

Dated -----

Mr / Mrs -----  
-----  
-----  
-----

Dear Sir,

On behalf of all the Board members of VCCL Limited, I would like to welcome you on the Board of VCCL Ltd. as an Independent Director ["ID(s)"].

The purpose of this letter is to inform you about the new provisions related to the IDs introduced under the new Company law i.e. Companies Act, 2013. The Act, 2013 has specifically defined the roles, duties, liabilities and the manner of appointment of IDs on the Board and various Committees of the Company. The newly enacted Companies Act 2013 and the recent amendments by SEBI to the Listing Agreement require that a Company should issue appointment letter to all its Independent Directors.

In compliance of the requirements of the revised law, we are pleased to issue this formal appointment letter to you. This letter will set out the terms of your appointment and your roles, duties, responsibilities and liability as an Independent Director on the Board of VCCL Limited.

Kindly return the duplicate copy of this letter, and the Terms of Appointment enclosed herewith, duly signed by you in confirmation.

Thanking you,

Yours sincerely  
**For VCCL Limited**

**Chairman & Managing Director**  
**[DIN:.....]**

Encl: As above

## **Terms of Appointment of Independent Director**

On behalf of the Company, I write to confirm your appointment as an Independent Director of the VCCL Limited (“VCCL” or “Company”), as per the provision of the Companies Act, 2013 with effect from [Appointment Date]. I set out below the terms of your appointment:

### **1. TERM OF OFFICE**

Your appointment is subject to confirmation by the Shareholders in the next general meeting and receipt of your consent to act as an Independent Director under the new Companies Act, 2013 following which, it is anticipated that the appointment will be for an initial period of Five (5) years from [Appointment Date]. You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013 and Listing agreement.

Your appointment is subject to the provisions of Companies Act, 2013 regarding appointment, fees, expenses, retirement, disqualification and removal of directors. You may cease/ resign at any time, by giving a written notice to the Board, to hold the office as Director.

It is desirable that, you give the Board reasonable forewarning of your intention to resign or not to seek re-appointment, so that Company can plan for your successor who may be equivalent to yours skills and experience.

Further, you may be removed as a director or otherwise, and required to vacate office, under any applicable law and under the Article of Association of the Company.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with procedure agreed by the Board from time to time and you agree to participate in such reviews.

### **2. COMMITMENTS**

#### **A) Independent Director**

You will be expected to devote such time as is necessary for the proper performance of your duties and as an independent Director you will be involved in a number of board and committee meetings each year. You should strive to attend all the scheduled quarterly board meetings, General Meetings; Committees board Meetings and other meetings or attendance as necessary.

As an independent director you should strive to hold and present in at least one meeting in a year, which will be without the presence of non-independent directors and members of management, with the sole objective of:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

- (c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

## **B) The Company**

- The Company shall provide you with adequate notice of the dates of proposed board meeting, general meetings, and meetings of board committees. As per the provision of the Companies Act, 2013 the company is expected to give you an advance notice of minimum 7 days of every board and committee meetings. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director. The notice of the Board/ Committee meetings will be provided along with the agenda of the Board/ Committee meetings.
- The company will train its Board members in the business model of the company as well as the risk profile of the business parameters of the company and their responsibilities as directors
- The company will provide you with special training courses which will be conducted by the various professional bodies to ensure that the directors are refreshed and equipped to perform their role with the highest standards.
- Company shall inform the directors about any upcoming events in the company
- Company shall ensure that director is update about latest happening in the industry and in the field of law applicable on the company by allowing them to visit the seminars held in these respect
- Company shall establish an effective whistle blower mechanism so that the directors can raise their concerns
- It shall be the responsibility of the Company to provide the independent director with all the information and documents they validly require to fulfill their functions.
- The company shall ensure that the independent directors are aware of their statutory obligations.

## **3. CODE OF CONDUCT, FUNCTIONS AND DUTIES**

You will be expected to perform your duties, whether statutory, fiduciary or common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience. You will have all the usual duties of an independent director under Company law and applicable listing agreement with the

Stock Exchanges, including attendance at board meetings, the annual general meeting, meetings of independent directors, meetings with investors and shareholders and other Board events such as site visits, together with such additional duties as may be agreed with the Board, and which may relate to the business of the Company. You will be required to serve on such committees as the Board may request, including but not limited to Audit, and/or Nomination and remuneration and/or Stakeholders Relationship and/ or Financial Restructuring Committees of Directors and/ or Sub-committee of Directors. In addition, you will be expected to devote appropriate preparation and travel time ahead of each meeting.

