

**TATA CLEANTECH CAPITAL LIMITED**

**CODE OF CONDUCT  
FOR  
PREVENTION OF INSIDER TRADING**

**AND**

**CODE OF  
CORPORATE DISCLOSURE PRACTICES**

**January 21, 2022**

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## **1. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING: INTRODUCTION**

Insider trading means dealing in Securities of a company by its Directors, Employees or other Insiders while in possession of Unpublished Price Sensitive Information (“**UPSI**”). Such dealings by Insiders erode the investors’ confidence in the integrity of the Management and are unhealthy for the capital markets.

The Securities and Exchange Board of India (“**SEBI**”), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from November 19, 1992 and the same were made applicable to all companies whose shares were listed on Indian Stock Exchanges.

To strengthen the existing regulations and to create a framework for prevention of insider trading to facilitate legitimate business transactions, SEBI had constituted a Committee under the Chairmanship of Hon’ble Justice N. K. Sodhi in April 2013. Some of the recommendations of the Committee were considered and approved by SEBI Board. The “Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015” (hereinafter referred to as “**the Regulations**”) were notified by SEBI on January 15, 2015 which became effective from May 14, 2015. Further, SEBI also constituted the Vishwanathan Committee to look into the changes required in the aforesaid Regulations. Based on the recommendations of this Committee, SEBI vide notifications dated December 31, 2018 (which will become effective from April 01, 2019), January 21, 2019, July 25, 2019, September 17, 2019, July 17, 2020, October 29, 2020 and April 26, 2021 made further amendments to the aforesaid Regulations. The Regulations not only regulate insider trading but also seek to prohibit insider trading. The text of the Regulations is given in ‘**Appendix A**’.

The relevant extracts of Regulations 3(1), 3(2), 3(2A), 3(2B) and 4(1) of the Regulations, which prohibit insider trading and communication of UPSI are quoted below:

*“3(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.”*

*“3(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.”*

*“3(2A) The board of directors of a listed company shall make a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under Regulation 8.*

*Explanation—For the purpose of illustration, the term “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(2B) 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.”*

*“4(1) 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.....”*

*Explanation: 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;”*

It is mandatory in terms of the Regulations for every listed company, intermediary, fiduciary and any other person who is required to handle UPSI in the course of business operations to formulate a Code of Conduct for Prevention of Insider Trading to regulate, monitor and report trading by its Designated Persons and Immediate Relative(s) of such Designated Persons and other Connected Persons. In addition, every company whose Securities are listed on a stock exchange, is also required to formulate a Code of Practices and Procedures for its fair disclosure of UPSI (hereinafter referred to as “**Code of Corporate Disclosure Practices**”).

The subject of disclosure practices and insider trading has already been dealt with in the Tata Code of Conduct. Clauses 14 to 20 and Clause 22 respectively of the Tata Code of Conduct, currently in force, dealing with these subjects are reproduced below:

*14. Our employees shall not make any wilful omissions or material misrepresentation that would compromise the integrity of our records, internal or external communications and reports, including the financial statements.*

*15. Our employees and directors shall seek proper authorisation prior to disclosing company or business-related information, and such disclosures shall be made in accordance with our company’s media and communication policy. This includes disclosures through any forum or media, including through social media.*

*16. Our employees shall ensure the integrity of personal data or information provided by them to our company. We shall safeguard the privacy of all such data or information given to us in accordance with applicable company policies or law.*

*17. Our employees shall respect and protect all confidential information and intellectual property of our company.*

*18. Our employees shall safeguard the confidentiality of all third party intellectual property and data. Our employees shall not misuse such intellectual property and data that comes into their possession and shall not share it with anyone, except in accordance with applicable company policies or law.*

*19. Our employees shall promptly report the loss, theft or destruction of any confidential information or intellectual property and data of our company or that of any third party.*

*20. Our employees shall use all company assets, tangible and intangible, including computer and communication equipment, for the purpose for which they are provided and in order to conduct our business. Such assets shall not be misused. We shall establish processes to minimise the risk of fraud, and misappropriation or misuse of our assets.*

### **Insider Trading**

*22. Our employees must not indulge in any form of insider trading nor assist others, including immediate family, friends or business associates, to derive any benefit from*

*access to and possession of price sensitive information that is not in the public domain. Such information would include information about our company, our group companies, our clients and our suppliers.*

The shares of Tata Cleantech Capital Limited (“TCCL”) are not listed on any stock exchange. However, the Non-Convertible Debentures which are issued by TCCL are listed on the National Stock Exchange of India Limited. As such, for the purposes of this Code, TCCL shall be considered as a listed Company/ Company whose Securities are listed on the Stock Exchange.

