

NCAL STRESSED ASSET FUND PRIVATE
LIMITED
CODE OF CONDUCT
FOR
PREVENTION OF INSIDER TRADING

**CODE OF CONDUCT FOR INTERMEDIARIES AND FIDUCIARIES TO REGULATE,
MONITOR AND REPORT TRADING BY
DESIGNATED PERSONS**

Introduction:

Insider Trading poses significant risks to the integrity of the financial markets and erodes investor confidence. To address this issue, regulatory bodies like the Securities and Exchange Board of India (SEBI) have implemented stringent regulations to prohibit and regulate insider trading activities. The SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations"), were introduced to establish a framework for preventing insider trading in Indian capital markets.

The Regulations (as amended from time to time) requires every listed company and the board of directors or head(s) of the organization of every intermediary shall ensure that the chief executive officer or managing director shall formulate a Code of Conduct with their approval to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons.

In alignment with SEBI regulations and to uphold the highest standards of ethical conduct, Alternate Investment Funds (AIFs) are mandated to formulate a comprehensive Code of Conduct for Prevention of Insider Trading. This code aims to regulate, monitor, and report trading activities by its designated persons and immediate relatives of designated persons.

I. Preface: -

- (i) This Code is framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

II. Definitions: -

All the Definitions shall be as per the "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons".

—Designated Persons means: -

- (i) Directors; and
- (ii) such Employees and Connected Persons (including representatives of the auditors, accountancy firms, law firms, analysts, consultants, etc.) as identified by the Compliance Officer in consultation with the Board in line with the objectives of the Code.;

(Designated persons shall give declaration in format as prescribed in **Annexure I** within 7 days of being identified as a designated person).

—Immediate Relative means: -

The spouse of the Designated Person, and includes parent, sibling and child of such Designated Person or of the spouse, who are either financially dependent on the Designated Person or consults the Designated Person in taking decisions relating to trading in securities.

—Unpublished Price Sensitive Information ("UPSI"): -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 Securities of the Company and shall, ordinarily include but not be restricted to, information relating to the following:

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement/regulation

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations.

III. Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Principles of Fair Disclosure of Unpublished Price Sensitive Information shall be as per the “Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons.”

IV. Regulating & Monitoring of the Trades to be executed by Designated Persons

1. Designated Persons and Immediate Relatives of the Designated Persons in the Organisation shall be governed by this Code of Conduct governing dealing in Securities of Investee Companies and restrictive list of the NCAL Stressed Asset fund Private Limited [Nakshatra Stressed Assets Fund (Category II)] (“AIF”).
2. Designated Persons or their immediate relatives may execute trades in Securities subject to compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. The Compliance Officer shall confidentially maintain a list of such Investee Companies that qualify as portfolio Companies of the AIF or Companies with which the AIF holds a fiduciary relationship.

V. Trading Plans

An insider shall be entitled to formulate a Trading Plan 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 as per proforma provided at **Annexure - VII**.

VI. Execution of Trade by Designated Persons

1. Trading by Designated Persons shall be subject to the pre-clearance by the Compliance Officer, if the value of the proposed transaction or series of transactions over a calendar quarter in the Investee Companies and restrictive list of Nakshatra Special Situation Fund (Category I) and Nakshatra Stressed Asset Fund (Category II) **aggregates to a traded value of ₹10 Lakh or above**. The Form for applying for pre-clearance of trade is enclosed at **Annexure – IV**. No trade shall be executed by the Designated Person when in possession of any Unpublished Price Sensitive Information relating to the Investee Companies or its securities.
2. Prior to granting of pre-clearance of trade to the Designated Person, the Compliance Officer shall be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information relating to such Investee Company and restrictive list of NCAL Stressed Asset fund Private Limited [Nakshatra Stressed Assets Fund (Category II)]. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate. The Designated Person shall report the details of change in holdings to the Compliance Officer in the format enclosed at **Annexure – V**.
3. The window for executing the trade by Designated Person pursuant to having obtained the pre-clearance shall be 7 trading days. In case the trade is not executed within 7 trading days, the pre-clearance shall elapse and the Designated Person will have to obtain fresh pre-clearance for executing such trade. In case the Designated Person

has not executed the proposed trade after obtaining of pre- clearance shall report the same to the Compliance Officer in the format enclosed at **Annexure – VI**.

