



# **VIPUL LIMITED**

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

**(Effective from May 15, 2015)**



## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

This Code of Conduct may be known as VIPUL LTD (Vipul) Code of Conduct for Prohibition of Insider Trading (herein after referred to as the Code of Conduct).

This code has been made pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time and may be modified by the Board of Directors of the Company from time to time.

This Code has been designed to enhance the standards of governance and to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 made effective from 15<sup>th</sup> May, 2015.

### **I. DEFINITIONS**

1. **Act** means the Securities & Exchange Board of India Act, 1992 as may be amended from time to time.
2. **Board** means Securities and Exchange Board of India.
3. **Code** means this Code of Conduct for Prevention of Insider Trading including modifications made thereto from time-to-time.
4. **Company** means Vipul Ltd.
5. **Compliance Officer** - Company Secretary of Vipul Ltd unless any senior officer, designated so 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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 Vipul.
6. **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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 per cent. of the holding or interest.

**7. Designated Employee means -**

- (i) All Directors whether executive, non-executive or independent;
- (ii) Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS);
- (iii) All employees of Finance, Accounts and Secretarial Department;
- (iv) All employees of General Manager cadre and above in all other Departments of the Company;
- (iv) Such other employees as may be determined by the Board from time-to-time.

**8. Designated Person**

Designated employees, connected persons and any other person designated on the basis of their functional role as may be specified by the Board of Directors in consultation with Compliance Officer shall be the designated person for the purpose of this Code.

**9. Generally available information** means information that is accessible to the public on a non-discriminatory basis.



10. **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.
11. **Insider** means any person who is:
  - i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information.
12. **Promoter** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
13. **Regulation** means Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015 as amended from time to time.
14. **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.
15. **Specified** means specified by the Board in writing.
16. **Takeover regulations** mean the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
17. **Trading** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and trade shall be construed accordingly; (Dealing includes "Pledge" of shares).
18. **Trading day** means a day on which the recognized stock exchanges are open for trading.
19. **Trading Window** means the period during which, trading in the Company's securities by insiders shall be permissible.
20. **Unpublished price sensitive information** 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 including but not restricted to, information relating to the following: -
  - (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;



- (iv) mergers, de-mergers, acquisitions, delistings, 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.

## II. INTERPRETATION

- 1) Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.
- 2) This Code can be modified/amended/alterd only by Board of Directors of the Company. However in case of any statutory modification or amendment or alteration of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 2015, the newly modified/amended/alterd provisions of the Regulation shall be deemed to be implemented in the Code immediately with effect from the date of the statutory notification for modification or amendment or alteration etc.

The amended code should be placed before the Board of Directors the Company in the Board Meeting held immediately after the date of statutory notification for modification/amendment/alteration etc of the Regulation for noting.

## III. CODE

### 1. REPORTING

The Compliance Officer shall report on Insider Trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee/ Chairman of the Board of Directors at **such frequency** as may be stipulated by the Board of Directors.

The Compliance Officer assists all employees in addressing any clarifications regarding the Regulations and the Company's Code or Code of Conduct.

### 2. PRESERVATION OF "PRICE SENSITIVE INFORMATION"

- 2.1 All information shall be handled within the Company on a need-to-know basis and no insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to Company or its securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of his legal obligations.
- 2.2 No Person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to Company or securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.



2.3 An Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which would entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
- not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

2.4 Need to Know :

- (i) "need to know" basis means that Unpublished Price Sensitive Information should be disclosed only to those 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.
- (ii) All non-public information directly received by any employee should immediately be reported to the Compliance officer.

2.5 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

**3. TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION.**

3.1 No insider shall trade in Securities of the Company that are listed/proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

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 promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;



- (ii) 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 these regulations are 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;
- (iii) the trades were pursuant to a trading plan set up in accordance with Clause 4 of these Regulations.

3.2 In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.

3.3 The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

#### **4. TRADING PLAN**

**4.1** An insider shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

#### **4.2 Trading Plan shall:**

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) 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;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) 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
- (vi) not entail trading in securities for market abuse.



