

DRAFT

GHL Code of Conduct for Prevention of Insider Trading – 2019

This GHL Code of Conduct for Prevention of Insider Trading – 2019 (hereinafter referred to as the 'GHL Code') is framed in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as the 'Regulations'), as amended from time to time.

The GHL Code, effective 1st April, 2019, was adopted by the Board of Directors of the Company ('the Board') on 29th May 2015 and replaces the existing GHL Code of Conduct for Prevention of Insider Trading – 2015.

DEFINITIONS

For the purpose of the GHL Code:

- (a) 'Compliance Officer' means the person appointed by the Board for the purpose of the GHL Code.

The Compliance Officer shall report to the Board and shall provide annually report to the Chairman of the Company, inter alia, with respect to the violations of the GHL Code.

- (b) 'Connected Person(s)' includes Directors & employees, and their Immediate Relatives, and other persons specified under the Regulations.

- (c) 'Designated Persons' i.e. Designated Employees shall cover the following:

- (i) Directors, Executive and Non-Executive;
- (ii) Managers and confidential secretaries in Finance, General Administration and Secretarial Department;
- (iii) Such other persons as may be determined by the CMC and / or the Board from time to time.

- (d) 'Immediate Relative' means spouse, and includes parent, sibling, and child of the Designated Employee or of the spouse, if any of them is either dependent financially on the Designated Employee, or consults the employee in taking decisions relating to trading in securities of the Company.

- (e) 'Key Managerial Personnel' shall have the meaning as specified in Section 2(51) of the Companies Act, 2013.
- (f) 'Material financial relationship' means a relationship in which a Designated Employee either makes or receives any kind of payment which could be in the form of loan, gift etc., to / from any other person during a financial year, equivalent to at least 25% of the payer's annual income; such payments could either be in one transaction or in a series of transactions, and will not include payments based on arm's length transactions.
- (g) 'Securities' include shares of the Company and related stock market derivatives other than units of mutual funds.
- (h) 'Trading Day' means a day on which the BSE Limited is open for trading.
- (i) Words not specifically defined in the GHIL Code shall have the same meaning as specified in the Regulations.

1. PROHIBITION ON TRADING IN SECURITIES OF THE COMPANY

Directors and employees when in possession of any unpublished price sensitive information pertaining to the Company shall not:

- Buy or sell or subscribe or trade or deal in any other manner in securities of the Company, either on own behalf or on behalf of any other person.
- Communicate, provide or allow access to any unpublished price sensitive information to any person, or procure from or cause communication by any person of any unpublished price sensitive information. However, this prohibition shall not apply if it is for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Company.

Unpublished price sensitive information shall be considered to be communicated for legitimate purpose when any employee or any other insider (who is in possession of such information):

- (i) communicates such information, in the ordinary course of business, to the auditors, lenders, customers, suppliers, legal advisers, merchant bankers, partners,

collaborators, insolvency professionals or any other advisers or consultants as may be considered necessary;

- (ii) submits or provides such information to a court of law or any governmental or regulatory authority;
- (iii) communicates or shares such information for any other genuine or reasonable purpose as may be determined jointly by the Compliance Officer and the Chief Investor Relations Officer appointed by the Board under the Regulations.

2. CHINESE WALL

Unpublished price sensitive information within the Company shall be handled strictly on a 'need-to-know' basis. Further Finance, General Administration and Secretarial Department located at Registered Office shall be considered 'inside areas'. For furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Company, employees from non-inside areas may be given access to unpublished price sensitive information on 'need-to-know' basis, under intimation to the Compliance Officer and the Chief Investor Relations Officer.

The Compliance Officer and / or the Chief Investor Relations Officer, in consultation with the Managing Director / Chief Executive Officer, shall decide on how and when any person shall be brought 'inside' on any proposed or ongoing 'sensitive' transaction. Such persons shall be made aware of the duties and responsibilities attached to the receipt of inside information and the liability that attaches to the misuse or unwarranted use of such information.