4. Once a trade is executed by the Designated Person, he/she shall not be allowed to execute any contra-trade for a period of not less than 6 months. In case such 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 Securities and Exchange Board of India for credit to the Investor Protection and Education Fund administered by SEBI. However, the restriction for contra-trade shall not be applicable for trades pursuant to the exercise of Stock Options.
5. In case the Designated Person has to enter into a contra-trade within a period of 6 months of the execution of the initial trade, an application seeking relaxation shall be made to the Compliance Officer. The Compliance Officer on ensuring that the Designated Person is not in possession of any unpublished price sensitive information and that the proposed trade is not in contravention to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2018 may grant such permission.
6. The Compliance Officer may from time to time seek declaration of the Securities of the Company by the Designated Persons and their immediate relatives.

VII. Disclosure by Designated Person

The Designated Person is required to disclose Name and PAN or any other identifier authorised by Law of the following persons:

- 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
- d) Names of the Educational Institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

(Designated persons shall give Disclosure of personnel details for complying with Code of Conduct in format as prescribed in **Annexure II**) on an annual basis, within 1 (one) month from the beginning of each Year and within 15 (fifteen) days of any change thereof; and

(Designated persons shall give one-time disclosure with respect to Educational Institution and Past Employer in format as prescribed in **Annexure III**).

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 loan or gift from a designated person during the immediately preceding 12 months, equivalent to at-least 25% of the annual income of such designated persons but shall exclude relationships on which payment is based on an arm’s length transactions.

VIII. Reporting on Trades by the Compliance Officer

The Compliance officer shall submit to the Board of Directors a report on monitoring and execution of the trades by the designated persons pursuant to this Code and as per the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

IX. Chinese Wall and Crossing over the Chinese Wall

To prevent the misuse of confidential information, the Company shall adopt a “Chinese Wall policy” which separate those areas of the Company which routinely have access to confidential information, considered “inside areas” from those areas which deal with sale/ marketing/ investment advice or other departments providing support services, considered “Public Areas”.

The employees in the inside area shall not communicate any price sensitive information to anyone in public area. The employees in inside area may be physically segregated from employees in public area. Demarcation of the various departments as inside areas may be implemented by the Company.

However, in exceptional circumstances employees from the public areas may be brought “over the walls” and given confidential information on the basis of “need to Know” criteria, under intimation to the compliance officer.

In case any Designated Person has to cross over the wall and seek any information from the inside area, he/she shall apply for such access in writing providing reasons as to why such access is being sought.

The Approving Authority shall assess such request and after recording justifications in writing may grant such approval to the designated person to seek requisite information from the inside area.

X. Penalties for Non-Compliance and Policy & Procedures for Inquiry in case of leak of Unpublished Price Sensitive Information:

In the event of any non-compliance being observed under this Code, the same shall be disclosed to the Board of Directors and to the Securities and Exchange Board of India duly intimating the nature of violations. Also, in case it is observed that there is a violation of this Code, the same shall be promptly intimated 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.

In case of any non-compliance observed / reported under this Code, the same shall attract sanctions and disciplinary actions including wage freeze, suspension, recovery, claw back or any other penalty or punishment as may be deemed fit by the Board of Directors. Any amount collected shall be remitted to SEBI for credit to the Investor Protection & Education Fund. The penalties / punishment imposed by the Board of Directors under this Code shall be independent of the penalties / fines / punishment as may be imposed by the Securities and Exchange Board of India.

ANNEXURE – I

**DECLARATION BY DESIGNATED PERSONS WITHIN 7 DAYS OF BEING IDENTIFIED
AS A DESIGNATED PERSON**

To,
Compliance Officer
NCAL Stressed Asset Fund Private Limited

Dear Sir/ Madam,

I _____, resident of _____, hereby state that I am aware that I have been identified as a Designated Person of the Company.

I have read and understood the provisions of Code of Conduct of the Company formulated for regulating, monitoring and reporting of trades as provided under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

I hereby undertake as a condition for my continued employment or relationship with the Company to comply with the provisions of the Code and of the aforementioned regulations and also to provide any information relating to any transaction relating to securities of listed entities as may be required by the Company, and permit the Company to disclose such details to the SEBI, if required so by SEBI. I agree that the Company may impose sanctions, including suspension of employment, at its discretion, for any violation of the Code and or the aforementioned regulations.

