GOA CARBON LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING
(Internal Procedures and Conduct)

Dated: July 29, 2008

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, was amended on 20th February 2002 in terms of which the Company was required, inter alia, to frame a Code of Conduct for prevention of insider trading by Insiders, in relation to the shares of the Company. In line with the said Regulations, the Company had circulated INSIDER DEALING REGULATIONS as adopted by the Board of Directors of the Company at its meeting held on April 29, 2002. Based on experience gained, evolution of better practices in the matter and with a view to simplify the understanding and implementation of the Code, the Company has upgraded the Code w.e.f. July 29, 2008. The upgraded Code is set forth below.

1.0 Compliance Officer

1.1 The Company has appointed the Company Secretary as the Compliance Officer.

1.2 The Compliance Officer shall be responsible for monitoring adherence to the relevant SEBI Regulations for trading of the Company's shares by Insiders and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.

Explanation: For the purpose of this Code, the term 'Insider' shall mean:-

(i) Directors
(ii) Employees comprising the top three tiers of the Company management and employees in the Finance and Secretarial departments located at the Corporate Headquarters.
(iii) Employees as may be designated by the Company from time to time to whom these trading restrictions shall be applicable, keeping in mind the objectives of this Code of Conduct.
(iv) Spouse, minor son, minor daughter and dependents, if any, of the persons referred to in (i), (ii) & (iii) above.

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

1.4 The Compliance Officer shall assist all the Insiders 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.

2.0 Preservation of Price Sensitive-Information

2.1 The Insiders shall maintain the confidentiality of all Price Sensitive Information until the publication thereof. '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 shares of the Company. The information listed in para 3.2.2 hereinafter appearing shall be deemed to be Price Sensitive Information. The Insiders shall not communicate, counsel or disclose any such information to any person directly or indirectly, except in a manner permitted by law.

2.2 Need to know

2.2.1 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.

2.3 Limited access to confidential information

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

3.0 Prevention of misuse of Price Sensitive Information

3.1 All Insiders shall be subject to trading restrictions as enumerated below :-

3.2 Trading Window

3.2.1 For the purpose of the Code, the term 'Trading Window' shall mean the period during which trading in the Company's shares by Insiders shall be permissible.

3.2.2 The Trading Window shall remain closed :-

(a) During the following periods -

(i) From 1st July / 1st October / 1st January / 1st April of the financial year till twenty-four hours after the announcement of the financial results for the relevant period to the Stock Exchanges

(b) During the time when the following Price Sensitive Information, although in the knowledge of the Insiders, remains un-published -

(i) Proposals for declaration of dividends (interim/final).
(ii) Proposals for issue of shares (public/rights/bonus) or buy-back of shares.
(iii) Any major expansion plans or new projects.
(iv) Proposals for amalgamation or takeover.
(v) Proposals for disposal of the whole or a substantial part of the Company's undertaking.
(vi) Any significant changes in policies and plans relating to operations of the Company.

3.2.3 Insiders shall not trade in the shares of the Company when the Trading Window remains closed or during any other period as may be specified by the Company from time to time.

3.2.4 In case of doubts on whether information is unpublished and price sensitive, Insiders may seek clarification from the Compliance Officer.

3.3 Pre-clearance of trade

3.3.1 All Insiders who intend to deal in the securities of the Company in quantities aggregating to 5,000 shares or more during any period of 30 days in one or more transactions should pre-clear the transaction as per the pre-dealing procedure as described hereunder.

3.3.2 An application may be made on plain paper to the Compliance Officer indicating the estimated number of shares that the Insider intends to deal in, the details as to the depository with which he/she has an account and the details as to his/her shareholding before and after the intended transaction.

3.3.3 The application shall contain an undertaking to the effect :

(a) That the applicant does not have any access or has not received "Price Sensitive Information" upto the time of making the application.

(b) That in case the applicant has access to or receives "Price Sensitive Information" after making the application but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from dealing in the shares 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 of the Company.

(d) That he/she has made a full and true disclosure in the matter

4.0 Other restrictions

4.1 The Insiders shall execute their order in respect of the shares 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 Insider must pre clear the transaction again.

4.2 The Insiders shall hold their investments in shares 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 (IPOs). In the case of IPOs, the holding period would commence when the shares are actually allotted.

4.3 In case the sale of shares 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 Report requirements for share transactions

5.1 All Insiders shall be required to forward the following details of their transactions in the shares of the Company to the Compliance Officer within 15 days of entering into the transaction:-

(a) Date of execution of transaction.
(b) Nature of the transaction (whether Acquired or Sold).
(c) Number of shares acquired or sold.
(d) Number of shares post acquisition or sale.
(e) Buy value / Sell value.
(f) Trading Member through whom the transaction was executed with SEBI Registration no. of the Trading Member.
(g) Name of the Exchange on which the transaction was executed.

5.2 The Compliance Officer shall maintain records of the particulars furnished by the Insiders in terms of para 5.1 for a period of three years.

6.0 Penalty for contravention of the Code of Conduct

6.1 Any Insider who trades in the shares of the Company or communicates any information for trading in the shares of the Company, in contravention of the Code of Conduct may be penalised and appropriate action may be taken by the Company.

6.2 Insiders who violate the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze and suspension.

6.3 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.

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

7.1 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 of such violation.