**4.3** The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

**4.4** 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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

**4.5** Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## **5. TRADING WINDOW AND WINDOW CLOSURE**

### **5.1**

- (i) The trading period, i.e. the trading period of the stock exchanges, called 'trading window', is available for trading in the Company's securities.
- (ii) The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.
- (iii) When the trading window is closed, the Designated Persons shall not trade in the Company's securities in such period.
- (iv) All Designated Persons shall trade in the securities of the Company only in a valid trading window and shall not deal in any trade of the Company's securities during the periods when the trading window is closed, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.
- (v) 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 is closed.





- 5.2 The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.
- 5.3 The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.
- 5.4 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

## **6. PRE-CLEARANCE OF TRADES**

- 6.1 When the trading window is open, any Designated Person shall trade in Securities of the Company subject to pre-clearance by the Compliance Officer if the value of the proposed trades is above a minimum threshold limit of Rs. 10,00,000/- (Rupees Ten Lakh) in value in any calendar quarter or such other limits as the Board of Directors may stipulate. However, no Designated Person shall be entitled for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the trading window is not closed.
- 6.2 Designated Person who proposes to execute trade in Securities of the Company shall submit an application duly filled and signed to the Compliance Officer. The format of application is annexed as Annexure 1.
- 6.3 Prior to approving any trades, the Compliance Officer shall seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 6.4 The Compliance Officer shall confidentially maintain a list of such securities as a restricted list which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
- 6.5 The Compliance Officer shall approve / reject pre-clearance application within four days in Annexure 2.



- 6.6 Designated Person shall execute pre-cleared trade within seven trading days from approval and shall report his trade details to Compliance Officer in Annexure 3 within 2 trading days from the trade. In case non-trading, Designated Person shall report his decision of non-trading along with reasons to Compliance Officer in Annexure 3.
- 6.7 In case of failure in executing trade within seven trading days, Designated Person shall be required to take fresh pre-clearance for the trades to be executed in Annexure 1.
- 6.8 Designated Person who is permitted to trade shall not execute a contra trade within next six months from previous transaction. The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing without violating the Regulations. If contra trade is executed, inadvertently or otherwise, in violation of such a 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.

## 7 DISCLOSURES BY CERTAIN PERSONS

### A. Initial Disclosures of holdings

Every promoter, key managerial personnel and director of the Company shall disclose (**as per Form A**) his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose (**as per Form B**) his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter.

### B. Continual Disclosures of trades

Every promoter, employee and director of the Company shall disclose to the Company (in Form C) the number of such securities acquired or disposed of within two (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) or such other value as may be specified;

The Company shall within a period of two (2) trading days from the date of receipt of such disclosures, inform the Stock Exchange(s) particulars of such trading. Further the Company shall also inform to the stock exchange(s) about the disclosure of the incremental transactions when the transaction effected after any disclosure made under above para.



**C. Disclosures by other connected persons.**

The Company may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the Company (in Form D) and at such frequency as may be determined by the Company in order to monitor compliance with these regulations.

**8. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT**

- 8.1** Any Designated Person who contravenes the Code of Conduct shall be penalised and shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension etc.
- 8.2** The Company shall promptly inform Securities and Exchange Board of India regarding any violation of the Code of Conduct.
- 8.3** The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**9. APPLICABILITY OF THE CODE TO CERTAIN PERSONS**

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.



**Annexure 1**

**Application cum Undertaking for Pre-clearance**

Date:

To,  
The Compliance Officer,  
Vipul Limited

**Sub: Application for Pre-dealing in securities of the Company**

Dear Sir / Madam,

With reference to Code of Practices Procedure and Conduct to Regulate, Monitor and Report Trading by Insiders, I \_\_\_\_\_, \_\_\_\_\_(Designation & Dept.) of the Company, would like to purchase / sale \_\_\_\_\_equity shares of the Company as per details given below:

| <b>Sr. No.</b> | <b>Particulars</b>                             |  |
|----------------|--|--|
| 1              | No. of Securities held as on application date  |  |
| 2              | DP & Client ID / Folio No.                     |  |
| 3              | No./Value of Securities to be purchased / sold |  |
| 4              | Name of person who proposed to trade           |  |

I hereby declare that I am not in possession of any UPSI.

In the event that I have access to or received any UPSI, after the signing of this application but before executing trade for which approval is sought, I shall inform the Compliance Officer about the same and shall completely refrain from dealing in the Securities until such UPSI becomes publicly available. Thereafter I will submit fresh application for executing a trade.

I also hereby declare that I have not contravened any provision of the Code of Conduct.

Further I undertake to submit report on trade within 2 days from date of execution of trade or submit a 'Nil' report if no trade was executed.

After approval, I shall execute a trade within 7 trading days from of the receipt of approval trade failing which I shall seek pre-clearance again.

Your faithfully,

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

(Name of Employee)



**Annexure 2**

**Approval / Rejection of Pre- Clearance**

Date:

To,  
Name:  
Designation:

Dear Sir / Madam,

With reference to your Application cum Undertaking for Pre-clearance dated\_\_\_\_\_, we would like to inform you that your application to purchase / sale \_\_\_\_\_equity shares of the Company is hereby approved / rejected. Now, you can execute your trade within 7 trading days i.e.\_\_\_\_\_. Further, you are required to submit a report your trade details within two trading days from trade. Or In case, no trade was executed, you are required to submit a 'Nil' report.

In case, you do not execute a trade before \_\_\_\_\_, you shall submit a fresh pre-clearance application before executing any transaction in the Securities of the Company.

Thanking you,

Yours faithfully,  
For Vipul Ltd.

**Compliance Officer**



Annexure 3

**Reporting of Trade / Transaction**

To,  
The Compliance Officer,  
Vipul Limited  
New Delhi

Dear Sir / Madam,

According to approval of pre-clearance dated \_\_\_\_\_, I have executed a trade / transaction on \_\_\_\_\_(date). The detail of said trade / transaction is as under:

| Name of holder | No. of Securities purchased / sold | Average Gross Price per Securities (in Rs.) | DP ID & Client ID / Folio No. |
|----------------|------------------------------------|---|-------------------------------|
|                |                                    |   |                               |
|                |                                    |   |                               |

Further I enclose herewith copy of Contract Note for your ready reference.

I declare that the above information is correct and that no provision of the Code of Conduct has been violated while executing aforesaid trade / transaction.

I also declare that I have complied with the requirements of minimum period of 6 months for entering into an opposite transactions in respect of said Securities.

Or

According to approval of pre-clearance dated \_\_\_\_\_, I have not executed a trade / transaction due to \_\_\_\_\_(reason of non-trading).

I will take fresh pre-clearance for trades as and when I propose to trade in Securities of the Company.

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

Name:

Designation:



**Annexure 4**

**Initial Disclosure of Securities**

To,  
The Compliance Officer  
Vipul Limited  
New Delhi

Sub: **Initial Disclosure of Securities**

Dear Sir / Madam,

Pursuant to ABC Code of Practices Procedure and Conduct to Regulate, Monitor and Report Trading by Insiders, I, \_\_\_\_\_, \_\_\_\_\_ (Designation & Dept.) of the Company hereby submit the following details of securities held in the Company as on May 15, 2015 being date of Regulations taking effect.

| Name                           | Relationship | DP & Client ID / Folio No. | No. of Share |
|--------------------------------|--------------|----------------------------|--------------|
| Self                           |              |                            |              |
| Other Relatives, relation-wise |              |                            |              |
|                                |              |                            |              |
|                                |              |                            |              |
|                                |              |                            |              |
|                                |              |                            |              |
|                                |              |                            |              |
|                                |              |                            |              |
|                                |              |                            |              |
|                                |              |                            |              |

Date:

Signature:  
Name:  
Designation:

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