compliance Officer and/or such other information as may be required from time to time:

1. All holdings in securities of the Company at the time of joining the Company or within 60 days of implementation of this code of conduct in prescribed form, attached as Annexure II.
2. Quarterly statement of any transactions in securities of the Company within 15 days of end of each quarter in prescribed Form, attached as Annexure III. If there is nil transaction in a particular quarter then this quarterly statement for that quarter need not be submitted. If no quarterly statement/disclosure is received within 15 days as mentioned above, it shall be presumed as Nil transaction during the quarter.

3. Annual statement of all holdings/transactions in securities of the Company within 30 days of the close of Financial Year in prescribed Form, attached as Annexure IV.
4. The Compliance Officer shall place before the Managing Director/CEO on monthly basis all details of dealing in the securities by Officers/ designated employees and their dependants and accompanying documents that such persons had executed under pre dealing procedures as envisaged in the Code.

Penalty for contravention of Code of Conduct

1. Any Officer/ Designated Employee 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.
2. Officers/ Designated Employees who violate the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage/promotion freeze, suspension, ineligibility for future participation in employee stock option plans, etc. or any other action as the Company deem fit.
3. The action by the Company through Compliance Officer shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992 which may include:
 - a. Imprisonment or
 - b. Fine; or
 - c. Both

Trading by Compliance Officer

All restrictions on trading of securities of the Company shall also be applicable to the Compliance Officer. Compliance Officer shall seek pre-clearance, if applicable, from the Managing Director/Chief Executive Officer.