As a Director of VCCL Limited, you will have legal duties and obligations under Companies Act 2013. It is expected that you will familiarize yourself with the relevant Directors' Duties, roles and responsibilities as set out in **Annexure - I**.

#### **4. LIABILITY**

As an independent director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

#### **5. TECHNOLOGY**

Being a Director, you may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings.

You may attend the board or committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Companies Act, 2013.

#### **6. CONFLICT OF INTEREST**

By accepting this appointment you will be deemed to have confirmed that any other position you hold including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the Company Secretary.

**As an Independent Director of the Company, you shall not be engaged in any activities that are not expected from you being an Independent Director.**

#### **7. DISCLOSURES**

During your tenure as an independent director, you are required to submit certain information in the prescribed forms on a defined periodicity for which Company Secretary of the Company shall be the coordinating officer.

Further, you are required to disclose your interests and any matters (excluding those matters which may be subject to legal professional privilege) and to give a declaration,

every financial year, that you meet the criteria of independence as provided under Section 149 of the Companies Act, 2013. Format of disclosure is enclosed herewith in **Annexure - II**.

#### **8. DIRECTORS' FEES**

You shall be paid sitting fees as decided by the Board, time to time, for attending each meeting of the Board as well as of any Committee, as per the provision of Section 197 of the Companies Act, 2013 and the Articles of Association of the Company.

The Company shall reimburse you all traveling, hotel, and other incidental expenses properly and reasonably incurred by you in performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

As an independent director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

#### **9. REVIEW**

The performance of individual directors, the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the chief executive officer or the senior independent director as soon as you can.

#### **10. CODE OF CONDUCT FOR INDEPENDENT DIRECTORS AND FOR PREVENTION OF INSIDER TRADING FOR EMPLOYEES INCLUDING DIRECTORS**

You are required to abide by the Code for Independent Directors and for Prevention of Insider Trading for Employees including Directors, as issued by the Company. (Enclosed herewith as an **Annexure – III (i) and III (ii)**)

#### **11. INDUCTION & TRAINING**

Where possible, directors will be encouraged to attend special training courses by various professional bodies to ensure that the directors are refreshed and equipped to perform their role in the highest standards and performance possible. You should feel free to request any further information which you require, at any time.

#### **12. INDEMNITY AND INSURANCE/ PROVISION FOR DIRECTORS AND OFFICERS (D AND O) INSURANCE**

The Company may obtain a Directors' & Officers' liability Insurance Policy for you. Details of the same will be provided by the Company Secretary as and when such policy is taken by the Company.

#### **13. CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS**

Under Company law, Directors have a right of access to Company's documents and records, including financial records.

Any confidential information which may come to your knowledge in the performance of your duties as a director of the Company must not be divulged, except so far as :

- a. may be necessary in connection with the proper performance of your duties to the Company;
- b. the Company may from time to time authorize you to disclose such information as may be required by you with the condition that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company; or
- c. You may be required by law to disclose.

#### **14. APPLICABLE LAW**

This letter of appointment shall be governed by the laws of India.

Kindly confirm your agreement to the terms set out above by signing the endorsement on the enclosed copy of this. Please return the copy to me at the above address. In returning this letter duly signed, you agree that the Company may make this letter publicly available.

Yours sincerely  
**For VCCL Limited**

**Chairman & Managing Director**  
**[DIN:.....]**

-----  
I have read and agree to the above terms regarding my appointment as an independent non-executive Director

**Signature** :  
**Name** :  
**DIN** :  
**Date** :  
**Place** :

**Annexure I**  
**Power, duties and responsibility of Independent Director**

**A. PROFESSIONAL CONDUCT**

As an Independent director of the Company, you shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising your duties;
- c) exercise your responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) not allow any extraneous considerations that will vitiate your exercise of objective Independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g) refrain from any action that would lead to loss of your independence;
- h) where circumstances arises, which make you lose your independence as an Independent Director, you must immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices

**B. ROLE AND FUNCTIONS**

As an Independent director of the Company, you shall:

- a) help in bringing an Independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) determine appropriate levels of remuneration of executive Directors, key managerial personnel and senior management and have a prime role in appointing and where

necessary recommend removal of executive Directors, key managerial personnel and senior management;

- h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

### **C. DUTIES**

As an Independent director of the Company, you shall :

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d) participate constructively and actively in the committees of the Board in which you are a chairperson or a member;
- e) strive to attend the general meetings of the Company;
- f) ensure that your concerns about the running of the Company or a proposed action are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep yourself well informed about the Company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- j) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l) acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.



