

GAMMON INDIA LIMITED

CIN: L74999MH1922PLC000997

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INSIDER TRADING PROHIBITION CODE

[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and as approved by the Board of Directors in their meeting held on 5th March, 2020]

1. Background:

This Code has been formulated to regulate, monitor and report trading by the Designated Persons to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code is prescribed to ensure that the Designated Persons do not trade in the Securities of the Company when in possession of Unpublished Price Sensitive Information (“UPSI”), and to prevent any speculative dealings, knowingly or unknowingly, by the Designated Persons. The Company has no tolerance for any form of Insider Trading or similar unlawful security related trade practices

This Code should be referred to in conjunction, amongst others, with the following:

- SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time;
- Applicable provisions of Companies Act, 2013 as amended from time to time;
- Company’s Code of Business Conduct & Ethics;

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 (SEBI PIT Regulations), 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.

2. Definitions:

- a. **"Act"** means the Securities and Exchange Board of India Act, 1992
- b. **"Board"** means the Board of Directors of the Company.
- c. **"Code"** shall mean this Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by designated persons and the immediate relatives of the designated persons of the Company as amended from time to time.
- d. **"Company"** means Gammon India Limited or GIL.
- e. **"Regulations"** - refer to the SEBI (Prohibition of Insider Trading) Regulations 2015 as amended by the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and any amendments thereto which may be made in future from time to time.
- f. **"Compliance Officer"** means the Company Secretary or any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be
- g. **"connected person"** means:
 - i. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access;

- ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established:
 - a. an immediate relative of connected persons specified in clause (i); or
 - b. a holding company or associate company or subsidiary company; or
 - c. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - d. an official of a stock exchange or of clearing house or corporation; or
 - e. a banker of the company; or
 - f. 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 percent of the holding or interest
- h. **"Designated Persons"** means:
 - a. Promoter(s) of the Company as defined by Regulation 2(1)(h);
 - b. Directors of the Company;
 - c. Key Management Personnel as designated by the Board of Directors of the Company;
 - d. Chief Executive Officer (CEO) of the Company and its material subsidiaries and employees up to two levels below the CEO of the company and its material subsidiaries irrespective of their functional role in the Company or ability to have access to UPSI;
 - e. Employees of the Company, intermediary or fiduciary designated on the basis of their functional role or access to UPSI by the Director and the Chief Executive Officer;
 - f. Employees of the material subsidiaries of the company designated on the basis of their functional role or access to UPSI by their Board of Directors;
 - g. Employees working in the Finance, Accounts and Taxation divisions who are in possession of UPSI, as per the list furnished by the Chief Financial Officer(CFO);
 - h. Employees in the Secretarial & Shares Division. Corporate Communication and IT Staff who have access to UPSI;
 - i. Secretaries/Personal Assistants of all persons mentioned in (a) to (g) above, by whatever name called;
 - j. Statutory auditors of the Company. law firms, analysts, insolvency professional Entities, Consultants, Banks etc. assisting the Company and having access to UPSI;
 - k. Insider which refers to any person as stated in Regulation 2(1)(g) read with Regulation 2B of the Regulations;
 - l. and such other Person as may be identified by anyone of the MD&CEO, the CFO or the Compliance Officer in line with the objectives of the Code
- i. **"Legitimate Purpose"** shall include sharing of UPSI in the ordinary course of business by an Insider with Partners, Collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other Advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.
- j. **"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
- k. **"generally available information"** means information that is accessible to the public on a non-discriminatory basis
- l. **"Director"** means a member of the Board of Directors Company
- m. **"Employee"** means employee of the Company (whether working in India or abroad), the Directors in the employment of the Company including employees of the material subsidiaries designated on the basis of their functional role or access to UPSI by their Board of Directors

- n. **“Key Managerial Person”** means a person as defined in Section 2(51) of the Companies Act, 2013.
- o. **“Officer”** includes any Director, Manager or Secretary or any person in accordance with whose directions or instructions the Board of Directors of the Company or any one or more of the Directors is or are accustomed to act including an auditor.
- p. **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- q. **“insider”** means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- r. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund.
- s. **“promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof
- t. **“promoter group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any Modification thereof;
- u. **“securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund
- v. **“trading day”** means a day on which the recognized stock exchanges are open for trading;
- w. **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in securities of the Company, and "trade" shall be construed accordingly
- x. **“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:
 - i. financial results;
 - ii. dividends;
 - iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel
- y. **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto
- z. **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation

3. Persons governed by this Code

This Code is applicable to the “designated persons” and their immediate relatives as defined hereinabove.