TCCL is required to handle UPSI of other listed companies in the course of its business operations.

In line with the Tata Code of Conduct and in order to comply with the mandatory requirement of the Regulations, TCCL has formulated a specific Code of Conduct for use by its Directors, Employees, Designated Persons and other Connected Persons.

This document embodies the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (together referred to as “the **Code**”) to be adopted by TCCL and followed by its Directors, Employees, Designated Persons and other Connected Persons. The Code is based on the principle that Directors and Employees of TCCL owe a fiduciary duty to, amongst others, the Security holders of the Company to place the interest of the Security holders above their own and conduct their personal Securities transactions in a manner that does not create any conflict of interest situation.

The Code is also intended to serve as a guiding charter for all concerned persons associated with the functioning of listed companies and their trading in Securities of such companies. Further, the Code also seeks to ensure timely and adequate disclosure of UPSI to the investor community by the Company to enable them to take informed investment decisions with regard to the Company’s Securities. The provisions of this Code have to be read along with the Regulations and if there is any inconsistency / contradiction between the two, the provisions of the Regulations shall prevail.

## **2. DEFINITIONS**

As used in this Code:

- a) “**Audit Committee**” means the Audit Committee of the Board of Directors of the Company.
- b) “**Board**” means Board of Directors of the Company.
- c) “**Code**” means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.
- d) “**Company /TCCL**” means Tata Cleantech Capital Limited.
- e) “**Compliance Officer**” means any senior officer, designated so and reporting to the Board of Directors for the purposes of this Code, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations 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 the Regulations under the overall supervision of the Board of Directors of the listed company or the head of an organization, as the case may be.

Explanation: “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss, and statement of cash flows.

- f) “**Connected Person**” shall have the meaning given to it under Regulation 2(d) of the Regulations and shall also include the Promoters and their Directors and Key Managerial Persons.
- g) “**Designated Persons**” shall mean the persons designated by the Board in consultation with the Compliance Officer, who are covered under the Code on the basis of their role and function in the Company and the access that such role and function provides to UPSI in addition to seniority and professional designation and shall include: -
  - (i) Employees of the Company, designated on the basis of their functional role or access to UPSI;
  - (ii) All Promoters of the Company
  - (iii) All Directors of the Company; and
  - (iv) Managing Director of the Company and employees upto two levels below the Managing Director of the Company irrespective of their functional role in the Company or ability to have access to UPSI.
  - (v) Any support staff of the Company such as IT staff or secretarial staff who have access to UPSI.
- h) “**Director**” means a member of the Board of Directors of the Company.
- i) “**Employee**” means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- j) “**Fiduciaries**” means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc. assisting or advising the Company.
- k) “**Generally Available Information**” means information that is accessible to the public on a non-discriminatory basis, such as information published on websites of stock exchanges
- l) “**Immediate Relative**” means a spouse of the Designated Person and includes parent, sibling, and child of such Designated Person or of the spouse, who are either dependent financially on the Designated Person, or consults the Designated Person in taking decisions relating to trading in Securities
- m) “**Insider**” means any person who, is a Connected Person or in possession of or having access to Unpublished Price Sensitive Information.
- n) “**Material Financial Relationship**” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transactions.
- o) “**Other Companies**” means any company whose Securities are listed and with which the Company has dealings, whether directly or indirectly in the course of its business activities.

- p) **“Promoter”** and **“Promoter Group”** shall have the respective meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- q) **“Proposed to be listed”** shall include securities of an unlisted company:
- (i) if such unlisted company has filed offer documents or other documents, as the case may be, with the SEBI, stock exchange(s) or registrar of companies in connection with the listing; or
  - (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013.
- r) **“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.
- s) **“Securities of the Company”** shall mean the Non-Convertible Debentures issued by the Company from time to time and which are listed on the Bombay Stock Exchange and/or the National Stock Exchange.
- t) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- u) **“Trading in Securities”** means and includes an act of subscribing to, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- v) **“Unpublished Price Sensitive Information”/ “UPSI”** 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 Securities of the Company and shall, ordinarily include 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.