## Annexure II

### Declaration by Independent Director under Section 149 (7) of the Companies Act, 2013

I, -----, holding DIN ----- with respect to the position of Independent Director of VCCL Limited, hereby confirms that:-

- a. I do not hold designation of Managing Director or a Whole-time Director or a Nominee Director in the Company or its holding, subsidiary or associate company;
- b. I possess relevant expertise and experience as required for the designation;
- c. I possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, administration, research and corporate governance related to the company's business;
- d. I am not the nominee of any financial institution or of the Government or any of any other person, to represent their interest on the Board;
- e. I am or was not promoter of the company or its holding , subsidiary or associate company and also not related to the promoters or directors in the company, its holding, subsidiary or associate company;
- f. I do not have or have had any pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year, apart from receiving Directors remuneration from the company u/s 149(9) of the Companies Act, 2013;
- g. None of my relative has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2%. or more of its gross turnover or total income or fifty lakh rupees, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- h. Neither I nor any of my relative hold or has held the position of key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the current financial year;
- i. Neither I nor any of my relative is or has been an employee or proprietor or a partner in any of the three financial years immediately preceding the current financial year :
  - i. In a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company,
  - ii. In any legal or a consulting firm that has or had any transaction with the company, its holding co, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm,
- j. I or any of my relative do not hold together with my relatives 2% or more of the total voting power of the company.

- k. I or any of my relative is not a material supplier, service provider or customer or a lessor or lessee of the company.
- l. Neither I or nor any of my relatives is a Chief Executive Officer (CEO) by whatever name called , of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company.
- m. I am not disqualified to act as an Independent Director under any provision of Companies Act, 2013 and rules made there under, or any other law for the time being in force in India or under Listing Agreement of the Stock Exchanges.

***I further confirm that:-***

I do not hold the position of Independent Director in more than 7 listed companies;

- a. I am not holding the position of Whole-time Director in any listed company and serving as an Independent Director not more than in 7 listed companies at the same time;
- b. I am not the member in more than ten committees of Audit Committee and the Stakeholders' Relationship Committee across all public limited companies where I am acting as director.
- c. I am not Chairman in more than five Audit Committee and the Stakeholders' Relationship committee across all public limited companies where I am acting as director.
- d.

The details of Chairmanship/membership in various committees (Audit and Stakeholders Relationship Committee) of all public limited companies are as follows:-

S.No.	Name of Company	Name of Committee	Chairman/Member

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

Name:

Dated:

Place:

## ANNEXURE – III (i)

### CODE FOR INDEPENDENT DIRECTORS

This is to inform you that in terms of Section 149(7) of Companies Act, 2013 and Clause 49 (II) (E) (3) of Listing Agreement and SEBI Guidelines by the Company, it is mandatory for all Independent Directors to adhere with the Code of Conduct of the Company.

The said Code has been prescribed under Schedule IV of the Companies Act, 2013 and the same is reproduced herein below for your perusal and ready reference:-

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

#### II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;

- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. Duties:**

The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

### **IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

## ANNEXURE – III (ii)

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

#### I. INTRODUCTION

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated SEBI (Insider Trading) Regulation 1992. SEBI has since amended the existing regulations. These regulations are now called Securities and Exchange Board of India (Prohibition of Insider Trading) regulations, 1992 (Herein after referred to as "Regulations").

Insider trading means dealing in securities of a company Listed/ traded on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.

**Chapter IV** of the Regulations provides for all the listed company to frame Code of Internal procedures and conduct as near thereto the Model Code as specified in **Schedule I** to the Regulations.

The Company endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. Every Director, Employee of the company has a duty to safeguard the confidentiality of all such information obtained in the course of his work at the Company.

Such persons are prohibited from communicating or counseling others with respect to the securities of the company. Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling the Company to retain investor confidence.

To achieve these objectives, **VCCL Limited** has modified and redrafted the existing code of conduct and new code of conduct is called as **VCCL Limited code of Conduct for Prevention of Insider Trading ("Code")**. This code shall come into effect on and from 1<sup>st</sup> May, 2009.

