



POLICY ON PROHIBITION OF INSIDER TRADING AND FRAUDULENT & UNFAIR TRADE PRACTICES

A. Preamble:

DETAILS OF SHAREHOLDING OF SUBSTANTIAL SHAREHOLDER... [Form A - D --- Click Here to Download](#)

GTL Limited (GTL) is a listed company having its shares listed on BSE, National Stock Exchange of India Ltd., Delhi Stock Exchange Association Ltd., and The Ahmedabad Stock Exchange. With a view to enable the employees to participate in the future growth and success of the Company, with the approval of its shareholders obtained from time to time, it is implementing various Employees Stock Option Schemes since 1998-99.

The Securities and Exchange Board of India (SEBI), established in 1992 to protect the interests of investors and to promote and regulate the securities market, has been bringing out Regulations and Guidelines for the said purpose from time to time. GTL being a listed company is governed by the Regulations and Guidelines issued by SEBI from time to time.

Regulation 5.4 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, requires that the Compensation Committee of a company should frame suitable policies and systems to ensure that there is no violation of –

a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and

b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade practices relating to the Securities Market) Regulations, 1995, by any Employee.

Accordingly, with the approval of the Board/Committee of the Board, GTL has adopted the Policy on Insider Trading and is implementing the same.

SEBI vide its Notification dated 20th February 2002 has brought out certain amendments to the Securities and Exchange Board of India (SEBI) (Insider Trading) Regulations, 1992. The amendment has also resulted in change of name of the Regulations as Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The amended Regulation 12 of the said Regulations, requires the listed companies and other organisations associated with the securities markets;

a) to frame a Code of Internal Procedures and Conduct as near there to the Model Code specified in Schedule I of the said Regulation



b) to abide by the Code of Corporate Disclosure Practices as specified in Schedule II of the said Regulation.

c) to adopt appropriate mechanisms and procedures to enforce the Codes specified in (a) and (b).

Regulation 13 of the said Regulation requires initial and continuous:

a) disclosure by Directors, Officers and Substantial shareholders of their interest or holdings to the Company and

b) disclosure by the Company of the information received as above to the Stock Exchanges

In view of the amendments to SEBI (Insider Trading) Regulations 1992 and the requirements of the amended Regulations 12 and 13 of the said Regulations, the earlier Policy on Insider Trading adopted by the Company is being replaced by the present one.

B. Objectives:

The objectives of the Policy are:

a. Prohibition of Insiders from;

i) dealing in securities of GTL when in possession of any unpublished price sensitive information and

ii) communicating (counseling or procuring) any unpublished price sensitive information to any person that may enable him to deal in GTL's securities when in possession of unpublished price sensitive information and

b. Prohibition of Employees from;

i) dealing in securities market in a fraudulent manner

ii) market manipulation

iii) making misleading statements to induce sale or purchase of GTL's securities and

iv) unfair trade practices relating to GTL's securities

C. Definitions:

In this Policy, unless the context otherwise requires,

a) The Company means GTL Limited;



b) Insider means any person who is or was connected with the Company or is deemed to have been connected with the Company, and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company or who has received or has had access to such unpublished price sensitive information;

c) Officer of GTL Limited includes any Director, Manager or Secretary or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act and the Auditors of the Company.

d) Price sensitive information means any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of securities of the Company;

Explanation: The following shall be deemed to be price sensitive information:

- i) Periodical financial results of the Company;
- ii) Intended declaration of dividends (both interim and final);
- iii) Issue of securities or buyback of securities;
- iv) Any major expansion plans or execution of new projects;
- v) Amalgamations, mergers or takeovers;
- vi) Disposal of the whole or substantial part of the undertaking;
- vii) Any significant changes in policies, plans or operations of the Company.

e) Unpublished information means information, which is not published by the Company or its Agents and is not specific in nature.

Explanation: Speculative reports in print or electronic media shall not be considered as published information.

f) Dependent family members mean those members of the family who do not have any known source of income.

