

# **GAYATRI PROJECTS LIMITED**

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

### **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dealing in securities of a company listed/ traded on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.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The Company endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. 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. No Director or Employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

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 Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling the Company to retain investor confidence.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, Gayatri Project Limited ("**GPL**") has framed this code of conduct called Gayatri Projects Limited code of Conduct for Prevention of Insider Trading ("**Code**"). This code shall come into effect on and from 1<sup>st</sup> December, 2008.

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

# GAYATRI PROJECTS LIMITED

## CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

### Short Title, Commencement and Extent

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

II. It shall come into the force on December 1, 2008.

III. This code is applicable to the following:

- All the Directors, Officers and Designated Employee of GPL and their Dependent Family Members.

### Definitions

In this Code, unless the context otherwise requires,

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

**"Compliance Officer"** means the Company Secretary of the Company (GPL).

**"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 GPL (any person in accordance with whose instructions or directions the Board of Directors of the GPL 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 or Officers and Designated Employees.

**"Employee"** means employee of GPL.

**"Insider"** means

Director as defined under the GPL Code of Conduct for prevention of Insider Trading.

Any person occupies the position as an officer or an employee of the Company and who may reasonably be expected to have an access to unpublished price sensitive information of the Company or who has received or has had access to such unpublished price sensitive information. This category will cover following officers or employees (The same shall be called as **"Designated Employee"**).

1. 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 or any such equivalent position;
4. Assistant Manager and above in finance & account department and secretarial department;
5. Such other employee as may be determined by the Board.

**"Other Listed Company"** means any Indian Company (other than GPL), which has Securities listed or traded on a recognized stock exchange in India.

**"Price Sensitive Information"** means any information, which relates directly or indirectly to GPL, as the case may be, and which if published is likely to materially affect the price of securities of GPL, as the case may be, and without limitation include the following:

- i. periodical financial results of the company;
- i. intended declaration of dividends (both interim and final);
- ii. issue of securities or buy-back of securities;
- iii. any major expansion plans or execution of new projects;
- iv. amalgamation, mergers or takeovers;
- v. undertaking of new business.
- vi. disposal of the whole or substantial part of the undertaking; and
- vii. 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 the following securities of GPL, as the case may be, and which are listed/ traded on a recognized stock exchange in India:

"securities" include—

- i. Shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;

- ii. rights or interest in securities;
- iii. derivative;
- iv. units or any other instrument issued by any collective investment scheme to the investors in such schemes;
- v. security receipt as defined in clause (zg) of section 2 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.
- vi. *units or any other such instrument issued to the investors under any mutual fund scheme;*
- vii. Government securities; and
- viii. such other instruments as may be declared by the Central Government to be securities.

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

**"Trading window"** shall have the meaning as specified in the clause 9 of the Code.

## Chapter 1

### (Applicable in the Securities of GPL by Directors, Employees and Dependent Family Members)

#### 2. Compliance Officer:

- 2.1 The Company Secretary of GPL shall be the Compliance Officer for the purpose of the Code and will report to the Chairman and Managing Director.
- 2.2 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.
- 2.3 Compliance Officer will maintain a record of the designated employees and any change made in the list of designated employees.

#### 3. Pre clearance of trades

- 3.1 All directors or officers or designated employees of the company who intends to deal in securities of the company (above a minimum threshold limit of 500 shares or any other securities) in a financial year should pre clear the transaction as per the pre dealing procedures as described hereunder.
- 3.2 An application may be made in **form I** to the Compliance Officer indicating the estimated number of securities that the director/ 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.
- 3.3 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" upto the time of signing the undertaking.

- ❖ That in case the Employee /Director or officer 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.
- 3.4 The Compliance Officer shall on receiving an application provide an acknowledgement on the duplicate of the application
- 3.5 The Compliance Officer shall grant approval in **form III** within 3 working days from the date of the acknowledgement.
- 3.6 The Compliance Officer shall retain copies of all applications and acknowledgements.
- 3.7 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.
- 3.8 All Directors/ Officer or Designated Employees shall execute their order in respect of securities of the company within one week after the approval of preclearance 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.

#### **4. Preservation of Price Sensitive Information**

- 4.1 All the Directors, Officers and Designated Employees shall maintain the confidentiality of all Unpublished Price Sensitive Information in their possession.
- 4.2 Directors and 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.

4.3 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.

## **5. Limited Access to Unpublished Price Sensitive Information**

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

## **6. Prevention of Misuse of Unpublished Price Sensitive Information**

6.1 Notwithstanding anything contained in the Code, the Directors, Officers and 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.

6.2 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. This condition shall also apply to the position taken in derivatives.

6.3 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.

6.4 The Compliance Officer Shallnot has power to waive the holding period specified in clause 6.2 and 6.3 above.

## **7. Reporting requirement**

7.1 All the Directors and 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:

Securities of GPL:

1. All securities of GPL held as on December1, 2008 or as on the date of joining GPL, whichever is later in **form IV** within four working date of joining or within seven working days from December1, 2008 as the case may be.

