# CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

**Digamber Capfin Limited** 

### **Document Control Page**

<b>Document Name</b>	:	Digamber Capfin Limited - Code of Practices And Procedures						
		For	Fair	Disclosure	of	Unpublished	Price	Sensitive
		Information						

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#### 1. Introduction

This Policy has been adopted by Digamber Capfin Limited pursuant the securities and exchange board of India (prohibition of insider trading) regulations, 2015 dated 15th January, 2015, with respect to prohibition of insider trading in securities and to strengthen the legal framework.

#### 2. Objective

This insider trading policy is enforced to maintain the highest ethical standards of dealing in securities of the company by the person to whom it is applicable. The provisions of the insider trading policy are designed to regulate, monitor and report trading by insiders in the in the securities of the company

#### 3. Definitions

- 1) "Insider trading "shall have the meaning set forth in the Companies act 2013.
- 2) "Insider" means any person who is:
  - i. a connected person; or
  - ii. in possession of or having access to unpublished price sensitive information;
- **"Compliance officer"** mean the officer appointed by the board of Director at its meeting.
- "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and associate companies and which is not available to the general public or which is proprietary in nature and include unpublished price sensitive information as defined under the insider trading regulation.

#### 5) "Connected person" means-

a) 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

- b) 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 recognised or authorized by the Board; or
    - ix. a banker of the company; or
    - x. 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;
- c) "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;
- d) "Unpublished Price Sensitive Information (UPSI)" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of 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, de listings, disposals and expansion of business and such other transactions;
  - v. changes in key managerial personnel

#### 4. Interpretation

Words and expressions not defined in this Policy shall have the same meaning as contained in the SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder.

#### 5. Duties of Compliance Officer

- 1) The compliance officer shall maintain a record of designated employee and any change made in the connected persons.
- 2) The compliance officer shall from time to time inform the stock exchange of any price sensitive information.
- 3) The Compliance Officer shall decide and notify the No Trading Period/Trading Window Closure Period.
- 4) The Compliance officer be responsible for overseeing and coordinating disclosure of price sensitive information to stock exchange analysts, shareholder and media and educating staff on disclosure policies and procedure and report to the CEO/ Board of Director.
- The Compliance Officer shall be monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of this Code under the overall supervision of the Board of Directors of the Company.
- **6)** Conduct inquiries/investigations regarding alleged violations of the Code or the SEBI Regulations.
- 7) Seek any such information / documents from the Designated Persons and employee(s) of the Company and their Immediate Relatives, as the case may be, for the purpose of enforcing the provisions of this Code and the SEBI Regulations, and it shall be the duty of such persons to provide the same forthwith. Failure or refusal to co-operate in such enquiries shall be deemed to be a serious violation of the obligations owed to the Company under this Code.
- **8)** The Compliance officer inform SEBI of any violation of PIT regulation within the 7 Days of Knowledge of Violation.

#### 6. 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.

# 7. Prohibition on Dealing, Communicating or Counselling on matters relating to Insider Trading

#### No Insider shall:

- 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
- 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.

#### 8. Trading Restrictions

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

#### 1) 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;
- Litigation/dispute with a material impact;
- 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.

#### 9. Pre-Clearance of Trades

- To provide assistance in preventing inadvertent violations of applicable SEBI Regulations and Securities Laws and to avoid the appearance of impropriety in connection with the purchase and sale of Company's Securities, all transactions in Company's Securities (including without limitation, acquisitions and dispositions of Company's Securities, cashless exercise of stock options) by the Insiders must be pre-cleared.
- In case of stock options (ESOPs), exercise of options under Cash method is allowed during the period when the trading window is closed. However, the sale of shares allotted on exercise of stock options is strictly prohibited when trading window is closed.