All terms used in this Code but not defined hereinabove shall have the meanings as prescribed to them under the Regulations.

### **3. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

Pursuant to the provisions of Regulation 9, the Board of Directors of the Company has ensured that the Managing Director has formulated the Code of Conduct for Prevention of Insider Trading, with the Board’s approval, to regulate, monitor and report trading by its Designated Persons and their Immediate Relatives towards achieving compliance with the Regulations, adopting the minimum standards set out in Schedule B and Schedule C to the Regulations, without diluting the provisions of the Regulations in any manner.

### **4. COMPLIANCE OFFICER**

- 4.1 The Board of the Company shall appoint the Chief Financial Officer (“CFO”) as the Compliance Officer to ensure compliance and effective implementation of the Regulations and this Code across the Company.

- 4.2 The Compliance Officer shall report to the Board of Directors of the Company and in particular, shall provide annual reports to the Chairman of the Audit Committee for matters concerning the Code.
- 4.3 The CFO shall hold the position of the Compliance Officer so long as he/she remains the CFO. In the event the position of the CFO falling vacant, till such time a successor is appointed, the person(s) responsible for the CFO Function shall, in the interim period act as the Compliance Officer.
- 4.4 In order to discharge his/her functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his / her function. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating but not limited to the Securities of the Company.
- 4.5 The Compliance Officer shall act as the focal point for dealings with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

## **5. ROLE & DUTIES OF THE COMPLIANCE OFFICER**

- 5.1 The Compliance Officer shall be responsible for *inter alia*:
- a) setting forth policies in relation to the implementation of the Code and the Regulations in consultation with the Board/Audit Committee, as the case may be;
  - b) prescribing procedures for various activities referred to in the Code;
  - c) compliance with the policies and procedures referred hereinabove;
  - d) monitoring adherence to the provisions for preservation of UPSI;
  - e) identify the persons who shall be regarded as Designated Persons to be covered by the Code, including those as mentioned under Regulation 9(4), on the basis of their role and function in the Company including access to UPSI by virtue of that role and function in addition to seniority and professional designation.
  - f) grant of pre-trading approvals to the Designated Persons for trading in the Securities of the Company and Other Companies by them / their Immediate Relatives and monitoring of such trading; and
  - g) implementation of this Code under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.
- 5.2 The Board shall ensure and authorize the Compliance Officer to maintain a structured digital database containing the nature of UPSI and names of such persons who have shared the UPSI and also names of the such persons with whom UPSI is shared under Regulation 3 along with the Permanent Account Number ("PAN") or any other identifier authorized by law, where PAN is not available (Refer "**Annexure 1A**"). This database shall be not be outsourced and shall maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

Such structured digital database shall be preserved for a period of not less than 8 years after completion of the relevant transactions and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.



5.3 The Compliance Officer shall assist all the Designated Persons in addressing any clarifications regarding the Regulations and this Code.

5.4 The Compliance Officer shall place status reports before the Chairman of the Audit Committee, detailing Trading in the Securities of the Company and Other Companies by the Designated Persons and their Immediate Relatives along with the documents that such persons had executed in accordance with the pre-trading procedure prescribed under the Code on a quarterly basis.

5.5 In the event that the Compliance Officer is privy to any UPSI, any pre-clearance for Trading in Securities will be provided by the Managing Director.

## 6. **HANDLING OF UPSI**

### 6.1 **Preservation and Sharing of UPSI:**

Designated Persons shall maintain the confidentiality of all **UPSI** coming into their possession or control.

To comply with this confidentiality obligation, the Designated Persons shall not:

- (a) communicate, provide or allow access of UPSI to any person directly or indirectly, including by way of making a recommendation for the purchase or sale of Securities of the Company or Other Companies unless such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations; or
- (b) discuss UPSI in public areas, or
- (c) disclose UPSI to any Employee who does not need to know the information except for furtherance of legitimate purpose, performance of duties or for discharging of legal obligations, or
- (d) recommend to anyone that they may undertake Trading in Securities of the Company and/or Other Companies while being in possession, control or knowledge of UPSI, or
- (e) be seen or perceived to be Trading in Securities of the Company and/ or Other Companies while in possession of UPSI.