This document manifests the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('the Code') adopted by VCCL Limited. The Code shall be applicable to Directors, whether Executive or Non Executive, all Designated employees and persons holding professional or business relationships with the Company, whether temporary or permanent, and who may reasonably be expected to have access to unpublished price sensitive information in relation to the Company.

All the Directors and Designated employees of **VCCL Limited** are advised to carefully go through and familiarize themselves with and adhere to the Regulations and the code.

## II. SHORT TITLE, COMMENCEMENT AND EXTENT

I. This Code is called VCCL Limited Code of Conduct for Prevention of Insider Trading.

II. It shall come into the force on 1<sup>st</sup> May, 2009.

III. This code is applicable to the following:

- All the Directors and Designated Employee of VCCL Limited and their Dependent Family Members.

## III. DEFINITIONS

In this Code, unless the context otherwise requires,

"**Code**" means this VCCL Limited Code of Conduct for Prevention of Insider Trading, as modified from time to time.

"**Compliance Officer**" means the Company secretary of the Company (VCCL).

"**Dealing in Securities**" means act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities by any person, either as principal or agent.

"**Director**" means a director of VCCL Limited or any person in accordance with whose instructions or directions the Board of Directors of the VCCL Limited is accustomed to act, shall be deemed to be a Director for the purpose of this code.

"**Dependent Family Members**" mean the spouse, dependent parents and dependent children of the Director and Designated Employees.

"**Employee**" means employee of VCCL Limited

"**Insider**" means

- i.) A person who is either a Director or Designated employee of the Company ,
- ii.) and a person who is connected with the company or is deemed to have been connected with the company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company or who has received or has had access to such unpublished price sensitive information.

"**Designated Employee**" means:

1. Executive Director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Marketing Officer or any such other equivalent position;
2. President, Vice President or any other such equivalent position;
3. General Manager/ Deputy General Manager/Assistant General Manager /Divisional Manager or any such equivalent position;
4. Officer and above in finance & account department and secretarial department;
5. Such other employee as may be determined by the Managing Director.



**"Price Sensitive Information"** means any information, which relates directly or indirectly to VCCL Limited and which if published is likely to materially affect the price of securities of VCCL LIMITED and without limitation include the following:

- 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. undertaking of new business.
- vii. disposal of the whole or substantial part of the undertaking; and
- viii. significant changes in policies, plans or operations of the company.

**"Regulations"** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2002.

**"Securities"** mean securities of VCCL LIMITED which are Listed / traded on a recognized stock exchange in India and includes

- i) Equity Shares, Preference shares, Warrants, bonds, debentures, or other marketable securities of VCCL Limited.
- ii) rights or interest in such securities;

**"SEBI"** means the Securities and Exchange Board of India.

**"Trading window"** shall have the meaning as specified in the **clause XII** of the Code.

#### **IV. COMPLIANCE OFFICER:**

1. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, Pre clearing of all Directors'/ Employees'/ Dependent Family members' trades, addressing any clarifications/ difficulties regarding the Regulations and/or the Code and the implementation of the Code, under the overall supervision of the Chairman and Managing Director.
2. Compliance Officer will maintain a record of the designated employees and any change made in the list of designated employees.

#### **V. PRESERVATION OF PRICE SENSITIVE INFORMATION**

1. All the Directors and Designated Employees shall maintain the Confidentiality of all Unpublished Price Sensitive Information in their possession.
2. Directors and Designated Employees shall not advise, communicate, counsel, inform or pass on such information to any person, directly or indirectly, other than communication required to be made in the ordinary course of business or under any law.

3. Unpublished Price Sensitive Information shall be handled on a "need to know" basis. It should be disclosed only to those who need the information to discharge their duty and / or functions.

## **VI. LIMITED ACCESS TO UNPUBLISHED PRICE SENSITIVE INFORMATION**

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

## **VII. PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

1. Notwithstanding anything contained in the Code, the Directors, Officers and Designated Employees shall not engage in dealing in securities, whether on their own account, the account of the Dependent Family Member shall also not engage in dealing in securities on their own account, if such Director, Officer or Employee (or in case of Dependent Family Member, the concerned Director or Employee) is in possession of any unpublished Price Sensitive Information.
2. The Directors, officer and Designated Employees shall hold their investments in securities for a minimum period of **6(Six) Months**. They shall not be allowed to enter into **opposite transaction for a period of 6 month after transaction of buy or sale of securities.**
3. However, In case of the subscription in the Primary Market the holding period shall be **30 days** only and would commence from the date of allotment of securities.
4. All Directors and Designated employees shall also not take position in derivative transaction in the shares of the company at any time.
5. The Compliance Officer shall not has power to waive the holding period specified in clause 2 and 3 above.

