

DECCAN GOLD MINES LIMITED

**CODE OF INTERNAL PROCEDURES
AND CONDUCT FOR**

**REGULATING, MONITORING AND REPORTING
OF TRADING BY INSIDERS**
(effective April 1, 2019)

1. Definitions

- 1.1 “**Act**” means the Securities and Exchange Board of India Act, 1992;
- 1.2 “**Board**” means the Board of Directors of the Company;
- 1.3 “**Code**” or “**Code of Conduct**” shall mean the Code of Regulating, Monitoring and Reporting of trading by insiders of Deccan Gold Mines Limited (“DGML”) as amended from time to time;
- 1.4 “**Company**” means Deccan Gold Mines Limited (“DGML”);
- 1.5 “**Compliance Officer**” means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Chairman of Audit Committee and the Board of Directors 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 Company;
- 1.6 “**Financially literate**” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account and statement of cash flows.
- 1.7 “**Connected Person**” means:
- (i) any person who is or has, during the six months prior to the date of this code become effective, been associated with the 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 promoter, 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access;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 promoter company, 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 investment company, trustee company, asset management company or an employee or director thereof; or
 - (e) an official of a stock exchange or of clearing house or corporation; or
 - (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g) a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (i) a banker of the Company; or

- (j) a concern, firm, trust, Hindu Undivided Family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest;
- 1.8 **“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;
- 1.9 **“Designated Person”** shall mean:
 - a) every employee of the Company including the Directors in the employment of the Company, their immediate relatives;
 - b) such persons who is required to handle unpublished price sensitive information in the course of business operations including but not limited to professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising listed companies;
 - c) such entities that normally operate outside the capital market may handle unpublished price sensitive information;
 - d) connected persons;
 - e) persons with whom such designated person(s) shares a material financial relationship
- 1.10 **Employee(s)** shall include :
 - (i) every employee in the grade of Manager and above and includes the Key Managerial Personnel;
 - (ii) every employee in the finance, accounts, legal / company secretarial department;
 - (iii) Board of Directors of the Company; and
 - (iv) any other employee as may be determined and informed by the Compliance Officer from time to time;
- 1.11 **“Director”** means a member of the Board of Directors of the Company;
- 1.12 **“Fiduciaries”** Professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising listed companies shall be collectively referred to as fiduciaries for the purpose of these regulations;
- 1.13 **"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis;
- 1.14 **"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;
- 1.15 **“Insider”** means any person who,
 - (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information including a person having access to such information by virtue of a legitimate purpose as described under Clause 3.2 of this Code.
- 1.16 **"Key Managerial Personnel”** shall have the same meaning as defined under Section 2(51) of the Companies Act, 2013;
- 1.17 **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

- 1.18 **"Regulations"** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 1.19 **"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;
- 1.20 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.21 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- 1.22 **"Unpublished Price Sensitive Information"** means any information relating to the securities of the company, 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;
- 1.23 **"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.

2. Compliance Officer

- 2.1 The Company Secretary nominated by the Board of Directors or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated by and report to the Board of Directors.
- 2.2 The Compliance Officer 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 Company.
- 2.3** The Compliance Officer shall report to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors on a quarterly basis.
- 2.4 The Compliance Officer shall assist all Insiders in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.
- 2.5 The Compliance Officer shall review the trading plan, if any, submitted to him, to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

2.6 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

3. Preservation of “Price Sensitive Information”

3.1 All information shall be handled within the Company 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 except in furtherance of the insider's legitimate purposes, and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the Compliance Officer. 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.

The Company shall however, in no circumstances share information solely for the purpose of evading the compliances of these regulations or circumventing the prohibitions of these regulations.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations or merger or acquisitions, where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine, to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information

3.2 Legitimate purpose shall include sharing of unpublished price sensitive information 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 these regulations.

3.3 Need to Know:

- (i) “need to know” basis means that 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.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

3.4 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password.

4 PREVENTION OF MISUSE OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”:

Employees and connected persons designated on the basis of their functional role ("designated persons") in the Company shall be governed by an internal code of conduct governing dealing in securities.

No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

Provided that the insider may prove his innocence by demonstrating the circumstances including the following : –

- (i) the transaction is an off-market inter-se transfer between Insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision and that the Insiders have disclosed the same to the Company as specified in Clause 11 of this Code;
- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of these regulations.

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.”
- (v) in the case of non-individual insiders: –
 - a. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
 - b. appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- (vi) the trades were pursuant to a trading plan set up in accordance with Clause 5.