### 6.2 **Need to know:**

The Designated Persons who are privy to UPSI, shall handle the same strictly on a “*Need to Know*” basis. This means the UPSI shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their duty and whose possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

### 6.3 **Legitimate Purpose:**

The term “legitimate purpose” shall include sharing of UPSI 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 the Regulations.

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and the Company shall execute a confidentiality agreement as prescribed in “**Annexure 1B**” or in such other form as approved by the Legal

Department, to maintain confidentiality of such UPSI in compliance with these regulations shall be executed.

#### 6.4 Limited access to confidential information:

Designated Persons privy to UPSI shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards:

- (a) files containing confidential information shall be kept secure;
- (b) computer files must have adequate security of login through a password; and
- (c) follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the information technology function.

#### 6.5 List of Employees:

The Compliance Officer shall maintain a list of Designated Persons or any other persons with whom UPSI is shared along with the purpose for which such information was shared.

### 7. CHINESE WALL POLICY

7.1 To prevent misuse of UPSI, the Company shall maintain "*Chinese walls*" by segregating those departments which routinely have access to UPSI considered "Inside Areas" from those departments which deal with sale/ marketing or other departments providing support services, considered "Public Areas".

7.2 As per the said policy:

- (a) The Employees in the Inside Areas are not allowed to communicate any UPSI to anyone in the Public Areas.
- (b) The Employees in the Inside Area may be physically separated from the Employees in Public Area
- (c) The demarcation of various departments as Inside Area shall be decided by the Board in consultation with the Compliance Officer.
- (d) Only in exceptional circumstances, Employees from the Public Areas are brought 'over the wall' and given UPSI for furtherance of legitimate purposes and on the basis of need to know criteria, under intimation to the Compliance Officer. Such employees shall then be bound by the terms of this Code and the Regulations.

### 8. TRADING WINDOW

8.1 Other than the period(s) for which the Trading Window is closed as prescribed hereunder, the same shall remain open for Trading in the Securities of the Company.

8.2 Unless otherwise specified by the Compliance Officer, the Trading Window for Trading in Securities of the Company shall be closed for the Designated Persons and their Immediate Relatives when the Compliance Officer determines that a Designated Person or class of Designated Persons are reasonably expected to have possession of UPSI, including but not limited to the following purposes-

- (a) declaration of financial results,
- (b) declaration of dividends,
- (c) change in capital structure,

- (d) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions,
- (e) changes in Key Managerial Personnel, and
- (f) such other information as determined by the Board / Managing Director / Chief Operating Officer / CFO from time to time.

8.3 In respect of declaration of financial results, the Trading Window shall remain closed from the end of the respective quarter, half-year, or financial year, as the case may be, till 48 hours after the declaration of the financial results. Further, the gap between clearance of financial statements by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

8.4 As regards declaration of dividend and other matters referred to in (c) to (e) above or any matters as the Board or the Managing Director decide then, the Managing Director shall, well before initiation of such activity/ project, form a core team of Employees who would work on such assignment. The Managing Director shall also designate a senior Employee who would be in-charge of the project. Such team members will execute an undertaking not to deal in the Securities of the Company till the UPSI regarding the activity /project is made generally available or the activity/project is abandoned and the Trading Window would be regarded as closed for them. Such core team may share information related to the activity/project with any Designated Person only for the furtherance of legitimate purposes and on a need to know basis for any advice or guidance required from such Designated Person, provided that such person are bound by confidentiality and undertake not to breach the Regulations. Further, where the activity / project relates to other Company, the name of such listed company will be deemed to be included in the "**Restricted List**" which is confidentially maintained by the Compliance Officer. The Compliance Officer shall use the restricted list as the basis for approving or rejecting applications for pre-trading.

8.5 The Trading Window shall be opened 48 (Forty-Eight) hours after the information referred to above becomes generally available.

8.6 All the Designated Persons shall strictly conduct all their Trading in the Securities of the Company only when the Trading Window is open and no Designated Person or their Immediate Relatives shall trade in the Securities of the Company during the period the Trading Window is closed or during any other similar period as may be specified by the Compliance Officer from time-to-time.

