



# **VAKRANGEE LIMITED<sup>1</sup>**

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

**[Pursuant to Regulation 12 (1) & (2) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended]**

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<sup>1</sup> The name of the company changed from Vakrangee Softwares Limited to Vakrangee Limited vide a special resolution passed at the 23<sup>rd</sup> Annual General Meeting of the company held on September 10, 2013



## **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“Insider Trading” in general means an act of dealing in the securities of a Company based on some unpublished price sensitive information to which a person may be privy to.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, Vakrangee Limited (the Company) framed an Insider Trading Policy and which was circulated in December 29, 2002. With a view to simplify the understanding and implementation of the Policy, the Company upgraded the Insider Trading Policy (hereinafter referred to as “Policy”) w.e.f. 10<sup>th</sup> November, 2003. Further, the Board at their meeting held on 1<sup>st</sup> April, 2009, with an object to streamline the policy, yet again modified the Policy and the revised Policy is set forth below. The Board at their meeting held on 26<sup>th</sup> April, 2012 adopted the detailed code of conduct considering all the mandatory statutory requirements.

### **1. 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).

### **2. Applicability of the Policy**

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

#### **a) Officers:**

- All the Directors of Vakrangee Limited;
- Chief Executive Officer (CEO) / Chief Financial Officer (CFO) of the Company;
- Company Secretary (CS) of the Company; and
- Auditors of the Company.



(hereinafter collectively referred to as “the Officers”)

**b) Designated Employees:**

- All Employees in the Accounts, Finance, Taxation, project, Legal and Secretarial department of Vakrangee Limited;
- All Employees in other Departments/Divisions of Vakrangee Limited from the level of General Manager & above;
- All employees in Corporate Relation & Corporate Communication department
- All employees who are attached to Directors/MD/CEO’s Office of the Company; 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.
- Consultants associated and specified by the Company.

(hereinafter collectively referred to as the “Designated Employees”)

**c) Dependants:**

- Dependants (as defined in Annexure V) of the Officers and designated Employees.

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.



### **3. Compliance Officer**

- a) 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.
- b) The Compliance Officer shall be responsible for:-
  - setting forth policies, framing rules and procedures;
  - monitoring adherence to the rules for the preservation of “Price Sensitive Information”;
  - pre-clearing of proposed trades of Officers and Designated Employees and their dependents and monitoring of trades after pre-clearance; and
  - implementation of this Policy under the overall supervision of the Board of Directors of the Company.
- c) The Compliance Officer shall maintain record of the Officers and Designated Employees and any changes therein.
- d) 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.
- e) 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.
- f) The Managing Director / Compliance Officer shall inform the SEBI of any violation of the Regulations and rules made thereunder.

### **4. Preservation of “Price Sensitive Information”**

All Officers and Designated Employees of the Company shall:

- a) 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.
- b) Keep secure all files/papers containing confidential un-published Price Sensitive Information(s). Computer files must have adequate security of login and password, etc.
- c) 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).



- d) Immediately report to the Head of the Department all non-public Price – Sensitive information directly received by him/her.

## **5. 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:-

### **a) Trading window:**

- i) 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.
- ii) 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.
- iii) 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:
- Declaration of Financial results (quarterly, half-yearly and annually).
  - Declaration of dividends (interim and final)
  - Issue of securities by way of public/rights/bonus etc.
  - Any major expansion plans or execution of new projects.
  - Amalgamation, mergers, takeovers and buy-back.
  - Disposal of whole or substantially whole of the undertaking.
  - Any changes in policies, plans or operations.
  - Such other information, as the Managing Director/Compliance Officer may prescribe from time to time.
- iv) The Trading Window shall automatically get opened 24 hours (one day) after the information referred above in para (iii) is made public.
- v) 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.

- vi) 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.

**b) Pre Clearance of Trades:**

- i) 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.

- ii) 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:

- estimated number of shares intends to deal in.
- the details as to the depository with which he/she has a Demat account.
- such other details as may be required by the Compliance Officer in this behalf.

- iii) An undertaking executed in favour of the Company, forming part of the Application Form as mentioned hereinabove, shall incorporate, inter alia, the following clauses:

- That the Officer/Designated Employee does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking
- 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.
- 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.
- That he/she has made a full and true disclosure in the matter.

**c) Other restrictions:**



- i) 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.
- ii) 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.
- iii) 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.
- iv) In case 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.

## **6. 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:

- a) 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.
- b) 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.
- c) 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.
- d) 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.



