

**“Institutional Mechanism for Prevention of Insider trading”**

**MECHANISM FOR INQUIRY INCASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED  
LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION IN THE SECURITIES OF  
DECCAN GOLD MINES LIMITED**

1. This mechanism shall come into force from April 1, 2019 and shall be binding from the date of coming into force.

2. **DEFINITIONS:**

Unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:–

- A. “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- B. “Board” or “Board of Directors” means the members of the Board of Directors of Deccan Gold Mines Limited appointed from time to time in accordance with its Articles of Association or a duly constituted Committee thereof;
- C. “Code” or “this Code” means this Code of Conduct formulated in compliance with the requirements of regulation 9(1) of the Regulations, as amended from time to time;
- D. “Company” or “the Company” or “DGML” means Deccan Gold Mines Limited;
- E. “Committee” means the Committee, if any, constituted by the Board of Directors of DGML to implement this Code.
- F. “Complainant” means any person who complaints and/or informs and/or discloses the leak of UPSI to the Committee.
- G. "Designated Person(s)" shall include:
  - (i) Directors of the Company;
  - (ii) Every employee in the grade of Manager and above and includes the Key Managerial Personnel;
  - (iii) All employees in the finance, accounts, legal / company secretarial department;
  - (iv) All “officers” of the Company as defined in under Section 2 (59) of the Companies Act, 2013, i.e. includes any director, manager or key managerial personnel 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;
  - (v) Such other persons as may be decided by the Compliance Officer from time to time.”

- H. "Insider" means any person who is:
1. A Connected Person; or
  2. In possession of or having access to Unpublished Price Sensitive Information;
  3. Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations."
- I. "Legitimate Purpose" means the purpose as defined in the Internal Code of Conduct of the Company.
- J. Subject means any person having access to Unpublished Price Sensitive Information or passing the Unpublished Price Sensitive Information.
- K. "Need-to-Know Basis" means the disclosure of Unpublished Price Sensitive Information to any person including Insider, where such disclosure/ communication is in furtherance of legitimate purposes, performances of duties or discharge of legal obligations;
- L. "Unpublished Price Sensitive Information" means any information, relating to a Company or its securities, 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 and;
  - (v) Changes in key managerial personnel.

### **3. PURPOSE OF THE MECHANISM**

This mechanism is designed to inform any case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information by the Chief Executive Officer, Managing Director or such other analogous person to the Board of Directors of the Company and it shall then accordingly inquire and investigate such case of leak of unpublished price sensitive information.

#### **4. APPLICABILITY OF THE MECHANISM**

This mechanism shall be applicable to any person possessing or having access to unpublished price sensitive information in the securities of the Company.

#### **5. FORMATION OF COMMITTEE**

The existing Audit Committee of the Board of Directors of the Company shall inquire, investigate and report to the Board the case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information by the insider.

#### **6. PROCEDURE OF INQUIRY**

- A. Disclosures should be reported in writing by the complainant to the Committee as soon as he becomes aware of the leak of UPSI and the complaint should either be typed or written in a legible handwriting in English or in the relevant regional language. Alternatively, the same can also be sent through email to the mail id [subbu@deccangoldmines.com](mailto:subbu@deccangoldmines.com) with the subject "Intimation with respect to leak of UPSI under whistle blower policy".
- B. Disclosures should be addressed to the Committee of the Company  
The contact details of the Committee are as under:-  
Chairman  
AUDIT COMMITTEE  
Deccan Gold Mines Limited  
Corporate Office: No. 5, 4<sup>th</sup> Sector, 19<sup>th</sup> Main Road, HSR Layout, Bangalore 560 102
- C. On receipt of the disclosure the Committee shall make a record of the Disclosure and also ascertain from the complainant whether he was the person who made the disclosure or not. The Committee shall also carry out an initial enquiry by itself or by involving any other Officer of the Company within 7 days of receipt of complaint, for appropriate investigation and needful action. The Committee, if it deems fit, may call for further information, details or particulars from the complainant.
- D. The Committee shall issue a show cause notice to the suspected person within a period of 15 days of receipt of complaint to submit his justifications / reasons for leak of UPSI.
- E. The investigation shall be completed normally within 60 days of the receipt of the Disclosure by the Committee. If it is not completed within 60 days, the Committee shall record the reasons in writing for the delay.

**F. DECISION AND REPORTING**

- (a) The Committee will, based on the findings and after conducting further investigation as it may deem fit, come to a final decision in the matter not later than 90 days from the date of receipt of the written report.
  - (b) If the complaint is shown to be justified, then the Committee shall invoke disciplinary or other appropriate actions against the concerned as per the Organization's procedures. The following actions may be taken after investigation of the concern;
    - Disciplinary action (up to and including dismissal) including monetary action against the Subject depending on the results of the investigation; or;
    - disciplinary actions, including wage freeze, suspension, recovery, clawback etc.,
    - Disciplinary action (up to and including dismissal) against the whistleblower if the claim is found to be malicious or otherwise in bad faith; or
    - No action if the allegation proves to be unfounded.
- G. If the report of the investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the chairman of the Audit Committee.
- H. A complainant who makes false allegations of leak of UPSI or such practice, against any person to the Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- I. **GUIDING PRINCIPLES:** To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
- i. Maintain confidentiality of all matters under this Policy;
  - ii. Ensure that the Whistle Blower and/or the person processing the Disclosure are not victimized for doing so.
  - iii. Treat the leak of UPSI as a serious matter including initiating disciplinary action on the concerned person(s) and;
  - iv. Provide an opportunity of being heard to the persons involved.
- J. **AMENDMENT:** The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and Employees unless the same is notified to them in writing.