8.7 The Trading Window restrictions as referred above shall not apply in respect of:

- a. transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of the Regulations (*Refer pg 51 and 52 of this Code*) and
- b. in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the Regulations;
- c. transactions which are undertaken in accordance with SEBI Regulations such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

## 9. PRE-CLEARANCE OF DEALS

### 9.1 Applicability:

Every Designated Person shall obtain a *pre-trading* approval as per the procedure prescribed hereunder for any Trading in the Securities of any Company proposed to be undertaken by such Designated Person and/or his / her Immediate Relatives. Such *pre-trading* approval would be necessary, only if the cumulative trading (including trading in derivatives of Securities, if permitted by law) whether in one transaction or a series of transactions in any financial year exceeds Rs. 25 lakh (market value).

### 9.2 Pre-Trading Procedure:

For the purpose of obtaining a *pre-trading* approval, the concerned Designated Person shall make an application in the prescribed form (**Refer Part A of Annexure 2**). (The Compliance Officer should submit to the Managing Director.) Such application should be complete and correct in all respects and should be accompanied by such undertakings and declaration (**Refer Part B of format provided in Annexure 2**) indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. Such application for *pre-trading* approval with enclosures should be submitted on the online portal deployed by the Company for monitoring compliances under the Regulations and this Code ("online portal"). No Designated Person shall apply for *pre-trading* approval if such person is in possession of UPSI, even if the Trading Window is not closed.

### 9.3 Approval:

- a. The Restricted List is updated by the Compliance Officer on the online portal. On application for pre- Trading approval by the Designated Person, an auto email will be immediately triggered to the Designated Person conveying ~~stating~~ the approval / rejection of the application as provided in **Part B of Annexure 2**.
- b. Every pre-clearance approval issued from the online portal shall be in such format (**Refer Annexure 3**) as may be prescribed by the Company from time-to- time. Every approval shall be dated and shall be valid for a period of 7 (seven) Trading Days from the date of approval.

### 9.4 Completion of Pre-cleared Trading:

- a) All the Designated Persons shall ensure that they / their Immediate Relatives complete execution of every pre-cleared deal in the Securities as prescribed above no later than 7 (seven) Trading Days from the date of the approval. The Designated Person shall submit within 2 (two) Trading Days of the execution of the deal, the details of such deal on the online portal, in the prescribed form (**Refer Annexure 4**). In case the transaction is not undertaken, a report to that effect shall be submitted on the online portal filed (**Refer Annexure 4**).
- b) If a deal is not executed by the concerned Designated Person / Immediate Relatives pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, the Designated Person shall make a fresh application once again as per the procedure prescribed above.

### 9.5 Advice regarding Pre-Clearance:

In case of doubt, the Designated Person shall check with the Compliance Officer or the Officer designated by him/her from time-to-time whether the provisions relating to pre-

clearance are applicable to any proposed transaction in the Securities of the Company and/or Other Companies.

#### 9.6 Opposite transactions in the Securities:

- (a) The Designated Persons shall not, within six months of buying or selling or subscribing to any number of Securities of the Company and Other Companies for which pre-clearance was sought, enter into an opposite transaction or contra trade i.e. sell or buy, as the case may be, any number of Securities of such company.
- (b) The Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in writing in this regard provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such purchase/ sale / subscription of Securities of the Company will be permitted when the Trading Window is closed.
- (c) Should the Designated Persons execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act, 1992.
- (d) Provided that this restriction will not be applicable for trades conducted, pursuant to the exercise of stock options.

### 10. TRADING PLANS

The Regulations recognize the concept of Trading Plans. Any Designated Person intending to formulate a Trading Plan shall consult the Compliance Officer to discuss the applicable rules and procedure. The Compliance Officer shall only approve a Trading Plan in accordance with the applicable provisions of the Regulations.