4. Role Of Compliance Officer

The Role of the Compliance Officer shall be as under

- a. Ensure compliance with the Regulations
- b. Shall report on insider trading to the Board of the Company and in particular, provide reports to the Stakeholders' Relationship Committee periodically and to the Audit Committee and Board on an annual basis.
- c. Shall administer this Code and also undertake actions as prescribed thereto under the Regulations (such as approval and disclosure of the trading plan of Insiders to the Stock Exchanges on which the Securities of the Company are listed).
- d. prescribing procedures for various activities referred to in the Code.
- e. monitoring adherence to the rules for the preservation of "Price Sensitive Information"
- f. grant of pre-dealing approvals to the Specified Persons for dealings in the Company's Securities by them / their Dependents and monitoring of such dealings.
- g. maintaining a record (either manual or in electronic form) of the insiders and their Dependents
- h. assist all the Employees in addressing any clarifications regarding the Regulations and this Code and changes thereto from time-to-time.
- i. Shall assist all Employees in addressing any clarifications regarding the Regulations and the Company's Code
- j. Shall handle such other functions as may be assigned to him by the Board from time to time for ensuring compliance of the Code and the Regulations

5. Preservation of Unpublished Price Sensitive Information

- I. All Insiders shall maintain confidentiality of UPSI coming into their possession or control. All UPSI shall be handled only on a ' need-to-know ' basis and no Insider shall communicate, provide or allow access to any UPSI relating to the Company or its listed shares to any person including other Insiders except where such communication is for furtherance of legitimate purposes as enumerated above, and for performance of their duties or in discharge of legal obligations.
- II. No Insider shall provide to or cause the communication to any person of UPSI, relating to the Company or its Securities, except for furtherance of legitimate purposes, performance of their duties or discharge of legal obligations.
- III. UPSI may provided, allowed access to or procured in transaction as permitted under the Regulations,:

6. Need to Know

- a. UPSI should be disclosed on a "need to know" basis i.e. only to those persons within and outside the Company who need the information for legitimate purposes, for performance of duties or discharge of legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- b. All non-public information directly received by any Employee covered under the Code should immediately be reported to the head of the department.

7. Maintenance of structured data base

- I. The Company shall maintain a structured data base of the persons with whom the UPSI is shared, which will contain the following information that shall be disclosed by the Persons on an annual basis:
 - a. name of person or entity;
 - b. PAN or any other identifier as provided by the person which is authorized by law if PAN is not available

- c. Names of their immediate relatives
- d. Persons with whom the designated person shares a material financial relationship. The term "Material Financial relationship" shall mean a relationship in which one person is a recipient of any payment such as a loan or gift in the last twelve months equivalent to at least 25% of the payer's annual income but shall exclude payments which are based on arm's length basis
- e. Phone, Mobile numbers which are used by them

The information provided shall be updated as and when changes occur

- II. In addition to the above, the names of the education institution(s) from which the designated persons have graduated and names of their past employers shall also be disclosed on a one time basis

Such data bases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of data base

8. Institutional mechanism for prevention of Insider Trading

- I. The Executive Director & CEO or such other person carrying on the function of the CEO & Executive Director in the Company shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements in the Regulations to prevent insider trading
- II. The internal controls shall include the following:
 - a. all employees who have access to UPSI are identified as designated employee
 - b. all the UPSI shall be identified and its confidentiality shall be maintained as per the Regulations
 - c. adequate restrictions shall be placed on communication or procurement of UPSI as required under the Regulations
 - d. lists of all employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notices shall be served on such employees and persons
- III. There shall be a periodic review of the Internal Controls to evaluate their effectiveness.
- IV. The Board shall ensure that the Executive Director & CEO or such other person carrying on the responsibilities of the Executive Director & CEO ensures compliance with these Regulation
- V. The Audit Committee of the Board of the Company shall review compliance with the provisions of the Regulations at least once a year and verify whether the systems for Internal Control are adequate and operating effectively.