#### The pre-clearance needs to be approved and obtained as under:

- All Pre-clearances needs to be applied to the Compliance Officer
- The Pre-clearances will be approved by the CFO and Compliance Officer of the Company
- All Insiders may trade in the Company's Securities only after obtaining pre-clearance of the proposed transactions from the Compliance Officer by submitting an application and declaring that they are not in possession of any price sensitive information.
- Any oral request from the Insider under this Code and/or oral confirmation for trading in Securities of the Company is not acceptable and shall not be regarded as a valid request or approval for trading in Securities of the Company.
- The approval/rejection would be conveyed through electronic mail. If consent to trade in the Company's Securities is refused, the refusal in itself will constitute Price Sensitive Information and should not be divulged to any party. The consent or refusal to a trading request will be communicated as soon as possible following the request being made and a copy of the response will be given to the person concerned. If a request to trade is refused, the Compliance Officer shall provide a written statement of the reasons, to the extent possible, for withholding his or her consent
- Unless the Insider concerned receives a formal communication from the Compliance Officer granting clearance to trade, no approval shall be deemed to have been granted and the Insider cannot trade in Securities of the Company.
- While granting permission, the Compliance Officer may impose certain conditions or restrictions, as may be necessary.

- Also, Insider can trade only upto the number of Securities for which the
  approval is granted by the Compliance Officer. Any trade which is in
  excess of number of Securities for which approval has been granted or
  which is of a kind different from what has been approved, is not
  permissible. The same will require a fresh approval as provided in the
  Code.
- As an example, if approval has been granted to employee "A" for buying 100 shares, then subject to other conditions of the Code, "A" can buy upto 100 shares but cannot undertake any sale of shares. Also, approval for "A' will not be construed as approval for another employee "B", unless the process as provided in the Code is followed by "B".

#### Pre-clearance for dealings by the compliance officer

- In case the Compliance Officer of the Company intends to trade in the Securities of the Company.
- he / she shall seek pre-clearance of trade from the Board of the Director of the Company. All other provisions of the Code will mutatis-mutandis apply in respect of transactions by the Compliance Officer.

#### 10. Initial Disclosures

Every existing Promoter, 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, the number of Securities or voting rights in the Company held by him and their dependent family members. The existing Promoter, 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 7 working days of becoming a Promoter, Director or Officer or Designated Employee of the Company.

#### 11. Continual Disclosures

 Every promoter and director of every 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 ten lakh rupees or such other value as may be specified. • Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

# 12. Maintain the Information through the Structured Digital Database

- As per the securities and exchange board of India (prohibition of insider trading) regulations, 2015 Company is required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.
- Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- Further the company is required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

#### 13. Consequence of Non Compliance

Failure to comply with this Code is a disciplinary issue and may also constitute a criminal offence in certain cases. Any employee who violates the provisions of this Code shall be liable for such penal/disciplinary/remedial action as may be considered appropriate by the Board.

#### 14. Responsibility

It is the responsibility of every employee and others to whom the Code is applicable, to follow and comply with the provisions of the Code. When in doubt, the employees may seek assistance of the Compliance officer for any clarification on any provisions of the Code or other related applicable regulations issued by Securities and Exchange Board of India.

#### 15. Code of Fair Disclosure and Conduct

The Board shall conduct the affairs of the Company in fair, transparent and ethical manner in the interest of the stakeholders.

- 1) Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 2) Uniform and universal dissemination of UPSI information to avoid selective disclosure.
- 3) Unless otherwise resolved by the Board, the Company Secretary shall act as the chief investor relations officer to deal with dissemination of information and disclosure of UPSI.
- 4) Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 5) Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 6) Ensuring that information shared with analysts and research personnel is not UPSI.
- 7) Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- 8) Handling of all UPSI on a need-to-know

#### 16. Sanction for Violations

Any contravention of these regulations shall be dealt with by the Board in accordance with the Act.

#### 17. 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.

#### 18. Review

The Board of Directors on yearly basis review of this policy and can amend this Policy, as and when deemed fit from time to time.

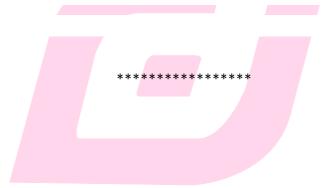
#### 19. Amendment

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Independent Directors unless the same is approved by the Board of Directors of the Company.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being consistent with the provisions laid down in this code, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions herein and this code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

#### 20. Policy Repealable

This Policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any Applicable Law, statute or regulation, the same shall be Repealable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.





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