2. Annual Statement of all securities of GPL held as on March 31 every year, in **form IV** on or prior to April 7 of the next Financial Year.
3. All dealing in securities of GPL in each Financial Year in **Form V** on or prior to April 7 of the next Financial Year.
4. Any change in securities of GPL held if the change exceeds the limit specified in the following, within four working days of such change.
  - ❖ Rupees 5 lacs in value,
  - ❖ 25000 Equity Shares or
  - ❖ 1% of the total shareholdings in GPL

Whichever is lower.

- 7.2 The Compliance Officer shall maintain records of all the declarations/undertakings/forms as mentioned in this Code for a period of 5 years.
- 7.3 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.

## **8. Penalty for Contravention of the Code**

- 8.1 All the Directors and Employees shall be individually responsible for complying with the provisions of the Regulations and the Code to the extent applicable.
- 8.2 Any Director who violates the Code shall be subject to disciplinary action, as may be deemed fit by the Board of the Directors of GPL.
- 8.3 Any Employee who violates the Code shall be subject to disciplinary action as may be deemed fit by GPL.
- 8.4 The action by GPL shall not preclude SEBI from taking any action for violation of the Regulations.

## **9. Information to SEBI in case of violation of the Regulations**

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

**Chapter II**  
**(Applicable to dealing in securities by Directors, Employees and Dependent Family Members)**

**10. Trading Window**

- 10.1 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.
- 10.2 When the trading window is closed, the employees/directors shall not trade in the company's securities in such period.
- 10.3 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.
- 10.4 The time for commencement of closing of trading window shall be decided by the company.
- 10.5 The trading window shall be opened 24 hours after the unpublished information is made public.
- 10.6 All Directors/Employees of GPL 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.
- 10.7 Exercise of options granted and vested under Employee Stock Option Scheme (ESOS) of GPL may be made in accordance with the GPL ESOP Scheme. Provided that the sale of securities allotted on exercise of stock options shall be permitted only during the period that the Trading Window is open.

**FORM NO I**  
**GAYATRI PROJECTS LIMITED**  
**(Clause 3)**  
**PRE CLEARANCE OF TRADE IN COMPANY'S SECURITIES**  
(Under Gayatri Projects Limited Code of Conduct for Prevention of Insider Trading)

Date:

**To**  
**The Compliance Officer**  
**Gayatri Projects Limited**

Sir

I have been identified by the company as Director/ Employee for the purpose of Insider trading Code. I intend to buy/ sell \_\_\_\_\_ no. of Equity Shares/Debentures/other securities of the company on \_\_\_\_\_ at a proposed price of \_\_\_\_\_. Please grant approval for the same.

I am holding Shares in Demat Form:

Client Id	Name of the Depository	Branch
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Please acknowledge the receipt of the Application.

Thanking you,

Signature:

Name:

**FORM NO II**  
**GAYATRI PROJECTS LIMITED**  
**(Clause 3)**  
**PRE CLEARANCE OF TRADE IN COMPANY'S SECURITIES**  
**(Under Gayatri Projects Limited Code of Conduct for Prevention of Insider Trading)**

In respect of above dealing, I undertake that:

I have no access or nor do any information that could be constructed as "Price Sensitive Information" upto the time of signing the undertaking.

In the event I have access to or received "Price Sensitive Information" after the signing of this undertaking but before the execution of the transaction for which approval is sought, I shall inform the compliance Officer of the change in his position and shall completely refrain from dealing in the securities of the company till the time such information becomes public.

I have not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.

I have made a full and true disclosure in the matter.

Signature

Place:  
Date:

**FORM NO III**  
**Pre Clearance Order**

This is to inform that your request for dealing in \_\_\_\_\_ (no.) of shares of the Company as mentioned in your application is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ (date) that is within one week from today.

Date:

For **Gayatri Projects Limited**

**Company Secretary & Compliance Officer**

**FORM NO IV  
GAYATRI PROJECTS LIMITED  
(Clause7.1)**

**INITIAL DISCLOSURE OF DETAILS OF SECURITIES HELD IN GAYATRI  
PROJECTS LIMITED**

(Under Gayatri Projects Limited Code of Conduct for Prevention of Insider  
Trading)

Date:

**To  
The Compliance Officer  
Gayatri Projects Limited**

**I DETAILS OF DEPENDENT FAMILY MEMBERS**

<b>S. No.</b>	<b>Name of the Dependent family Member</b>	<b>Relation</b>

**II DETAILS OF SECURITIES HELD BY DIRECTOR/ EMPLOYEE IN HIS  
OWN NAME (WHETHER SINGLY OR JOINTLY)**

<b>S. No.</b>	<b>Date of Acquisition</b>	<b>Name of the Director/Employee</b>	<b>No. &amp; description of securities held</b>	<b>Folio No./DP ID/Client No.</b>

**III DETAILS OF SECURITIES HELD BY DEPENDENT FAMILY MEMBER(S) (WHETHER SINGLY OR JOINTLY)**

<b>S No.</b>	<b>Date of Acquisition</b>	<b>Name of Dependent Family Member</b>	<b>Relation</b>	<b>No. &amp; description of Securities held</b>	<b>Folio No./DP ID/ Client ID</b>

I declare that above details are true, correct and complete in all respect.

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

Name:

Designation:

Department:

Emp. No.:

**Please sign and return even if you have nothing to declare**