9. Limited access to confidential information

The Specified Persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards:

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

10. Prevention of Misuse of UPSI

- a. No Insider shall trade in the Company's Securities that are listed on a stock exchange while in possession of UPSI.

- b. Where a person who has traded in the securities of the Company has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. An Insider may however prove his innocence by demonstrating the circumstances as provided under the Regulations:
- c. In the case of Insiders the onus of establishing, that they were not in possession of UPSI, shall be on the Insider and in other cases the onus would be on SEBI. SEBI may specify such standards and requirements from time to time as it may deem necessary for the purpose of the Regulations.

11. Trading Plan

- a. An Insider shall be entitled to formulate a trading plan for dealing in the securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- b. Such Trading Plan shall:
 - i. not entail commencement of trading on behalf of the Insider earlier than six months from the public disclosure of the plan;
 - ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the Securities and the second trading day after the disclosure of such financial results;
 - iii. entail trading for a period of not less than twelve months;
 - iv. not entail overlap of any period for which another Trading Plan is already in existence;
 - v. set out either the value of trades to be effected or the number of the Company's Securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected;
 - vi. not entail trading in Securities for market abuse and
- c. The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violations of the Regulation and shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations
- d. The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the Securities outside the scope of the Trading Plan.

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

- e. Upon approval of the Trading Plan, the Compliance Officer shall notify the same to the Stock Exchanges on which the Securities are listed
- f. Pre-clearance of trades shall not be required for a trade executed as per approved trading plan

- g. Trading window norms and restrictions on contra trade shall not apply for trades made as per approved trading plan

12. Trading Window and Window Closure

- i. The Company shall periodically specify the trading period to be called "Trading Window" for trading in the Company's Securities. The Trading Window will remain closed when the Compliance Officer determines that the Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information (UPSI). When the Trading Window is closed the Designated Persons and their immediate relatives shall not trade in the Company's Securities during that period. The Trading Window shall be infer alia closed for the following purposes:
 - i. Declaration of financial results (Quarterly, Half-yearly & Annual);
 - ii. Declaration of dividend (Interim & Final);
 - iii. Change in capital structure including but not limited to issue of Securities by way of public/rights/bonus and buy back of securities;
 - iv. Mergers, demergers, acquisitions, delistings and major expansion of business;
 - v. Disposal of whole or substantially the whole of the undertaking;
 - vi. Such other material events as approved by the MD & CEO.
- ii. The Meetings of the Audit Committee and Board for recommendation/clearance or approval of the financial statements of the company would preferably be held on the same day to avoid leakage of material information. Otherwise the gap between the Meetings of the above two bodies shall be as narrow as possible.
- iii. The time for commencement of closing of Trading Window shall be decided by the Compliance Officer of the Company after taking into account various factors including the possibility of the UPSI in question becoming generally available and being capable of assimilation by the market;
- iv. As per the present practice the quarterly/half yearly/annual financial results of the Company are communicated to the Stock Exchanges after the same are approved by the Board. Accordingly, as a matter of policy, in respect of declaration of financial results, the Trading Window shall remain closed from the end of the respective quarter, half year. or financial year as the case may be;
- v. The Trading Window will also be closed for such period as may be considered necessary whenever the Board is required to consider any of the matters listed above;
- vi. The Trading Window shall be opened 48 (Forty Eight) hours after the UPSI under "a" as listed above has been made public. If the ending of the 48 hour period falls on a non-working day for the Stock Exchanges, then the Trading Window will open on the next working day of the Stock Exchange;
- vii. The Designated Persons and their immediate relatives shall deal in the Securities of the Company only when the Trading Window is open and shall not be involved in any transaction concerning the purchase or sale of the Company's Securities during the periods when the Trading Window is closed;
- viii. However, irrespective of whether such communication is received, the Designated Persons shall mandatorily verify from the Compliance Officer whether the Trading Window is open before undertaking any transactions in respect of Securities of the Company. Non receipt of communication/lack of knowledge over the closure of Trading Window will not justify a transaction made during the period when the Trading Window was closed.