Name:

Designation:

Signature:

Date:

ANNEXURE – II

**DISCLOSURE OF PERSONNEL DETAILS FOR COMPLYING WITH CODE OF CONDUCT
FOR INTERMEDIARIES AND FIDUCIARIES TO REGULATE, MONITOR AND REPORT
TRADING BY DESIGNATED PERSONS**

(Sub regulation (1) and Sub regulation (2) of regulation 9)

To,
Compliance Officer
NCAL Stressed Asset Fund Private Limited

**Sub: Details of Immediate Relatives and Persons with whom I share a Material
Financial Relationship**

Annual Disclosure as on 1st April, _____
 Disclosure on changes in details submitted earlier

Dear Sir/Madam,

I _____, in terms of the requirement under Code of Conduct for Intermediaries and fiduciaries to regulate, monitor and report trading by designated persons, hereby provide the necessary information and confirm the same to be true to best of my knowledge.

A. Personal Information:

Name	
PAN	
Aadhar	
Email ID	
Mobile No	
Address	
Demat A/c No. / Folio No.	

B. Immediate Relatives:

Sr. No	Name	Relation with Designated Persons	PAN/ Any other identifier authorized by law	Mobile Number with Country Code
1.				
2.				
3.				
4.				
5.				

(Insert/Delete rows as required)

“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.

C. Persons with whom the Designated Persons shares a Material Financial Relationship

Sr. No	Name	Relation with Designated Persons	PAN/ Any other identifier authorized by law	Mobile Number with Country Code
1.				
2.				
3.				
4.				
5.				

(Insert/Delete rows as required)

“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 from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person] but shall exclude relationships in which the payment is based on arm’s length transactions.

I hereby undertake/confirm in event of any change in the information provided as above, I shall immediately file a fresh disclosure in this regard.

Further, I hereby undertake/confirm to adhere to the requirements and standards of this Code of Conducts and SEBI (Prohibition of Insider Trading) Regulation, 2015 and amendments, circulars or guidelines thereto.

Further, I hereby undertake/confirm all the information as provided above to the best of my knowledge and belief and I understand that I subject myself to disciplinary action in the event that the above facts are found to be falsified.

Name:

Designation:

Signature:

Date:

(To be submitted within 1 month from the beginning of a year and within 15 days from any changes thereof)

ANNEXURE – III

ONE-TIME DISCLOSURE

To,
Compliance Officer
NCAL Stressed Asset Fund Private Limited

Sub: Details of Educational Institutions and Past Employers

Dear Sir/Madam,

I _____, in terms of the requirement of Code and the Insider Trading Regulations, hereby provide the necessary information and confirm the same to be true to the best of my knowledge.

A] Educational Institutions I have graduated from

Sr. No.	Name of Institutions	Course	Year of Graduation
1.			
2.			
3.			

B] Past Employers

Sr. No.	Name of Employer	Duration of Employment
1.		
2.		
3.		

Name:

Designation:

Signature:

Date:

ANNEXURE-IV

APPLICATION FOR PRE-CLEARANCE OF TRADE IN THE SECURITIES OF INVESTEE COMPANIES AND SECURITIES IN RESTRICTIVE LIST OF NCAL STRESSED ASSET FUND PRIVATE LIMITED [NAKSHATRA STRESSED ASSETS FUND (CATEGORY II)]

To,
Compliance Officer
NCAL Stressed Asset Fund Private Limited

This is to state that I am intending to Trade (*) in the following Securities of _____ (Name of the Company):
(Specify separately for Equity and Debentures / Bonds)

1. _____ (Equity Shares)
2. _____ (Debentures/Bonds)

This is to confirm that my security holding in _____ (Name of the Company) as on date is as under:
(Specify separately for Equity and Debentures / Bonds)

1. _____ (Equity Shares)
2. _____ (Debentures / Bonds)

I hereby declare that:

- a) I do not have any access or has not received “unpublished price sensitive information” of the Investee Company and restrictive list of NCAL Stressed Asset fund Private Limited [Nakshatra Stressed Assets Fund (Category II)] up to the time of making this application/declaration;
- b) I shall execute the per-cleared trades within 7 trading days from the date of obtaining of the pre- clearance, failing which I shall obtain fresh pre-clearance to execute trades. I shall also report to the Compliance officer in case I do not execute the pre-cleared trade within the stipulated period;
- c) In case I become aware of any UPSI before the execution of trade pursuant to this application for pre- clearance, such trade will not be executed.
- d) I shall not execute a contra-trade for a period of at least 6 (six) months from the date of execution of the trade;
- e) I shall immediately remit the profits earned from execution of contra trade executed inadvertently or in violation of restrictions imposed;
- f) I have not, at any time, contravened the code of conduct for prevention of insider trading as notified by the AIF from time to time; and
- g) The disclosure made by me is full and true to the best of my knowledge and belief.