3. RESTRICTION ON TRADING IN SECURITIES OF THE COMPANY

- 3.1 Designated Employees and their Immediate Relatives shall not enter into derivative transaction(s) at any time with respect to the shares of the Company.
- 3.2 Designated Employees and their Immediate Relatives shall not trade in securities of the Company during closure of the 'Trading Window', i.e. the period during which trading in the securities of the Company is prohibited.

(a) Trading Window will be closed:

- From 1st April for the fourth quarter and annual financial results

- From 1st July for the first quarter financial results
- From 1st October for the second quarter and half-year financial results
- From 1st January for the third quarter financial results

Until 48 hours after communication of the respective financial results to the Stock Exchanges where the Company's securities are listed.

(b) Trading Window will also be closed for other material events, which would ordinarily include the following:

- Proposal for dividend
- Proposal for issue of securities by way of public/ rights/ bonus etc.
- Proposal in respect of mergers, demergers, acquisitions, schemes of arrangement, restructuring, delistings etc.
- Proposal in respect of disposal of whole or substantially the whole of the undertaking of the Company
- Proposal for change in the Managing Director / Chief Executive Officer of the Company
- Such other events as may be considered material by the Board.

The Trading Window for the aforesaid events shall be closed from the date of circulation of the Board meeting agenda in which any material price sensitive matter is proposed; where such proposal does not form part of the Board agenda, the Trading Window shall be closed from the commencement of the Board meeting at which the proposal is to be taken up for consideration. The Trading Window shall open 48 hours after communication of the Board's decision to the Stock Exchanges.

Notwithstanding the above, the Compliance Officer, in consultation with the Chief Investor Relations Officer and the Managing Director / Chief Executive Officer, may close the Trading Window for an employee or any class thereof for such period as deemed necessary, when such employee(s) can reasonably be expected to have possession of unpublished price sensitive information.

3.3 Designated Employees shall require prior clearance, as specified in Clause 3.5, for purchase exceeding 5,000 shares of the Company in a calendar month, either in one transaction or in a series of transactions. Prior clearance shall also be required for sale in a calendar month, either in one transaction or in a series of transactions, exceeding 5,000 shares of the Company. Such prior clearance shall be sought in the format provided under **Annexure I**.

- 3.4 Designated Employees who buy, sell or otherwise trade in any number of securities of the Company shall not enter into contra trade (i.e. opposite transaction) for any number of securities within 6 months following a prior trade.

In case of personal emergency, Designated Employees shall require prior clearance, as specified in Clause 3.5, for relaxation in the period for contra trade. The format for seeking such prior clearance is also provided under **Annexure I**.

- 3.5 Prior clearance, referred to in Clause 3.3 and 3.4 will be required to be sought by Designated Employees from the Compliance Officer and Chief Executive Officer. In respect of the Compliance Officer, prior clearance will be required to be sought from the Chairman / Managing Director/ Chief Executive Officer of the Company; transactions executed by the Compliance Officer pursuant to such prior clearance shall be placed before the Board.
- 3.6 Transactions for which prior clearance has been obtained by Designated Employees shall be executed within 7 Trading Days of such clearance, failing which fresh clearance will be required to be taken, as specified in Clause 3.5. Designated Employees shall promptly report to the Compliance Officer, details of the transactions executed / not executed within the aforesaid period of 7 Trading Days, in the format provided under **Annexure II**.
- 3.7 Designated Employees shall not apply for prior clearance, as specified in Clause 3.5, while in possession of unpublished price sensitive information even when Trading Window is not closed.

4. TRADING PLAN

A Director or employee may formulate a Trading Plan for trading in the securities of the Company, in line with the Regulations, and submit the same to the Compliance Officer for approval and onward submission to the Stock Exchange. Trading Plans are irrevocable and shall be adhered to, once approved.

- 4.1 Such Trading Plan shall set out the following:
- the value of trades to be effected or the number of securities to be traded;
 - the nature of trade; and
 - the intervals at which or dates when the trades will be effected.