## **7. Penalty for contravention of Code of Conduct**

- a) 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.
- b) 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.
- c) 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:
  - imprisonment or
  - fine, or
  - both.

## **8. 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.

## **9. Definitions**

The terms (price sensitive information, Officer, designated employee, relative/ dependent family member) used in this code of conduct shall carry the meaning as assigned to them in Annexure V hereto.





Annexure I

APPLICATION FOR PRE-CLEARANCE OF TRANSACTION

The Compliance Officer  
Vakrangee Limited  
Mumbai

Date: \_\_\_\_\_

|   |  |   |   |
|---|--|---|---|
| 1 | Approval seeking for                           | : | <input type="checkbox"/> Self<br><input type="checkbox"/> Dependent Family Member (DFM) |
| 2 | Nature of proposed transaction                 | : | Purchase/ Sale  |
| 3 | Number of securities proposed to be transacted | : |   |
| 4 | <u>Details of identified Account</u>           | : |   |
|   | Name of Depository Participant                 | : |   |
|   | DP ID  | : |   |
|   | Client ID/Folio No.                            | : |   |

**Undertaking:**

- a) I have not made any opposite transaction within previous 6 months from the date of the proposed transaction.
- b) I have no access to nor do I have any information that could be construed as “Price Sensitive Information” as defined in the Policy upto the time of signing this undertaking;
- c) In the event that I have access to or received any information that could be construed as “Price Sensitive Information” as defined in the Policy, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the company until such information becomes public;
- d) I have not contravened the provisions of the Insider Trading Policy as notified by the Company from time to time;
- e) I have made full and true disclosure in the matter.
- f) I hereby undertake that I shall execute my order in respect of the securities of the Company within one week after the approval of the pre-clearance is given. If the order is not executed within stipulated time, I undertake to obtain pre-clearance for the transaction again.

|  |   |  |
|--|---|--|
| Signature:   | : |  |
| Name: <input type="checkbox"/> Self <input type="checkbox"/> DFM | : |  |
| Designation:   | : |  |
| Department :   | : |  |
| Employee Code:   | : |  |



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PRE-CLEARANCE ORDER

PCO No. \_\_\_\_\_  
\_\_\_\_\_

Date:

is to inform you that your request for dealing in \_\_\_\_\_(No.) shares of the Company as mentioned in your above application is approved. Please note that the said transaction must be completed within 7 (seven) days from today i.e. on or before \_\_\_\_\_[date].

Signature:

\_\_\_\_\_  
Compliance Officer

Note:

1. Please provide all the information. Incomplete forms will not be accepted.
2. Please ensure that you have not made any opposite transaction within previous 6 months.



Annexure II

FORM FOR INITIAL DISCLOSURE OF DETAILS OF SHARES HELD BY OFFICER/DESIGNATED  
EMPLOYEE [SELF]/ BY DEPENDENT FAMILY MEMBER [DFM]

The Compliance Officer  
Vakrangee Limited  
Mumbai

I. DETAILS OF SECURITIES HELD BY SELF

| Date of becoming Joining | No. of Shares held | Date of Acquisition [Irrespective of mode] | DP ID/ Client ID/ Folio No | Complete Address with Telephone No. |
|--------------------------|--------------------|--|----------------------------|-------------------------------------|
|                          |                    |  |                            |                                     |

II. DETAILS OF SECURITIES HELD BY DEPENDENT FAMILY MEMBERS [DFM]

| Sr. No. | Name & Address (if different) | Relationship with Officer /Designated Employee | No. of Shares held | Date of Acquisition [Irrespective of mode] | DP ID/ Client ID/ Folio No |
|---------|-------------------------------|--|--------------------|--|----------------------------|
|         |                               |  |                    |  |                            |
|         |                               |  |                    |  |                            |
|         |                               |  |                    |  |                            |
|         |                               |  |                    |  |                            |
|         |                               |  |                    |  |                            |
|         |                               |  |                    |  |                            |
|         |                               |  |                    |  |                            |

I hereby declare that the security accounts/ folio numbers mentioned above are the only Identified Accounts belonging to me or my dependent family members and there are no other undeclared security accounts/ folio numbers.



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I also undertake to furnish details of any changes in the above information within 48 hours of my knowledge, failure of which would attract penal provisions under the Policy.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

**(On behalf of Dependent Family Members )**

Name:

Designation:

Department:

Date:

Empl. Code:

**Note: To be submitted within 60 days from date of implementation of the Policy or the date of joining the Company, Whichever is later.**

Use separate sheet if required. Information should be in above format only.