I hereby undertake to inform of any change in my position relating to access of unpublished price sensitive information with respect to the Investee Company & restrictive list of NCAL Stressed Asset fund Private Limited [Nakshatra Stressed Assets Fund (Category II)], after signing this undertaking but before execution of the Trade and will refrain from dealing in the securities till the time such information becomes public.

Name:

Designation:

Signature:

Date:

***Trading means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in securities and includes pledge of securities.**

ANNEXURE-V

DETAILS OF CHANGE IN HOLDING OF SECURITIES

Name of the company:

Details of change in holding of Securities of Investee Companies and Securities in Restrictive List of NCAL Stressed Asset fund Private Limited [Nakshatra Stressed Assets Fund (Category II)].

Name		
PAN		
CIN/DIN		
Address		
Contact Detail		
Category of person (Promoters/KMP/ Directors/Immediate Relative/others etc.)		
Securities held prior to acquisition/ disposal	Type of security (for e.g. Shares, Warrants, Convertible Debentures etc.)	
	No. and % of shareholding	
Securities acquired/Disposed	Type of securities (for e.g. Shares, Warrants, Convertible Debentures etc.)	
	Number	
	Value	
	Transactions Types (Buy/Sale/ Pledge/Revoke/Invoke)	
Securities held post acquisition/disposal	Type of security (for e.g. Shares, Warrants, Convertible Debentures etc.)	
	No. and % of shareholding	
Date of allotment advice/acquisition	From	
	To	
Date of Intimation to Company		
Mode of acquisition / disposal (on market/ public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)		

Name:

Designation:

Signature:

Date:

ANNEXURE-VI
REPORT ON NON-EXECUTION OF TRADE

Report on Non-Execution of Trade after obtaining Pre-Clearance of Trade in Securities of the of Investee Companies and Securities in Restrictive List of NCAL Stressed Asset fund Private Limited [Nakshatra Stressed Assets Fund (Category II)]

To,
Compliance Officer
NCAL Stressed Asset Fund Private Limited

Subject: Non-Execution of Trade after obtaining Pre-Clearance of Trade

This is in reference to the pre-clearance obtaining dated _____ for executing Trade in the following Securities of _____ (Name of the Company).

(Specify separately for Equity and Debentures / Bonds)

1. _____ (Equity Shares)
2. _____ (Debentures / Bonds)

In this regard, this is to confirm that the undersigned have not executed the approved trade for the following reasons:

1. _____

This is to further confirm that in case, any future trade is proposed to be undertaken by the undersigned in the securities of the Investee Company and restrictive list of NCAL Stressed Asset fund Private Limited [Nakshatra Stressed Assets Fund (Category II)] crossing the threshold as prescribed in the "Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons" (Code), the undersigned shall obtain fresh pre- clearance from the Compliance Officer and that the trade will be executed in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) and as per the Code.

Name:
Designation:
Signature:
Date:

ANNEXURE-VII
TRADING PLAN
(regulation 5)

<ul style="list-style-type: none"> • Date of Submission: • Period of Trading Plan From (120 calendar days after submission): To (minimum 60 calendar days and for any maximum period) • Closing price on the day before submission of Trading plan: 						
1) FROM*	2) TO*	3) NATURE OF TRANSACTION*	4) NATURE OF TRADE*	5) NO. OF SHARES*	6) VALUE OF SHARES*	7) PRICE LIMIT OF BUY/SELL
(up to 5 consecutive trading days)		(BUY/SELL)	(On Market/off Market)			(refer not 1)

(Insert/Delete rows as required)

Note 1 Insider can input any price limit:

For a buy trade: The upper price limit shall be between the closing price on the day before submission of the trading plan and up to 20% higher than such closing price.

For sell trade: The lower limit shall be between the closing price on the day before submission of the trading plan up to 20% lower than such closing price.

Provided,

- Above stated parameters are optional.
- The price limit shall be rounded off to the nearest numerical.

- Insider may adjust with the approval of compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchange on which securities are listed

(* Mandatory Field)

UNDERTAKING

I _____ understand that public disclosure of the above-mentioned Trading Plan would be made by Compliance officer.

I further declare as under:

1. The Trading Plan submitted is irrevocable and I shall mandatorily 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.
2. I shall not entail commencement of trading earlier than 120 calendar days from the public disclosure of the plan.
3. I shall not entail overlap of any period for which another Trading Plan is already in existence.
4. I shall not entail trading in securities for market abuse.
5. The Trading Plan shall not be commenced if any unpublished price sensitive information is in my possession at the time of formulation of the plan and has not become generally available at the time of the commencement of implementation.

Name:

Designation:

Signature:

Date: