

# **VIJI FINANCE LIMITED**

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## **POLICY ON PROHIBITION OF INSIDER TRADING**

### **Introduction**

- The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) on January 15, 2015, which came into effect from May 15, 2015.
- Pursuant to Regulation 4(2)(c)(iv) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Viji Finance Limited (the “Company”) is required to formulate a framework to avoid insider trading and abusive self-dealing (“Insider Trading Policy”).

### **Objective**

- This Insider Trading Policy is enforced to maintain the highest ethical standards of dealing in securities of the Company by persons to whom it is applicable. The provisions of the Insider Trading Policy are designed to regulate, monitor and report trading by Insiders in the securities of the Company.
- This code has been adopted by the Board of Directors (the “Board”) at its meeting held on May 30, 2018.

### **Definitions**

1. “Insider trading” shall have the meaning set forth in the Companies Act, 2013;
2. “Insider” means any person who is or was a “Connected Person” or in possession of or having access to unpublished price sensitive information;
3. “Compliance Officer” means the Officer appointed by the Board of Directors at its meeting;
4. “Confidential Information” shall mean any information which is directly or indirectly related to the Company and associate companies and which is not available to the general public or which is proprietary in nature and includes Unpublished Price Sensitive Information as defined under the Insider Trading Regulations;
5. “Connected Persons “ means :
  - 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

- 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, -
  - i. an immediate relative of connected persons specified in clause (i); or
  - ii. a holding company or associate company or subsidiary company; or
  - iii. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
  - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
  - v. an official of a stock exchange or of clearing house or corporation; or
  - vi. 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
  - vii. 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
  - viii. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
  - ix. a banker of the company; or 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;
  
- 6. “Insider “means any person who is:
  - a connected person; or
  - in possession of or having access to unpublished price sensitive information;
  
- 7. “Prohibited Period” means the period effective from the date on which the Company sends intimation to the Stock Exchange advising the date of the Board Meeting, up to 24 hours after the price sensitive information is submitted to the Stock Exchange.
- 8. “Unpublished Price Sensitive Information” 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 the securities and shall, ordinarily including but not restricted to, information relating to the following: –
  - financial results;
  - dividends;
  - change in capital structure;
  - mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - changes in key managerial personnel; and
  - material events in accordance with the listing agreement.

### **Duties of Compliance Officer**

1. He shall maintain a record of designated employees and any changes made to the list of Connected Persons.
2. He may in consultation with the CEO / Board of Directors and shall as directed by the Board, specify Prohibited Period from time to time and immediately make an announcement thereof to all concerned.
3. He shall maintain a record of Prohibited Period specified from time to time.
4. He shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, pre-clearing of Designated

- Employees and their dependents' trades, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.
5. He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.
  6. He shall place before the CEO / Board of Directors, on a monthly basis all the details of the dealing in the securities by Designated Employees, Directors, Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.
  7. He shall from time to time inform the Stock Exchanges of any Price Sensitive Information on immediate basis.
  8. He shall intimate to all Stock Exchanges on which the securities of the Company are listed the relevant information received.
  9. He shall be responsible for overseeing and coordinating disclosure of Price Sensitive Information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the CEO / Board of Directors.
  10. He shall inform SEBI of any violation of the PIT Regulations within 7 days of knowledge of violation.

### **Preservation of Price Sensitive Information**

Directors, Designated Employees, Officers shall maintain the confidentiality of all Price Sensitive Information. Employees / Directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities. Following practices should be followed in this regard:

#### **Need to know**

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., 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 information.

#### **Limited Access to Confidential Information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

### **Prohibition on Dealing, Communicating or Counseling on Matters Relating to Insider Trading**

No Insider shall:

1. either on his own behalf, or on behalf of any other person, deals in securities of the Company when in the possession of any unpublished price sensitive information; or
2. communicates, counsel or procures, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

## **Trading Restrictions**

All Directors / Officers and designated employees of the Company shall be subject to trading restrictions as enumerated below:-

### **Trading Window**

The period prior to declaration of Price Sensitive Information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished price sensitive information. During such sensitive times, the Directors, Officers and Designated Employees will have to forego the opportunity of trading in the Company's securities. The Directors, Officers and Designated Employees of the Company shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

#### **The trading window shall be, inter alia, closed at the time of:**

- Declaration of Financial results (quarterly, half-yearly and annual);
- 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 of the Company disruption of operations due to natural calamities;
- Commencement of any new commercial production/commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the Company during that financial year;
- Developments with respect to changes in pricing/ realisation on goods and services arising out of changes in government policy;
- Litigation/dispute with a material impact;
- Revision of credit ratings assigned to any debt or equity instrument of the Company;
- Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;
- The period of closure shall be effective from the date on which the Company sends intimation to Stock Exchange advising the date of the Board Meeting, up to 24 hours after the Price sensitive information is submitted to the Stock Exchange.
- The trading window shall be opened 24 hours after the Price Sensitive Information is made public.
- All Directors, Officers, Designated Employees of the Company shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.
- 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 Directors, Officers, Designated Employees of the Company who intend to deal in the securities of the Company during free period in excess of 25,000 Securities in number shall pre-clear the transactions as per the pre-dealing procedure as described hereunder. The Company Secretary is authorized to change the number of Securities from time to time.
2. Pre-dealing Procedure
3. An application for pre-clearance of trade may be made in Form 'A' to the Compliance Officer along with an undertaking in favor of the Company by such Designated Employee, Director, Officer incorporating, inter alia, the following clauses, as may be applicable
4. That the employee/ director/officer does not have any access or has not received Price Sensitive Information up to the time of signing the undertaking.
5. That in case the Designated Employee, Director, Officer has access to or receives Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance Officer of the change in his position and that he or she would completely refrain from dealing in the securities of the company till the time such information becomes public in the securities of the Company till the time such information becomes public.
6. That he or she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
7. That he or she has made a full and true disclosure in the matter.
8. The Compliance Officer shall on receiving an application provide the Director, Officer, and Designated Employee with an acknowledgement on the duplicate of the application.
9. The Compliance Officer shall grant approval within 2 days from the date of acknowledgement.
10. The Compliance Officer shall retain copies of all applications and acknowledgements.
11. In exceptional circumstances consent may not be given if the Compliance officer is of the opinion that the proposed deal is on the basis of possession of any Unpublished Price Sensitive information. There shall be no obligation to give reasons for any withholding of consent.
12. If so requested by the Compliance Officer, Director, Officer, Designated Employee must ensure that his stockbroker is authorized to disclose to the Company all matters relevant to his share dealings.