### 11. DISCLOSURE REQUIREMENTS

- 11.1 a. Every person on appointment as a Key Managerial Personnel ("KMP") or a Director of the Company or upon becoming a Promoter or Member of the Promoter Group, shall disclose their holding of the Securities of the Company (including derivatives), as on the date of appointment as a KMP or a Director or becoming a Promoter or Member of the Promoter Group, to the Company, within 7 (seven) days of being identified as a KMP or a Director or becoming a Promoter or Member of the Promoter Group as the case may be, in prescribed format (Refer Annexure 5)
  - b. Every person upon being identified as a Designated Person, shall disclose his / her holding of the Securities of the Company (including derivatives), as on the date of such identification, to the Company, within 90 (ninety) days of being identified as a Designated Person, as the case may be, in prescribed format (Refer **Annexure 5**.)
  - c. All persons covered above, shall additionally disclose the holding of securities of other Companies (including derivatives).
  - d. All disclosures to be made for self, their Immediate Relatives and of any other person for whom such person takes trading decisions.
- 11.2 Every Promoter, Member of the Promoter Group, Key Managerial Personnel, Director and other Designated Person of the Company shall annually disclose their holding statements,

the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Securities of the Company and other Companies (including derivatives, if any) to the Compliance Officer as on 31<sup>st</sup> March every year in the format prescribed (**Refer Annexure 6 for Securities of the Company**). Such statement shall be submitted by 30<sup>th</sup> April every year.

- 11.3 Every Promoter, Member of the Promoter Group, Director and other Designated Person of the Company shall disclose in prescribed format (**Refer Annexure 7**) to the Compliance Officer the number of such Securities of the Company (including derivatives, if any) acquired or disposed by them or their Immediate Relatives and by any other person for whom such person takes trading decisions, within 2 (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 lakh or such other value as may be specified. The Company shall notify the particulars of such trading to the stock exchange on which its Securities are listed within 2 (two) Trading Days of receipt of disclosure or from becoming aware of such information.
- 11.4 The Compliance Officer shall maintain records of all the above declarations in an appropriate form for a minimum period of 5 (five) years from the date of the filing thereof. The Company may, at its discretion, prescribe additional obligations for any other Connected Persons or a class of Connected Persons to make disclosures of holdings and trading in Securities (including the form and frequency) (**Refer Annexure 8**).

## **12. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING**

- 12.1 The Managing Director of the Company shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations to prevent insider trading.

The internal controls include the following:

- a) all employees who have access to UPSI shall be identified as Designated Persons;
- b) all UPSI shall be identified and its confidentiality shall be maintained as per the requirements of this Code and Regulation;
- c) adequate restrictions shall be placed on communication or procurement of UPSI as required by the Code;
- d) lists of all employees and other persons with whom UPSI is shared shall be maintained in the digital database and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under the Code shall be complied with;
- f) periodic process review, on an annual basis shall be conducted by the Internal Audit Team of the Company to evaluate the effectiveness of internal controls in place.

- 12.2 The Board shall ensure that the Managing Director ensures compliance with Regulation 9(1) and 9(2) and Regulation 9A(1) and (2).
- 12.3 The Audit Committee of the Company shall review compliance with the provisions of the Regulations, at least once in a financial year, on the basis of the Internal Audit Report presented and shall verify that the systems for internal control are adequate and are operating effectively.
- 12.4 Policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI (**Refer Annexure 9**), has been formulated by the Company and duly approved by Board. Accordingly, the Ethics Counsellor and / Chairman of the Audit Committee of the Company shall initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and promptly inform SEBI.

12.5 The Company shall have a Whistle Blower Policy which shall be available on the website of the Company. The Company shall also take steps to create awareness amongst its employees to enable them to report instances of leak of any UPSI.

12.6 If an inquiry is initiated by the Company in case of reported leakage of UPSI or suspected leak of UPSI, the Intermediaries and Fiduciaries engaged by the Company shall be duty bound to co-operate with the Company in connection with such inquiry conducted by the Company.

### **13. PROTECTION AGAINST RETALIATION AND VICTIMIZATION:**

SEBI vide SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 (“Amendment Regulations”) provides for voluntary submission of an alleged violation of insider trading laws that has occurred, is occurring or about to occur, by an individual including an employee of the Company directly to SEBI, in the manner prescribed under the said Amendment Regulations.

No unfair treatment such as discharge, termination, demotion, suspension, threats, harassment or discrimination will be meted out to an employee directly or indirectly by virtue of such employee making a voluntary submission as above, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the Regulations, by reason of:

- i. filing a Voluntary Information Disclosure Form with SEBI as per the procedure prescribed under the Amendment Regulations;
- ii. testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- iii. breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

### **14. PENALTY FOR CONTRAVENTION**

14.1 Every Promoter, Member of the Promoter Group and Designated Person shall be individually responsible for complying with the applicable provisions of this Code (including to the extent the provisions hereof are applicable to their Immediate Relatives).

