

## GOCL Corporation Limited

# **Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives**

*(under sub-regulation (1) of Regulation 9, of SEBI (Prohibition of Insider Trading) Regulations, 2015)*

### **Background:**

In terms of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the Regulations), the Board of Directors of GOCL Corporation Limited (the Company) formulates this Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives (hereinafter referred to as 'Designated Persons') towards achieving compliance with the Regulations in order to adhere to each of the principles as set out in Schedule B to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Regulations, among others, provide that -

(a) as a general rule, an insider should not trade in securities when in possession of unpublished price sensitive information.

(b) an insider should not communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, or where the board of directors of the Company is of informed opinion that the sharing of such information is in the best interest of the company.

(c) a person should not procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

(d) every promoter, director and employee of a listed company shall disclose to the company details of transactions in the securities of the company within 2 trading days, if the transaction value exceeds Rs.10.00 lakhs in value in one transaction or a series of transactions over any calendar quarter.

**The Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives.**

1. The Company Secretary of the Company shall be the Compliance Officer for the purposes of this Code, who shall provide reports to the Board of Directors on a periodic basis.
2. The following categories of persons will be 'Designated Persons' for the purpose of this Code:
  - a) The Promoters, the Directors of the Company and the Directors of Subsidiary Companies of the Company incorporated in India.
  - b) Employee in the grade of Asst. General Manager and above of the Company and of Subsidiary Companies of the Company, incorporated in India.
  - c) All employees in the Finance and Information Technology (IT) / Software Systems Departments of the Company and of Subsidiary Companies of the Company incorporated in India.
  - d) All employees in the Secretarial Department of the Company.
  - e) Other persons referred to as 'Connected Persons' under the Regulations.
  - f) Immediate Relatives of all of the above.
3. All employees and other connected persons of the Company who generate, collect, analyse, access any unpublished price sensitive information of the Company shall handle the same on a need-to-know basis, i.e., allow access to the same only to the persons who are required to access in furtherance of legitimate purposes, performance of duties or discharge of legal obligations; and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.
4. The persons sharing/communicating any unpublished price sensitive information of the Company shall inform the parties so accessing the information that they shall become 'insiders' of the Company for the purposes of these Regulations; and also require them to execute agreements of confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential.
5. The persons sharing/communicating any unpublished price sensitive information of the Company, shall maintain structured digital database containing the names of such persons or entities as the case may be 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 databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
6. The designated persons and their immediate relatives may execute trades subject to compliance with the Regulations and this Code, only during the period when the 'trading window' is not closed. Trading window means the time period for the purpose of trading in the securities of the Company.
7. Unless otherwise mentioned, the Trading Window shall always be deemed to be closed immediately at the end of every quarter till 48 hours after the declaration of quarterly

financial results; as also from the period when the Company intimates to the Stock Exchanges the date of the Board Meeting at which any other important/significant matters will be considered. In case of doubt, the employees and connected persons shall get in touch with the Compliance Officer.

8. Closure of Trading Window shall be normally communicated by the Compliance Officer either by way of an email to the designated persons or to their departmental heads who shall further communicate the same to all the concerned; by communicating the same to the Stock Exchanges; or by any other means. However, omission by the Compliance Officer to send email to any particular employee/connected person will not entitle him/her to indulge in insider trading.
9. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants, advisors, etc., assisting or advising the company.
10. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above Rs.5.00 lakhs in value or the number of shares involved is 5,000 or more, in one transaction or a series of transactions over a calendar quarter. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
11. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
12. Trades that have been pre-cleared have to be executed by the designated person within a period of 7 trading days, failing which fresh pre-clearance would be needed for the trades to be executed.
13. (a) A designated person who is permitted to trade shall not execute a contra trade within a period of 6 months from the date of the last trade.  
  
(b) However, the compliance officer is empowered to grant relaxation from strict application of the aforesaid restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.  
  
(c) Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board (SEBI) for credit to the Investor Protection and Education Fund administered by the Board under the Act.

14. Formats for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities on a quarterly basis, being necessary to monitor compliance with these regulations, shall be as specified. As and when specified, the same will become annexures to this Code.
15. Without prejudice to the power of the Securities and Exchange Board of India (SEBI) under the SEBI Act, the Board of Directors of the Company shall impose such punishment / penalty as may be deemed appropriate keeping in view the amounts involved and other relevant particulars / surrounding the violation of the Code, such as salary/wage freeze, suspension, recovery, claw back, etc.
16. The Board of Directors of the Company shall on reaching a conclusion that a violation of the Regulation has taken place, promptly inform SEBI.
17. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
  - a) immediate relatives
  - b) persons with whom such designated person(s) shares a material financial relationship
  - c) Phone, mobile and cell numbers which are used by them.

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

*Note: Terms not defined in this Code shall have meanings as defined in the Regulations.*

**FORMAT OF APPLICATION AND UNDERTAKING**

To,  
The Compliance Officer  
GOCL Corporation Limited  
Hyderabad – 500 072

1. Name of the Director / Employee / Others. :
  
2. Department & Designation (if applicable). :
  
3. Employee No. (if applicable) & PAN No. :
  
4. Address as per the Income Tax / PAN records. :
  
5. No. of shares held in the Company. :
  
6. No. of shares intended to be acquired/sold. :
  
7. Number of Folios / Demat Accounts held by the applicant. :
  
8. Folio Numbers / DP ID & Client IDs of all the demat accounts held by the applicant as mentioned above. :
  
9. Details of the shares held by the immediate relatives of the Applicant, such as Name of the shareholders, his/her PAN, No. of shares held, their folio numbers / demat account details such as DP ID & Client ID, their trading history in the last 6 months, etc. :
  
10. How the applicant proposes to acquire / sell the shares – Off-market or through a broker. If it is through broker, give details of the broker. :

11. Any other details. :

**Undertaking**

I, ..... \*\* hereby declare and undertake that:

- a. That I do not have any access or have not received any “Unpublished Price Sensitive Information” relating to the Company or securities of the Company, up to the time of signing this undertaking.
- b. That in case I have access to or receive any “Unpublished Price Sensitive Information” after the signing this undertaking but before the execution of the transaction I shall inform the Compliance Officer, of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- c. That I have read and understood the Code of Conduct for Prevention of Insider Trading and not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time.
- d. That I have made a full and true disclosure in the matter.

Place :

Date :

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Signature of the Applicant

*\*\* State whether Director / Employee / Connected Person*

*(This amended Code has been reviewed and approved by the Board of Directors of the Company at its Meeting held on March 26, 2019 and the amendments shall be effective from April 1, 2019).*

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