

# **GLOBUS POWER GENERATION LIMITED("GPGL")**

## **CODE OF CONDUCT FOR FAIR DISCLOSURE AND PREVENTION OF INSIDER TRADING**

**Revised on 14<sup>th</sup> May, 2015**

(Refer Regulation 8/9 of the SEBI (Prohibition of Insider,Trading) Regulations, 2015)

This Code of Conduct ("the Code") is framed to prevent insider trading and also further to the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations"), as amended from time to time. The Code is to be implemented specifically with reference to the securities of Globus Power Generation Limited. ("GPGL" or "the Company").

Recipients should carefully read the Regulations in a detail a copy of which is also available with the Compliance Officer of the Company and contact the Compliance Officer for any clarification or guidance that may be needed.

Attention is particularly drawn to the punitive and other consequences of any violation of this Code and/or of the Regulations under this Code and/or the Regulations, the SEBI Act and other relevant provisions of law.

Terms used in this Code, but not defined herein, shall have the definition as given in the Regulations or the SEBI Act, 2015.

The Company may at its discretion and/or as mandated by law, make changes to this Code from time to time and shall notify the changes/revised Code to the persons to whom this Code is applicable by email and such changes shall take place with effect from issuance of the emails or from such date as specified in the notification.

### **I. Definitions**

**Compliance Officer** - The Company has appointed Ms. Urmil Kakkar, Company Secretary of the Company, as the Compliance Officer, who shall act as such for the purposes of this Code and under the Regulations and shall report to the Board.

**Connected Person** – Every person either called as designated person or associated with GPGL, directly or indirectly having such relationship which allows such person, access to unpublished price sensitive information ('UPSI') or is reasonably expected to allow such access. Following persons are deemed to be connected person unless contrary established:

- Promoter/Directors/Designated Employees,
- Immediate relatives( as defined in the Code of Promoter/Directors/Designated Employees
- holding / associate / subsidiary company, an investment company, trustee company,

asset management company / an employee / director thereof;

- an official of stock exchange / of clearing house / corporation;
- a member of board of trustees of a mutual fund / member of board of directors of asset management company of mutual fund / is an employee thereof;
- a member of board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013;
- an official or an employee of a self-regulatory organization recognised or authorized by the Board;
- a banker of the company;
- a concern, firm, trust, HUF, company / association of persons wherein a director of a company / his immediate relative / banker of the company, has more than 10% of holding / interest.

2. Explanation: For the purpose of this Code, the term 'designated employee' shall include:-

- II. officers comprising the top three tiers of the company management and all employees in the finance department.
- III. the employees designated by the company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.

The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

**Trading** – anything related to subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities

**Insider** - a connected person or a person in possession of or having access to UPSI.

#### **UPSI – Unpublished Price Sensitive Information**

any information, relating to a company / its securities, directly / indirectly, (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; and
- (vi) material events in accordance with the listing agreement.

## **Exceptions for Trading when person in possession of UPSI**

It includes,

1. Off-market inter-se transfer between promoters who were in possession of the same UPSI without being in breach of regulation 3 and both parties had made a conscious and informed trade decision.
2. Transactions in the case of non-individual insiders without disclosure of any UPSI at the time of the decision to trade; and after ensuring that these regulations are not violated.
3. The trades were pursuant to a trading plan set up in accordance with regulation 5.

During above-mentioned transactions, the onus of establishing, non-possession of UPSI , shall be on such connected persons.

### **Trading Plan**

Approval of Company's Compliance Officer is required for doing trading which has to be as per Trading Plan. Any person in possession of UPSI may trade if he had pre-decided the transactions subject to approval from Compliance Officer. Trading can also be commenced 6 months from the public disclosure of the plan, which allows UPSI to become generally available information. But In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the insider were to be in possession of the same unpublished price sensitive information both at the time of formulation of the plan and implementation of the same.

No trading for period between 20th trading day prior to the last day of any financial period for which accounts relate and the second trading day after the disclosure of such financial results by the Company.

Trading plan shall not be for a period less than 12 months without overlap of any period for two consecutive trading plans;

Trading plan to set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and

Trading in securities under plan shall not be for market abuse.

Compliance Officer shall review trading plan and assess whether plan would have any potential for violation of these regulations, approve the same, and monitor its implementation.

Approved trading plan, need to be notified to stock exchanges on which company securities are listed.

- IV.** The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the board of directors within 60 days of the end of each quarter.
- V.** The Company has adopted Chinese Wall policy whereby employees/firm with confidential information are taken as “inside areas” work in different offices to the sale/marketing/investment people (termed as public area) thereby ensuring the physical segregation. The employees in the inside area shall not communicate any Price Sensitive Information to any one in public area.

Connected person shall be governed with this code append with the code of ethics formulated by the Company while dealing in the securities. Designated persons may execute trades subject to compliance with the code and regulations.

Whenever the compliance officer is of the opinion that a connected person or classes of connected persons are expected to have possession of unpublished price sensitive information, he shall close the trading window. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Connected persons and their immediate relatives shall not trade in securities when the trading window is closed.

The timing for re-opening of the trading window will 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 etc., assisting or advising the company.

- VI.** 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 a minimum threshold limit of 1000 Shares at a given time. 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.
- VII.** The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.