14.2 The persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action which in respect of an Employee may include wage freeze, suspension, recovery, clawback or termination of employment. Any amount collected under this clause would be remitted to SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.

14.3 Action taken by the Company for violation of the Regulations and the Code against any person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.

14.4 Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty which shall not be less than Rs. 10 lakh but which may extend to Rs. 25 crore or three times the amount of profits made out of insider trading, whichever is higher. Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine which may extend to Rs. 25 crore or with

both. Further, in case any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both. An extract of Sections 15G and 24 is given in Appendix B.

- 14.5 In case it is observed by the Compliance Officer that there has been a violation of the Regulations by any person, he/she shall forthwith inform the Audit Committee of the Company about the violation. The penal action will be initiated on obtaining suitable directions from the Audit Committee in consultation with the Board of Directors. The Compliance Officer, on behalf of the Company, shall simultaneously inform the Stock Exchange(s) where the concerned securities are traded ~~SEBI~~ about such violation in standardized format as prescribed by SEBI from time to time. The person, against whom information has been furnished by the Company/Compliance Officer to SEBI for violations of the Regulations/Code, shall provide all information and render necessary co-operation as may be required by the Company/Compliance Officer or SEBI in this connection.
- 14.6 The Compliance Officer shall also maintain a database of the violation of the Code by Designated Persons and immediate relatives of Designated Persons that would entail initiation of appropriate action against them.
- 14.7 The Compliance Officer shall always abide by the provisions of the Regulations and this Code.
- 14.8 Where there is violation by the Compliance Officer, the Managing Director of the Company shall perform the functions of the Compliance Officer.

## **15. CLARIFICATIONS**

For all queries concerning this Code, please contact the Compliance Officer.



## IMPORTANT FORMS

### ANNEXURE 1A

#### TATA CLEANTECH CAPITAL LIMITED

#### FORMAT FOR DIGITAL DATABASE

[To be maintained by the Compliance Officer]

(Pursuant to Clause 5.2 of the Code)

Sr. No.	Information shared by		Information shared with			Nature of UPSI shared	Confidentiality Agreement / Communication (Yes /No)	Remarks, if any
	Name	PAN / Other identifier	Name	PAN / Other Identifier	Entity Name, if any			

Note: Additional information may be obtained by the Company as may be deemed necessary from time to time.

### ANNEXURE 1B

#### FORMAT OF CONFIDENTIALITY AGREEMENT

##### CONFIDENTIALITY AGREEMENT

**THIS CONFIDENTIALITY AGREEMENT (“Agreement”)** is executed at Mumbai on this [•] day of [•] 2019 (“Effective Date”)

#### **BY AND BETWEEN:**

**Tata Cleantech Capital Limited**, a company incorporated in India, having corporate identity number \_\_\_\_\_ and its registered office at \_\_\_\_\_ (hereinafter referred to as the “**Disclosing Party**”, which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors and assigns);

#### **AND**

[•], an individual, aged [•], having permanent account number [•] and residing at [•] (hereinafter referred to as the “**Recipient**”) (which expression shall unless it be repugnant to the context or meaning thereof deemed to mean and include his or her legal heirs and authorised representatives.)

The Disclosing Party and the Recipient shall individually be referred to as a “**Party**” and collectively be referred to as the “**Parties**”.

#### RECITALS

- A. The Disclosing Party is a private limited company whose securities are not listed and is the principal holding company in the Tata group.
- B. The Recipient is [•]. **[Note to Draft: Please indicate the relationship of the Recipient with the Disclosing Party. For instance, if the Recipient is an independent director of the Disclosing Party, please indicate so.]**

- C. In connection with [•] [**Note to Draft: Please indicate the legitimate purpose for which the UPSI is being provided.**] (“Purpose”), the Disclosing Party may be required to disclose Confidential Information (as defined below) to the Recipient, which in accordance with the Disclosing Party’s policy in this regard is a legitimate purpose.
- D. Pursuant to the Purpose, the Parties are entering into this Agreement in order to record the terms and conditions on the basis of which the Disclosing Party will provide the Confidential Information to the Recipient for ensuring the confidentiality thereof.