## **VIII. REPORTING REQUIREMENT**

All the Directors and Designated Employees shall be required to forward to the Compliance Officer following details in respect of the securities held by them and their respective Dependent Family Member:

### **A. Initial Disclosure**

The details of the securities held and position taken in derivatives by him / her and his / her Dependant Family Members, the date from which securities are held, the number of securities held at the time of implementation of the Code of Conduct for prevention of the Insider Trading or joining the Company or becoming the Director of the Company and such other information relating to the Securities as the Compliance Officer may require.

***Disclosure should be made in form IV within two working days of joining.***

## **B. Continual Disclosure**

Any change in securities of VCCL LIMITED held if the change exceeds the limit specified in the following, within **two working** days of such change.

- Rupees 5 lacs in value,
- 25000 Equity Shares or
- 1% of the total shareholdings in VCCL LIMITED

**Whichever is lower.**

***Disclosure should be made in form V within two working days of from the date the change.***

## **C. Annual Disclosure.**

Annual Statement of all securities of VCCL LIMITED held as on last date of every Accounting year in **Form VI** within Seven (7) days of the end of Accounting year.

## **IX. PRE CLEARANCE OF TRADES**

1. All directors or designated employees of the company who intends to deal in securities of the company (above a minimum threshold limit of **2500** shares or any other securities) in a Accounting year should pre clear the transaction as per the pre dealing procedures as described hereunder.
2. An application may be made in FORM I to the Compliance Officer indicating the estimated number of securities that the director/ Designated employee intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
3. An undertaking in Form II shall be executed in favour of the company by such director/employee incorporating the following clauses, as may be applicable.

That the Director or officer and 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 Designated Employee /Director 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 change in his position 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 from time to time.

4. The Compliance Officer shall on receiving an application provide an acknowledgement on the duplicate of the application
5. The Compliance Officer shall grant approval in form III within 3 working days from the date of the acknowledgement.
6. The Compliance Officer shall retain copies of all applications and acknowledgements.
7. In exceptional circumstances consent may not be given if the Compliance Officer is of the opinion that the proposed deal is on the possession of any unpublished price sensitive information. There shall be no obligation to give reason for any withholding for consent.
8. All Directors/ 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 employee/ Director must pre clear the transaction again.
9. Every Director, Designated employee who has executed the transaction pursuant to approval of Compliance officer for the same is required to intimate about execution of such transaction to the compliance officer within three days from the date of Execution.
10. The Compliance Officer shall maintain records of all the declarations/ undertakings/forms as mentioned in this Code for a period of 5 years.
11. The Compliance Officer shall place before the Audit Committee of the Board of Directors, on a quarterly basis all the details of the dealing in securities by the Directors, Employees and the Dependent Family Members.

#### **X. PENALTY FOR CONTRAVENTION OF THE CODE**

1. All the Directors and Designated Employees shall be individually responsible for complying with the provisions of the Regulations and the Code to the extent applicable.
2. Any Director who violates the Code shall be subject to disciplinary action, as may be deemed fit by the Board of the Directors of VCCL LIMITED.
3. Any Designated Employee who violates the Code shall be subject to disciplinary action as may be deemed fit by VCCL LIMITED.
4. The action by VCCL LIMITED shall not preclude SEBI from taking any action for violation of the Regulations.

## **XI. INFORMATION TO SEBI IN CASE OF VIOLATION OF THE REGULATIONS**

In case any violation of the Regulation or the Code is observed, SEBI shall be informed of the same

## **XII. Trading Window**

1. The company shall specify a trading period, to be called "trading window", for trading in the company's securities. The trading window shall be closed during the time the price sensitive information is unpublished.
2. When the trading window is closed, the employees/directors shall not trade in the company's securities in such period.
3. The trading window shall be, inter alia, closed at the time :-
  - 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 of the company.
4. The time for commencement of closing of trading window shall be decided by the company.
5. The trading window shall be opened 24 hours after the unpublished information is made public.
6. All Directors/ Designated Employees of VCCL LIMITED and their Dependent family Members 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, or during any other period as may be specified by the Company from time to time.