**VIII.** 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. Trade in securities has to be executed within 7 days of pre-clearance failing which fresh pre-clearance would be needed for the trades to be executed.

**IX.** A Promoter/Director/Officer/Designated Employee shall have to furnish an undertaking in FORM A for pre-clearance to the effect that:

He/she does not have any access or has not received price sensitive information up to the time of signing of the undertaking;

In case he/she has access to or receives price sensitive information after 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 securities of the Company till the time such information becomes public;

He/she has not contravened the Code of conduct for prevention of Insider Trading as notified by the Company from time;

He/she has made a full and true disclosure in the matter.

All designated employees are required to provide reason for not trading after securing pre-clearance by employees. Employees can execute trade within 5 trading days from taking pre-clearance from Compliance.

Any designated person shall not execute a contra trade within six months of the previous trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. 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 for credit to the Investor Protection and Education Fund administered by the Board under the Act.

**X.** Process of permitting designated person to cross the wall - In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the compliance officer.

Explanation: For the purpose of this Code, the term 'designated employee' shall include: -

- (i) officers comprising the top three tiers of the company management and all employees in the finance department.
- (ii) the employees designated by the company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.

The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

**XI.** If an employee takes contra position in a security in a period of less than 6 months then the amount of profit (if any) earned by that employee on such transaction shall be liable to be disgorged/collected as penalty and would be paid to SEBI for credit to the Investor Protection and Education Fund administered by SEBI. This amount will be recovered irrespective of the number of violation instance without any exception.

**XII.** The Compliance Officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct. The Compliance Officer is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the Code under the overall supervision of the Board of the Company.

**XIII. Preservation of "Price Sensitive Information"**

Employees/ directors 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.

**XIV. Need to know**

- I. 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.
- II. All non-public information directly received by any employee should immediately be reported to the head of the department.

**XV. 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.

**XVI. Prevention of misuse of "Price Sensitive Information"**

All directors/ officers and designated employees of the company shall be subject to trading restrictions as enumerated below: -

**XVII. Trading window**

- I 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 information referred to in sub para iii is un-published.

- ii. When the trading window is closed, the directors, officers and designated employees shall not trade in the company's securities in such period.
- iii. The trading window shall be, inter alia, closed at the time of:-
  - (a) Declaration of Financial results (quarterly, half-yearly and annual)
  - (b) Declaration of dividends (interim and final)
  - (c) Issue of securities by way of public/ rights/bonus etc.
  - (d) Any major expansion plans or execution of new projects
  - (e) Amalgamation, mergers, takeovers and buy-back
  - (f) Disposal of whole or substantially whole of the undertaking
  - (g) Any changes in policies, plans or operations of the company
  - (h) Such other events or circumstances as may be notified by the Compliance Officer.
- iv. A The time, apart from as specified herein, for commencement of closing of trading window shall be decided by the company.
- v. Trading window will be closed before 10 days of happening of the events enlisted in iii and 5 days after the publication of the price sensitive information.
- vi. All directors/ officers/designated employees of the company 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, as referred to in sub para iii or during any other period as may be specified by the Company from time to time.

#### **XVIII. Pre clearance of trades**

- i. All directors/officers/designated employees of the company and their dependents who intend to deal in the securities of the company (above a minimum threshold limit of 3000 Shares at one go) should pre-clear the transactions as per the pre-dealing procedure as described hereunder.
- ii. An application may be made in such form as the company may notify in this regard, to the Compliance officer indicating the estimated number of securities that the designated employee/ officer/ director 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.

- iii. An undertaking shall be executed in favour of the company by such designated employee / director / officer incorporating, inter alia, the following clauses, as may be applicable:
- (a) That the employee/ director/officer does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
  - (b) That in case the employee/ director/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.
  - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
  - (d) That he / she has made a full and true disclosure in the matter

#### **XIX. Other restrictions**

- i. All directors/officers /designated employees and their dependents shall execute their order in respect of securities of the company within one week after the approval of pre-clearance 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.

**All directors/ officers/ designated employees 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. All directors/ officers/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time.**

**In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.**

- ii. 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 his / her reasons in this regard.

#### **XX. Reporting Requirements for transactions in securities**

- i. All directors/officers /designated employees of the listed company shall be required to forward following details of their Securities transactions including the statement of dependent family members (as defined by the company) to the Compliance officer:



- (a) all holdings in securities of that company by directors/officers / designated employees at the time of joining the company;
  - (b) As and when sale/purchase happening statement of any transactions in securities
  - (c) annual statement of all holdings in securities in every April.
- ii. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors/officers / designated employees for a minimum period of three years.

**XXI. Penalty for contravention of code of conduct**

- i. Any employee/ officer / director who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the company.
- ii. Employees / officers / directors of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligible for future participation in employee stock option plans, etc.
- iii. The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.

**XXII. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015**

- i. In case it is observed by the company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be informed by the company.

## CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE

- 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.
- Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
- The Company has appointed Ms. Urmil Kakkar, Company Secretary of the Company as chief investor relation officer to deal with dissemination of information and disclosure of unpublished price sensitive information. Her duties involve prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

### **Responsibilities of Compliance Officer:**

- Appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- 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.
- Company has adopted adequate measures in handling of all unpublished price sensitive information on a need-to-know basis.