D. Code of Conduct of GTL Limited for Prevention of Insider Trading:

GTL being a listed company, in terms of Regulation 12 (1) of SEBI (Prohibition of Insider Trading) Regulations, 1992 shall frame a Code of Conduct for Prevention of Insider Trading (as near



there to Part A of the Model Code specified in Schedule I of the said Regulations) as given in Annexure I. All Directors and Employees of the Company shall also abide by the said Code of Conduct given in Annexure I.

E. Code of Corporate Disclosure Practices for Prevention of Insider Trading:

In terms of Regulation 12 (2) of SEBI (Prohibition of Insider Trading) Regulations, 1992 GTL shall abide by the Code of Corporate Disclosure Practices for Prevention of Insider Trading given in Schedule II of the said Regulations.

The Compliance Officer appointed under the Code of Conduct for Prevention of Insider Trading shall also act as the Compliance Officer for overseeing the compliance of the Code of Corporate Disclosure Practices for Prevention of Insider Trading.

Under the guidance and supervision of the Committee of Directors/ Board entrusted with the task, the Compliance Officer shall adopt appropriate mechanisms and procedures to enforce the Codes specified in (D) and (E).

F. Disclosure Practice by Directors and Officers of their interest and holdings to the Company:

a) Initial Disclosure:

Any person who is a Director or Officer of GTL, shall disclose to the Company, the number of shares or voting rights held by such person, within 2 working days of becoming a Director or Officer of the Company.

b) Continual Disclosure:

Any person who is a Director or Officer of GTL, shall disclose to the Company, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings from the last disclosure made, and the change exceeds Rs 5 lakhs in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower. The disclosure shall be made within 2 working days of the receipt of intimation of allotment of shares or the acquisition or sale of shares or voting rights, as the case may be.

G. Disclosure by the Company to the Stock Exchanges:

GTL, within 2 working days of receipt, shall disclose to all Stock Exchanges on which the Company is listed, the information received as above from the Directors and Officers.



H. Responsibilities of Directors, Officers and employees:

All Directors, Officers and employees of the Company shall abide by

a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

b) Securities and Exchange Board of India ((Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995;

c) Code of Conduct of GTL Limited for Prevention of Insider Trading;

d) Code of Corporate Disclosure Practices in respect of disclosure of interest and holdings to the Company

I. Liabilities:

Contravention of any the provisions of the Regulations and Codes by any of the Directors, Officers and employees would lead to appropriate penal action both by the Company and the Securities and Exchange Board of India.



Annexure I

Code of Conduct of GTL Limited for Prevention of Insider Trading

1.0 Compliance Officer

1.1 The Company has appointed the Company Secretary, who shall act as a Compliance Officer and shall report to the Managing Director/Chief Executive Officer.

1.2 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 designated employees' and their dependents' trades, monitoring of trades and the implementation of the code of conduct under the overall supervision of the Committee of Directors/ Board entrusted with the task.

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

- i. Officers in the top three tiers of the Company i.e to say Board of Directors of the Company, Members of Operating Council Chief Operating Officer, Dy. Chief Operating Officer, Chief Financial Officer/Head of Finance, Company Secretary Head-Investor Relations, Head-Internal Audit, Head-Treasury; and
- ii. Any other employees who would be declared as designated employees from time to time by the Compliance Officer keeping in mind the objectives of the Code of Conduct.

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

1.4 The Compliance Officer shall assist all the employees in addressing any clarification regarding the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992 and the Company's code of conduct.

2.0 Preservation of "Price Sensitive Information"

2.1 All Directors, Officers and employees shall maintain the confidentiality of all price sensitive information and shall not pass on such information to any person, directly or indirectly, by way of making a recommendation for the purchase or sale of GTL's securities.