- 4.2 The Trading Plan shall cover a period of not less than 12 months and there shall not be any overlap of the periods covered by two Trading Plans.
- 4.3 Trading under the Trading Plan shall not commence earlier than 6 months from the date of submission of the Plan to the Stock Exchange by the Company.
- 4.4 The Trading Window will be closed for persons who have submitted Trading Plan, between the twentieth Trading Day prior to the last day of the close of the respective financial period(s) and the second Trading Day after the communication of the results to the Stock Exchange.
- 4.5 The requirements and restrictions relating to Trading Window, prior clearance and contra trade, as specified in Clauses 3.3 and 3.4 respectively, shall not be applicable for trades executed as per an approved Trading Plan.

5. DISCLOSURES

The following disclosures shall be made by Directors / Key Managerial Personnel / Designated Employees to the Company:

INITIAL DISCLOSURES

- 5.1 Disclosure shall be made by persons upon becoming Directors / Key Managerial Personnel / Designated Employees within 7 days in respect of –
- (a) their shareholding in the Company and that of their Immediate Relatives;
 - (b) their own and Immediate Relatives' position in derivatives, if any, with respect to the shares of the Company; and
 - (c) names of educational institutions from which they have graduated and names of their past employers, if any.

The aforesaid disclosure shall be made in the format provided under **Annexure III**.

CONTINUAL DISCLOSURES

- 5.2 Disclosure shall be made by Directors and Designated Employees of trading in securities of the Company by them and / or their Immediate Relatives, when the aggregate traded value exceeds Rs. 10 lakhs* in any calendar quarter, whether in one transaction or in a series of transactions, with in 2 Trading Days of such change, in the format provided under **Annexure IV**.

** or such other limit as may be prescribed under the Regulations from time to time*

ANNUAL DISCLOSURES

- 5.3 Annual disclosure shall be made by Directors and Designated Employees of the following–
- (a) the number of shares of the Company held by Directors and Designated Employees and their Immediate Relatives as on 31st March each year, including details of purchase or sale of shares during the financial year;
 - (b) names and Permanent Account Numbers (or any other valid identification in case PAN is not available) of Immediate Relatives of Directors and Designated Employees;
 - (c) names and Permanent Account Numbers (or any other valid identification in case PAN is not available) of persons with whom Directors and Designated Employees share a Material financial relationship; and
 - (d) Phone and mobile numbers used by Directors and Designated Employees and also of the persons specified under (b) and (c) above.

The aforesaid disclosures shall be made within 30th April each year, in the format provided under **Annexure V**.

Disclosure shall also be made in case of any change in the information provided under clauses (b), (c) and (d) above, in the format provided under Annexure V within 30 days of such change.

- 5.4 Directors and Designated Employees shall make disclosures referred to in Clauses 5.1 to 5.3 insofar as the same relate to shares of the Company, also in respect of persons, other than Immediate Relatives, for whom they take trading decisions.

- 5.5 The Board may require any other connected person to make disclosure of their holding of and trading in securities of the Company in such form and at such frequency as may be determined.

6. PENALTIES FOR CONTRAVENTION

Violation of the GHL Code will invite severe disciplinary action, including penalty, remuneration freeze, suspension, recovery, claw back etc. Such disciplinary action will be irrespective of any action that may be taken by SEBI. Any violation of the GHL Code will be reported to SEBI promptly.

Notwithstanding the above, in the event a contra trade is executed in violation of Clause 3.4, inadvertently or otherwise, the entire profits from such trade shall be liable to be remitted to SEBI's Investor Protection and Education Fund.

7. GENERAL

Employees are advised to peruse the GHL Code & the Regulations and acquaint themselves with all the provisions contained therein. A copy of the Regulations is enclosed.

Clarification / assistance as necessary may be sought from the office of the Compliance Officer.

The GHL Code is subject to review by the Board as and when deemed necessary.