13. Pre-Clearance of Trade by Designated Persons

- a. The Designated Persons or their immediate relatives who intend to deal in the Securities of the Company when the Trading Window is open should seek separate pre-clearances for each transaction irrespective of the value of the transaction. There would be no need for any pre-clearance where trades are done pursuant to a trading plan which has been approved.
- b. Applications seeking pre-clearance should be made in writing or by email in the prescribed form to the Compliance Officer in such format as prescribed under the Regulations.
- c. An undertaking shall be executed in favour of the Company by such Designated Persons or their immediate relatives incorporating, inter alia, the following clauses, as may be applicable and submitted to the Compliance Officer along with the application for seeking pre-clearance:
 - i. That the Designated Person and/or his Immediate Relative does not have any access or has not received UPSI up to the time of signing the undertaking
 - ii. That in case the Designated Person and/or his Immediate Relative has access to or receives UPSI 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
 - iii. That he/she has not contravened the Code as notified by the Company from time to time.
 - iv. That he/she has made a full and true disclosure in the matter

While considering the undertaking, whether the same is accurate

- d. After clearance from the Compliance Officer an e-mail communication will be sent to the concerned person about the clearance of the application,
- e. once pre-clearance is given for a transaction the order should be executed by the Designated Person within one week from the date of the e-mail granting the pre-clearance.
- f. The Designated Person shall file within 2 (two) Trading Days of the execution of the deal, the details of such deal, with the Compliance Officer . In case the transaction is not undertaken the Company may be informed.
- g. If the order is not executed within the period stipulated as aforesaid after the approval is given, the Designated Person must apply for pre- clearance of the transaction once again. In the event the period between the date of the aforesaid approval and the commencement of the closure of the Trading Window is less than 7 days, then the said transaction shall be executed within such lesser period.
- h. The Company's Ethical View policy shall be amended suitably to enable employees of the Company to report instances of leakage of UPSI.

14. Minimum Holding Period and No Opposite Transaction for Six Months

- a. Designated Persons or their relatives who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction.
- b. In case the sale of Securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing the reasons in this regard
- c. Notwithstanding the above, should an Insider execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to DEBI for credit to the Investor Protection and Education Fund administered by DEBI under the SEMI Act. 1992.

15. Other Restrictions

- a. The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions
- b. The disclosures of trading in Securities shall also include trading in derivatives of Securities and the traded value of the derivatives shall be taken into account for purposes of this Code

16. Reporting Requirements For Transactions In Securities

A. Initial Disclosure

- i. Every promoter, member of promoter group/Key Managerial Personnel and Director shall within thirty days of the Regulations taking effect, forward to the Company the details of all holdings in the Securities of the Company presently held by them including the statement of holdings of dependent family members in the form prescribed under the Regulation.
- ii. Every person who subsequently gets appointed/ reappointed as a KMP or a Director of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the Company as on the date of appointment or re- appointment or upon becoming a promoter, to the Company within seven days of such appointment or becoming a promoter in the form prescribed under the Regulation.

B. Continual Disclosure

Every promoter, member of the promoter group, designated person 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 tranche or a series of tranches over any calendar quarter aggregates to a traded value in excess of Ten lakhs. The disclosure to be given by the Designated Persons shall be in the prescribed Form 'C'. All other connected persons and other employees shall disclose the requisite information in the prescribed Form 'D'. The disclosure shall be made within 2 working days of the acquisition or sale of shares or voting rights, as the case may be

17. Disclosure by the Company to the Stock Exchange(s)

- i. Within 2 trading days of the receipt of intimation under Point No: 16 the Compliance Officer shall disclose to all Stock Exchanges on which the Company's shares are listed, the information received.
- ii. Designated Persons shall disclose to the Compliance Officer the number of Securities held by them in the Company as at the end of the Company's financial year in the prescribed form. They shall also disclose the number of securities in the Company held by their Immediate Relatives and dependents (spouse and dependent children). This disclosure should be made within one month from the close of the Company's financial year. This disclosure shall be made even if the shareholding is NIL. The Designated Employees shall also provide an annual confirmation of their adherence to the Code.
- iii. The Compliance Officer shall maintain records of all the declarations in the appropriate forms given by the Designated Persons for a minimum period of five years.

18. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Company has prepared a Code of Practices and Procedures for Fair Disclosure of UPSI as required by Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code is enclosed hereto as "*Annexure A*"

19. Confirmation

- a. This Code and the Code of Conduct for Fair Disclosure of UPSI has been uploaded on the Company's website. All Insiders and all other employees of the Company to whom this Code applies hereby acknowledge that they have read and fully understood their obligations herein and have undertaken to unconditionally abide by the same.
- b. The responsibility of compliance shall be entirely on the Designated Persons and all other employees of the Company to whom the Code applies, who shall also ensure that their immediate relatives have been informed of the Code, that they have read and fully understood their obligations herein and have undertaken to unconditionally abide by the same

20. Penalty For Contravention of the Code

- a. Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her immediate relatives or dependents).
- b. Any designated Person who trades in securities or communicates any information for trading in Securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company
- c. Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, including but not limited to wage freeze, suspension recovery, clawback, disqualification from future participation in employee stock option plans, if any, etc. The penalties/ disciplinary action will be decided by the Audit Committee of the Board based on reports submitted by the Compliance Officer or the Ethical View Committee
- d. The action by the Company shall not preclude DEBI from taking any action in case of violation of the Regulations. For this purpose the Compliance Officer shall inform DEBI if there is any major violation of the Code and the Regulations
- e. Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of these Regulation 3 is liable to a penalty which shall not be less than Rs. 10 lakhs but which may extend to Rs. 25 crore or three times the amount of profits made out of Insider trading, whichever is higher. Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine which may extend to Rs.25 crore or with both. Further, in case any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to Rs.25 crore or with both

21. Amendment to this Code:

The Board shall have the power to amend this Code so as to bring it in line with the amended/existing laws as and when required

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

[pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

The following intends to formulate the policy for fair disclosure of UPSI and the Board of Directors shall adhere to it in letter and in spirit.

This Code of Corporate Disclosure Practices shall come into force from 5th March, 2020.

A. Principles of Fair Disclosure

1. Prompt public disclosure of unpublished price sensitive information 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 Unpublished Price Sensitive Information to avoid selective disclosure.
3. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
4. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
5. Ensuring that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
6. 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.
7. Handling of all Unpublished Price Sensitive Information on a need-to-know basis for legitimate purposes.

B. Overseeing and co-ordinating disclosure

1. The Company has designated the Executive Director and Chief Financial Officer (CFO), the Chief Executive Officer and the Company Secretary as the "Chief Investor Relations Officers" to individually oversee the dissemination of information and disclosure of Unpublished Price Sensitive Information.
2. The Chief Investor Relations Officers shall be responsible for overseeing and co-ordinating disclosure of Unpublished Price Sensitive Information to Stock Exchange, analysts, shareholders and media.
3. The Chief Investor Relations Officers shall report to the Board. The disclosure/ dissemination of information shall be approved in advance by the Board.
4. No information shall be passed on by an Insider by way of making a recommendation for the purchase or sale of Securities of the Company.
5. The Chief Investor Relations Officers shall ensure that information shared with analysts and research personnel is not Unpublished Price Sensitive Information. The Chief Investor Relations Officers shall oversee and coordinate disclosure of Unpublished Price Sensitive Information to Stock Exchanges, analysts, shareholders and media, on a timely basis.

C. Policy for determination of ‘legitimate purpose’

The Policy for Determination of "Legitimate Purposes" for possession of Unpublished Price Sensitive Information (UPSI) has been formulated as envisaged the Securities Exchange Board of India (SEBI) to the SEBI (Prohibition of Insider Trading) Regulations, 2015 vide Notification No. SEBI/LAD-NRO/GN/2018/59 dated December 31, 2018 which is effective from the date of adoption.

"Legitimate Purposes" shall be as defined in the Code of Internal Procedures and Conduct for regulating, monitoring and reporting of Trading by Designated Persons, which shall include sharing of UPSI in the ordinary course of business by an Insider with Partners, Collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other Advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations

Any person who receives UPSI for legitimate purposes shall be considered as an Insider.

Notices have to be given by the Compliance Officer to such insiders to maintain confidentiality of the UPSI in their possession.

Where a person who has traded in securities of the Company has been in possession of UPSI, the presumption shall be that he has been motivated by the knowledge and awareness of such information in his possession. The onus shall be on such person to rebut such a presumption. Any inducement and procurement of UPSI not in the furtherance of one's legitimate duties and discharge of obligations would be considered illegal

7. Amendment of this Policy

The Board reserves the right to amend or modify this policy in whole or in part, as it may deem appropriate, to ensure compliance with the SEBI Regulations.