

# **GRM OVERSEAS LIMITED**

## **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

### **INTRODUCTION**

The recently announced and notified SEBI (Prohibition of Insider Trading) Regulations, 2015 which shall come into effect from 15th May, 2015, entail a new feature of formulating a Code of practices and procedures for fair disclosure of Unpublished Price sensitive information and to set out principles in this regard. This provision intends to require every listed company to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities. The Regulations further suggests certain principles of fair disclosure to be followed such as, equality of access to information, publication of policies such as those on dividend, inorganic growth pursuits, calls and meetings with analysts, publication of transcripts of such calls and meetings, and the like.

In accordance with the said Regulations, GRM Overseas Limited (hereafter called as the 'Company') has formulated Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (hereinafter called "Code").

### **OBJECTIVE**

The objective of this Code is to disseminate and disclose the Unpublished price sensitive information promptly as and when it become due for dissemination or disclosure and to curb the practice of holding such information for personal gains or profits. The other objective is to ensure proper handling and recording and preservation of unpublished price sensitive information.

### **DEFINITIONS**

- (a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (b) "Board" means the Securities and Exchange Board of India;
- (c) "Chief Investor Relations Officer" means the Company Secretary and his

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absence the Officer appointed by the Board of Directors of the Company for the purpose of this Code from time to time.

(d) "connected person" means,-

(i) any person who is or has during the six months prior to the concerned act 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 with the Company such as auditor, accountancy firm, law firm, analyst, consultant assisting or advising the Company etc. or by being a 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 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 recognized or Authorized by the Board; or

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(i) a banker of the company; or

(j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;

(e) "Designated Persons" includes:

- a. Directors;
- b. Employees comprising the top three tiers of the Company management, Below the Board level i.e. up to Asstt. General Managers falling into Grade E-7 and above and their personal secretaries;
- c. all employees in the Finance / Secretarial Department of the Company Irrespective of any designation and Grade;
- d. connected persons;

(f) "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;

(g) "insider" means any person who is:

i) a connected person; or

ii) in possession of or having access to unpublished price sensitive information;

(h) "Key Managerial Person" has the same meaning as defined under Companies Act, 2013.

(i) "Regulations" means SEBI (Prohibition of Insider Trading) Regulations, 2015.

(j) "Securities" means Shares, debentures or other marketable securities of the

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Company issued and / or to be issued from time to time and listed / to be listed on any recognized Stock Exchange.

(k) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

(l) "Unpublished price sensitive information" means any information, relating to the 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;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement.

### **RESPONSIBILITIES AND DUTIES OF THE CHIEF INVESTOR RELATIONS OFFICER:**

The Chief Investor Relations Officer shall be responsible-

- i) for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information and the implementation of this Code under the overall supervision of the Board of Directors of the Company;
- ii) to maintain record of the occurrence and dissemination / disclosure of Unpublished Price Sensitive Information for a minimum period of five years;
- iii) to assist all the employees in addressing any clarifications regarding these Regulations and this Code;

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- iv) to report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

### **PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- a) All the insiders, designated persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall neither deal in the securities of the Company on the basis of Unpublished Price Sensitive Information nor pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.
- b) Unpublished Price Sensitive Information is to be handled on a “need to know” basis. 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.
- c) It 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.
- d) There shall be limited access to confidential information and Unpublished Price sensitive information. Files containing the confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

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e) Unpublished Price sensitive information directly received by any director/Officer / designated employee should immediately be reported to the chief Investor relations officer.

#### **CHINESE WALL**

In general, Chinese Walls separate areas that have access to Unpublished Price Sensitive Information (“Insider Areas”) from those who do not have such access (“Public Areas”). As such, Chinese Walls are designed to operate as barriers to the passing of Unpublished Price Sensitive Information and Confidential Information. Chinese Walls are also designed as a means of managing Conflicts of Interest. Where Chinese Walls arrangements are in place Designated Persons working within an Insider Area are prohibited from communicating any Confidential or Inside Information to those who operate in Public Areas.

Under this Code, designated persons within a Chinese Wall have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately.

In exceptional circumstances designated persons from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, on executing non disclosure agreement with the Company.

#### **PRINCIPLES OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

1. The Company shall promptly make public disclosure of unpublished price

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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.

2. The Company shall disseminate unpublished price sensitive information uniformly and universally to avoid selective disclosure.
3. Chief investor relations officer shall deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company shall develop 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.
8. The Company shall handle all unpublished price sensitive information on a need-to-know basis.

#### **PENALTY:**

a) Any insider or any other person who found to have contravened any of the provisions of this Code, will be penalized and appropriate action will be taken against him / her by the Company after giving reasonable opportunity to

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Explain his / her stand in the matter. He / She shall also be subject to disciplinary action including wage freeze, suspension, ineligibility for future participation in ESOPs etc.

b) In addition to the aforesaid penalties / punishments, the persons violating the Regulations will also be subject to any other action by SEBI as per SEBI Act. The Company shall inform SEBI in case of any violation.

c) Under Regulation 11, SEBI can issue directions through guidance notes or Circulars Provided that where any direction is issued by the Board in a specific case relating to interpretation or application of any provision of these regulations, it shall be done only after affording a reasonable opportunity of being heard to the concerned persons and after recording reasons for the direction.

#### **MISCELLANEOUS**

i) The Board of Directors of the Company shall have power to modify or replace this Code in part or full as may be thought fit from time to time in their absolute discretion in accordance with law for the time being in force.

ii) The decision of the Board of Directors with regard to all matters relating to this Code of Conduct will be final and binding on all concerned.

iii) Words or phrases not defined here will have their respective meanings as per the SEBI Act and Regulations.

iv) This Code has been approved by the Board of Directors of the Company on May 27, 2015 and is effective from May 15, 2015.