NOTE: When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He traded when in possession of unpublished price sensitive information is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition.

In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the SEBI

5 Trading Plan

5.1 An insider shall be entitled to formulate a trading plan for dealing in 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.

5.2 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 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
- (iii) not entail trading in securities for market abuse.

5.3 The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he 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.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

5.4 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 unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information 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.

5.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

6 Trading Window

6.1 The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive

information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

6.2 The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

6.3 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 and consultants assisting or advising the Company.

7 Pre-clearance of trades

7.1 All Designated Persons and their dependents, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is Rs. 10 lacs and above should pre-clear the transaction. However, no designated person shall be entitled to 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. The pre-dealing procedure shall be hereunder:

- (i) An application may be made in the prescribed Form (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Designated Person 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.
- (ii) An undertaking (Annexure 2) shall be executed in favour of the Company by such Designated Person incorporating, *inter alia*, the following clauses, as may be applicable:
 - (a) That the said person does not have any access or has not received “Price Sensitive Information” up to the time of signing the undertaking.
 - (b) That in case the Designated Person 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.
- (iii) All Designated Persons 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**. The Specified Person shall file within **2 (two) days** of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. **In case the transaction is not undertaken, a report to that effect shall be filed.**
- (iv) If the order is not executed within **one week** after the approval is given, the Designated Person must pre-clear the transaction again.
- (v) All Designated Persons 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. In the case of ESOPs and other corporate action, the Company will follow appropriate guidelines as issued from time to time by regulatory authorities. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

- (vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

8 Other Restrictions

- 8.1 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.
- 8.2 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.
- 8.3 The disclosures made under this Code shall be maintained for a period of five years.

9 Other Restrictions

- 9.1 The disclosures to be made by any person under this Code shall also include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 9.2 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.
- 9.3 The disclosures made under this Code shall be maintained for a period of five years.

10 Reporting Requirements for transactions in securities

Initial Disclosure

- 10.1 Every promoter/ Key Managerial Personnel / Director / Officers / Designated Persons of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form.
- 10.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.

Continual Disclosure

- 10.3 Every Promoter, Employee 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 transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten Lakhs only).

The disclosure shall be made within 2 trading days of:

- (a) receipt of intimation of allotment of shares, or
(b) acquisition or sale of shares or voting rights, as the case may be.

- 11 Disclosure by the Company to the Stock Exchange(s)
- 11.1 Within 2 trading days of the receipt of intimation under Clause 7.3 or becoming aware of the information specified in Clause 7.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.
- 11.2 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 five years.
- 11.3 Off-market trades as referred to in Clause 5 shall be reported by the insiders to the company within two working days.
- 12 Dissemination of Price Sensitive Information
- 12.1 No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- 12.2 Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:
- The following guidelines shall be followed while dealing with analysts and institutional investors
- Only public information to be provided.
 - At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
 - Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
 - Simultaneous release of information after every such meet.

13 Penalty for contravention of the code of conduct

- 13.1 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 dependents).
- 13.2 Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.
- 13.3 Persons who violate the Code 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.
- 13.4 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.

ANNEXURE 1
SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

Date:

To,
The Compliance Officer,
.....,
Mumbai

Dear Sir/Madam,

Application for Pre-dealing approval in securities of the Company

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sale / subscription of _____ equity shares of the Company as per details given below:

1.	Name of the applicant		
2.	Designation		
3.	Number of securities held as on date		
4.	Folio No. / DP ID / Client ID No.)		
5.	The proposal is for		(a) Purchase of securities (b) Sale of securities
6.	Proposed date of dealing in securities		
7.	Estimated number of securities proposed to be acquired/[sold		
8.	Price at which the transaction is proposed		
9.	Current market price (as on date of application)		
10.	Whether the proposed transaction will be through stock exchange or off-market deal		
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited		

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of Employee)

ANNEXURE 2

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE
APPLICATION FOR PRE-CLEARANCE**

UNDERTAKING

To,
.....,
Mumbai

I, _____, _____ of the Company residing at _____, am desirous of dealing in _____ * shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date :

Signature : _____

* Indicate number of shares

ANNEXURE 3

FORMAT FOR PRE- CLEARANCE ORDER

To,
Name : _____
Designation : _____
Place : _____

This is to inform you that your request for dealing in _____ (nos) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before _____ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,
for

COMPLIANCE OFFICER

Date : _____

Encl: Format for submission of details of transaction