2.2 Need to know

a. Unpublished price sensitive information is to be handled on a "need to know" basis, i.e. unpublished price sensitive information should be disclosed only to those within the Company

who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

b. All un-published information directly received by any employee should immediately be reported to his head of the department.

2.3 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.

3.0 Prevention of misuse of "Price Sensitive Information

3.1 All Designated Employees/ Officers of the Company shall be subject to trading restrictions as enumerated below:-

3.2 Trading window

3.2.1 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 information referred to in para 3.2.3 is un-published.

3.2.2 When the trading window is closed, the Designated Employees/Officers shall not trade in the Company's securities in such period.

3.2.3 Trading Window shall remain closed at the time of:

- i. Declaration of Financial results (quarterly, half-yearly and annual)
- ii. Issue of Securities by way of public/rights/bonus etc.
- iii. Declaration of interim/final dividend
- iv. Any major expansion plans or execution of new projects
- v. Amalgamation, merger, takeover and buy-back
- vi. Disposal of whole or substantially whole of the undertaking
- vii. Any significant change in policies, plans or operations of the Company

The trading window shall be closed from the date of intimation to the Stock Exchanges where the shares of the Company are listed about the consideration of matters in respect of price

sensitive information as referred above in 3.2.3 and the same shall be opened 24 hours after the information referred to in para 3.2.3 is made public

3.2.4 The Designated Employees/ Officers 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 the Company's securities during the periods when trading window is closed, as referred to in para 3.2.3 or during any other period as may be specified by the Company from time to time.

3.2.5 In case of ESOPs, exercise of option will be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

3.3 Pre-clearance of trades

1. Threshold limit for dealing in Company's securities shall be as under:

a. Designated employees [other than those mentioned in 'b' & 'c' below] – 100 shares in the aggregate in an English Calendar Month.

b. Directors [other than those mentioned in (c) below] – 100 shares in the aggregate in an English calendar month.

c. Promoter Directors – As permitted by Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

2. The Designated Employees/Officers shall obtain pre-clearance for the transactions, as per the pre-clearance procedure described hereunder, in case the trades in securities are likely to exceed the aforesaid threshold limits.

3. 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 intends to deal in, the details as to the depository with which he/she 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.

4. An undertaking shall be executed in favour of the Company by such Designated Employee / Officer incorporating, inter alia, the following clauses, as may be applicable:

a. That, the Designated Employee / 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 Designated Employee/ 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

4.0 Other restrictions

4.1 All Designated Employees/ Officers 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 Designated Employees/ Officers must pre clear the transaction again.

4.2 All Designated Employees/ Officers shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period shall also apply to subscription in the primary market (Public issues). In the case of Public Issues, the holding period would commence when the securities are actually allotted or credited to their Demat Account, which ever is later.

4.3 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.

5.0 Reporting Requirements for transactions in securities

5.1 All Designated Employees/ Officers of the Company shall be required to forward following details of their Securities transactions including the statement of dependent family members (spouse, minor children and other dependents who do not have any known source of income) as declared by the employee to the Compliance Officer:

a. all holdings in securities of the Company by Designated Employees/Officers at the time of joining the Company;

b. periodic statement of any transactions in securities of the Company as on the last date of every calendar quarter (the periodicity of reporting may be defined by the Company from time to time). The Company may also be free to decide whether reporting is required for trades where pre-clearance is also required); and

c. annual statement of all holdings in securities of the Company as on the last date of the Financial Year of the Company.

5.2 The Compliance Officer shall maintain records of all the declarations in an appropriate form given by the Designated Employees/ Officers for a minimum period of three years.

5.3 The Compliance Officer shall place before the committee specified by the Company, on a quarterly basis all the details of the dealing in the securities by Designated Employees/ Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

6. Dissemination of Price Sensitive information

No Director, Officer or employee shall make any dissemination of price sensitive information to the public/media/analyst etc. except under the authority of the Chairman & Managing Director/ Joint Managing Director & COO/ Company Secretary/Chief Investor Relations Officer or such other officer as may be authorised by the Board or its Committee from time to time.