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Signature: \_\_\_\_\_

Signature: \_\_\_\_\_  
**(On behalf of Dependent Family Members )**

Name:

Designation:

Department:

Date:

Empl. Code:

**Note: To be submitted within 15 days from the end of each Quarter if there is any change in the holding.**  
Use separate sheet if required. Information should be in above format only.





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I/We Further Declare That The Above Disclosure Is True And Correct And Is In Accordance With The Previous Disclosures Given To The Company

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

(On behalf of Dependent Family Members)

Name:

Designation:

Department:

Date:

Empl. Code:

Note: **To be submitted within 30 days from the end of each Financial Year.**

Use separate sheet if required. Information should be in above format only





Annexure V

DEFINITIONS:

(1) **Dependent Family Member (DFM)** shall mean the spouse, dependent parents and dependent children or any relative (as defined below) who is financially dependent upon the Officer/ Designated Employee.

(2) **Designated Employee:**

The employees designated by the Company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct. For this purpose, the following employees shall be treated as designated employees –

- All Employees in the Accounts, Finance, Taxation, Legal and Secretarial department of Vakrangee Limited;
- All Employees in other Departments/Divisions of Vakrangee Limited from the level of General Manager & above;
- All employees in Corporate Relation & Corporate Communication Deptt. Of Vakrangee Limited.
- All employees who are attached to Directors/MD/CEO's Office of Vakrangee Limited.
- Employees of other Departments/Divisions, on a case-to-case basis, who could be reasonably expected to have access to unpublished price sensitive information relating to the Company, to be decided by the Chairman/Managing Director/ Whole Time Director/ Compliance Officer, on a case-to-case basis.
- The Policy is also applicable to the dependent family members of Designated Employees/Officers as defined in the Policy and Designated Employees/Officers shall be responsible for adherence of this Policy by their dependent family members. Further the subject matter of this Policy is the securities of Vakrangee Limited only (herein after referred to as "the Securities").

Managing Director/CEO/Compliance Officer can add/delete the persons in the list of designated employees from time to time.

(3) **Officer:**

Officer of the Company means any person as defined by Section 2(30) of the Companies Act, 1956 including an Auditor of the Company. Section 2(30) stipulates that: -

"Officer includes any director, manager or secretary or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors



is or are accustomed to act.”

Further, for the purpose of this Code of Conduct, the following will be called as Officer

- All the Directors of Vakrangee Limited
- Chief Executive Officer (CEO) / Chief Financial Officer (CFO) of Vakrangee Limited
- Company Secretary (CS) of Vakrangee Limited
- Auditors of Vakrangee Limited

**(4) Price Sensitive Information:**

Price sensitive information means any information, which relates directly or indirectly to a company and which if published, is likely to materially affect the price of securities of Company.

The following shall be deemed to be Price Sensitive Information (PSI) –

- i) periodical financial results of the company;
- ii) intended declaration of dividends (both interim and final);
- iii) issue of securities or buy back of securities;
- iv) any major expansion plans or execution of new projects;
- v) amalgamation ,mergers or takeovers;
- vi) disposal of the whole or substantial part of the undertaking;
- vii) any significant changes in policies, plans or operations of the company.

The above is only illustrative list of PSI and not an exhaustive list.

**(5) Relative:**

Relative means a person defined under section 6 of the Companies Act, 1956. Under Section 6 of the said Act: - “A person shall be deemed to be a relative of another if and only if they are members of an HUF; or they are husband and wife; or the one is related to another in the manner specified by Schedule IA”

Schedule IA lists out the following relatives:

- ❖ Father
- ❖ Mother (including step mother)
- ❖ Son (including step son)
- ❖ Son’s Wife
- ❖ Daughter (including step daughter)
- ❖ Father’s father
- ❖ Father’s mother
- ❖ Mother’s mother
- ❖ Mother’s father



- ❖ Son's son
- ❖ Son's son's wife
- ❖ Son's daughter
- ❖ Son's daughter's husband
- ❖ Daughter's husband
- ❖ Daughter's Son
- ❖ Daughter's son's wife
- ❖ Daughter's daughter
- ❖ Daughter's daughter's husband
- ❖ Brother (including step brother)
- ❖ Brother's wife
- ❖ Sister (including step sister)
- ❖ Sister's husband

(6) **“Unpublished”** means information, which is not published by the Company or any of its agents and is not specific in nature.