### **Other Restrictions**

1. All Directors, Officers, Designated Employees shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the Directors, Officers, and Designated Employees must pre clear the transaction again. All Directors, Officers, Designated Employees shall hold their investments in securities for a minimum period of 30 days irrespective of mode of acquisition in order to be considered as being held for investment purposes.
2. The holding period shall also apply to subscription in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

3. In case the sale of securities is necessitated by personal emergency, the Compliance Officer may waive the holding period after recording in writing his or her reasons in this regard. An application for waiver of holding period shall be made to the Compliance Officer in Form 'B'.

### **Reporting Requirements for transactions in securities**

The following disclosures shall be made to the Compliance Officer:

#### **Initial disclosures**

Every Promoter, Key Managerial Personnel and Director shall disclose to the Company within thirty days of the Regulations taking effect their respective holding of the Company's Securities as on the date of these Regulations taking effect in the form prescribed by the Securities and Exchange Board of India and as amended from time to time;

Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose their respective holding of the Securities of the Company, as on the date of appointment or upon becoming a Promoter, to the Company within seven days of such appointment or becoming a promoter in the form prescribed by the Securities and Exchange Board of India and as amended from time to time.

#### **Continual disclosure**

Every Promoter, Employee and Director of the Company shall disclose to the Company the number of such Securities acquired or disposed of within two 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.1.00 million or such other value as may be specified in the form prescribed by the Securities and Exchange Board of India and as amended from time to time;

The Company shall notify the particulars of such Trading to the stock exchanges on which the Company's Securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information in the form prescribed by the Securities and Exchange Board of India and as amended from time to time.

#### **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 such form prescribed by the Securities and Exchange Board of India and as amended from time to time and at such frequency as may be determined by the Company in order to monitor compliance with the Regulations.

### **Initial Disclosures**

Every existing Director, Officer and Designated Employee of the Company and newly joined Director, Officer and Designated Employee of the Company on being appointed as such shall disclose to the Company, in Form 'I', the number of Securities or voting rights in the Company held by him and their dependent family members. The existing Director, Officer and Designated Employee of the Company have to make disclosure on or before date specified by the Compliance Officer and newly appointed Director, Officer and Designated Employee have to make disclosure within 2 working days of becoming a Director or Officer or Designated Employee of the Company.

### **Continual Disclosures**

1. Every Director, Officer and Designated Employee of the Company shall disclose to the Company, in Form 'F', the number of shares or voting rights in the Company held by him and change in his shareholding or voting rights from the last disclosure made under this Clause, if such change exceeds Rupees Five lakh in value or 25,000 shares or 1% of the total shareholding or voting rights, whichever is lower or any revised limits notified by SEBI from time to time. "Change" means a net change arrived at after taking netting off purchases and sale of securities.
2. The aforesaid disclosure has to be made within 2 working days of:-
  - the receipt of intimation of allotment of shares; or
  - the acquisition or sale of shares or voting rights as the case may be
3. The disclosures under this Clause shall be sent to the Compliance Officer / Company Secretary of the Company.

### **Quarterly / Annual Disclosures**

All Directors, Officers, Designated Employees dealing in the Securities of the Company shall be required to forward following details of their Securities transactions including the holdings of dependent family members to the Compliance officer:

1. All holdings in securities of the Company by Directors, Officers, Designated Employees at the time of joining the Company;
2. In respect of existing Directors, Officers, Designated Employees, all holdings in securities of the Company as on the date specified by the Company Secretary.
3. Statement of any transactions in securities of the Company, whether pre-clearance of trade was obtained or not, in Form 'D' on a quarterly basis within 10 days from the end of each quarter; and
4. Annual statement of all holdings in securities of the Company in Form 'E' as on March 31 of each year, before April 15 of that year.

### **Disclosure by the Company to Stock Exchanges**

Within 5 days of the receipt of the information under Clause 6.2 of the Regulations, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

**Records of disclosures received by the Company**

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years. The Compliance officer shall place before the CEO / Board of Directors, on a monthly basis all the details of the dealing in the securities by the Designated Employees, Directors, Officers of the Company and the accompanying documents that such persons had executed under the pre - dealing procedure as envisaged in this code.

**Information to SEBI in case of violation of the PIT Regulations**

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the PIT Regulations, SEBI shall be informed by the Company.