7.0 Penalty for contravention of code of conduct

7.1 Any Director, Officer or employee who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and an appropriate action may be taken by the Company.

7.2 Designated Employees/ Officers 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, ineligibility for future participation in employee stock option plans, etc.

7.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.

8. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992

In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

Responsibilities of all Employees:

1. Shall maintain the confidentiality of all price Sensitive Information of the Company.
2. Shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Company's securities.



3. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession would not lead to misuse.
4. All Unpublished Price Sensitive information directly received by any Employee should immediately be reported to the Head of the Department, who in turn will inform the Company Secretary.
5. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.
6. Shall not respond to any queries or request of anybody on Price Sensitive Information unless authorized to do so in writing.
7. The persons authorized to disclose/disseminate Price Sensitive Information to Analysts, Research Persons, etc shall follow the guidelines given below:
 - a. Shall provide only information which are made public
 - b. Shall make disclosure/dissemination in the presence of at least one more Authorised Person of the Company, preferably by recording the disclosure or dissemination to avoid misquoting.
8. Shall not indulge in
 - a. Fraudulent dealings in securities market
 - b. Market Manipulation
 - c. Making misleading statements to induce sale or purchase of securities and
 - d. Unfair trade practices relating to securities.

Additional responsibilities of Directors/Officers and Designated Employees:

1. Shall be subject to trading restrictions stated below:
 - a. The Company shall specify the trading period called 'Trading Window'. The Directors/Officers and Designated Employees shall trade only when the Trade Window is open.
 - b. Trading Window shall remain closed at the time of:
 - i. Declaration of Financial results (quarterly, half-yearly and annual)
 - ii. Issue of Securities by way of public/rights/bonus etc.



- iii. Declaration of interim/final dividend
- iv. Any major expansion plans or execution of new projects
- v. Amalgamation, merger, takeover and buy-back
- vi. Disposal of whole or substantially whole of the undertaking
- vii. Any significant change in policies, plans or operations of the Company

The trading window shall be closed from the date of intimation to the Stock Exchanges where the shares of the Company are listed about the consideration of matters in respect of price sensitive information as referred above in 1.b and the same shall be opened 24 hours after the information referred to in para 1.b is made public

d. During the period when the Trading Window is closed, Directors/Officers and Designated Employees, who are entitled for ESOP, are allowed to exercise the option, but not allowed to sell the shares.

2. Those who intend to deal in the shares of the Company above the threshold limit stipulated in 3.3 above shall pre-clear the transactions as under:

- a. An application shall be made in the prescribed format to the Company Secretary
 - b. The Application shall give the details such as estimated number of securities intended to be dealt with, name of the depository, etc
 - c. An undertaking shall also be executed in favour of the Company stating that
 - i. He does not have or has not received price sensitive information.
 - ii. In case he receives price sensitive information after signing the undertaking, he shall inform the Company Secretary of the development and refrain from dealing in the securities of the company till the information becomes public.
 - iii. He has not contravened the Code of Conduct of the Company on Prohibition of Insider Trading.
 - iv. He has made full and true disclosure in the matter.
 - d. After obtaining the pre-clearance, he shall execute the transaction within a week from the date of approval given by the Company Secretary.
3. Shall hold the securities of the Company for a minimum period of 30 days



4. In case he desires to sell the securities before the expiry of 30 days on account of personal emergencies, he has to take the approval of the Company Secretary
5. Shall furnish a copy of declaration of his dependents, as disclosed to HR department, to the Company Secretary
6. Shall furnish his following details and details of his dependent family members (viz spouse, minor children and other dependents as declared to HR) to the Company Secretary:
 - a. All holdings in securities of the Company at the time of his joining in the prescribed format
 - b. Quarterly statement of any transactions in Company's securities as on the last date of the quarter (to be submitted to the Company Secretary on or before 10th of the succeeding month) in the prescribed format.