**NOW THEREFORE, IN CONSIDERATION OF THE BELOW MENTIONED CONDITIONS AND COVENANTS, THE ADEQUACY OF WHICH THE PARTIES ACKNOWLEDGE, IT IS AGREED AS FOLLOWS:**

1. Confidential Information. “**Confidential Information**” shall mean all confidential and proprietary, technical, financial, business information, and processes or methodologies of the Disclosing Party or of [•] [**Note to Draft: If information is being shared in respect of a party other than the Disclosing Party, please specify the name of such entity.**], disclosed by the Disclosing Party to the Recipient on or after the date of this Agreement in connection with the Purpose in whether verbal, written, graphics, visual, or electronic which is or may be either applicable to or related in any way to the business of the Disclosing Party or [•], including such information that may relate to projects (existing and under development), assets, technical data, data flow, knowledge of any relevant matters, business plans and methodology, validations, trade secrets, processes, methods, business systems, formulae, plans, research and development, prototypes, inventions, designs, drawings, sketches, records (of any type or media), test results, information, process, technique, algorithm, computer program (source and object code), pricing, customer lists, employee data, supplier lists, distributor lists, costs, materials, patents (issued or pending), copyrights, trade-marks, trade names, industrial designs, licenses, contracts, contract opportunity, software, hardware, business and marketing plans, financing plans, profit margins and other financial information, manuals, corporate objectives or activities, mergers, acquisitions, sale, private placements, its present or future products or business, sales, subscribers, suppliers, clients, customers, employees, investors or business or any material or non-material fact not publicly released, whether marked as confidential or not.
2. Disclosure of Proprietary Information. The Recipient shall hold in strict confidence and shall not disclose any Confidential Information to any person whatsoever. The Recipient shall use such Confidential Information only for the evaluation and/or consummation of the Purpose and shall not use or exploit such Confidential Information solely for its own benefit or the benefit of another without the prior written consent of the Disclosing Party.
3. Obligations of the Recipient.
  - (a) The Recipient and the spouse, parents, siblings and children of such of the Recipient or of the spouse, who are either financially dependent on the Recipient or consult the Recipient in taking decisions relating to trading in securities its (“**Immediate Relatives**”) shall take all measures to protect the confidentiality and avoid the unauthorized use, disclosure, publication, or dissemination of Confidential Information. Provided, however, that such measures shall be no less stringent than measures taken to protect his or her own confidential and proprietary information but in no event less than reasonable degree of care.
  - (b) At any time upon the Disclosing Party’s written request, the Recipient shall promptly destroy all documents (or copies thereof) containing Confidential Information provided to it or created by it during the term of this Agreement without retaining any copies thereof. The Recipient shall, upon request by the Disclosing Party, promptly provide written confirmation that such destruction has occurred in accordance with this provision.
  - (c) The Recipient agree not to (without obtaining the Disclosing Party’s prior written consent) disclose the Disclosing Party’s (or where applicable Disclosing Party’s representatives, affiliates or associates or group companies’) interest, participation or involvement in the evaluation of, discussions or negotiations undertaken in connection with the Purpose in any manner whatsoever, including but not limited to disclosing the

name of the Disclosing Party to the press wherever and of whatever nationality in any statements made in connection with the Disclosing Party. [**Note to Draft: Depending on the Purpose, specific limitations may be inserted herein.**] The execution of this Agreement and the evaluation of the Purpose shall also be deemed to be “Confidential Information”.

- (d) The Recipient agrees not to disclose any Confidential Information to its Immediate Relatives unless such relative has also executed a similar agreement with the Company.
4. Limitation on Obligations. The obligations of the Recipient specified in Section 2 and 3 above shall not apply, and the Recipient shall have no further obligations, with respect to any Confidential Information to the extent that such Confidential Information:
- (a) is already in the public domain at the time of the Disclosing Party's communication thereof to the Recipient; or
  - (b) has entered the public domain through no fault of or breach by the Recipient, of any contractual obligation, subsequent to the time of the Disclosing Party's communication thereof to the Recipient; or
  - (c) is required to be disclosed by the Recipient to comply with applicable laws or governmental regulations, order of a court or government agency or regulatory authority; or in response to any summons or in connection with any judicial proceeding, provided that the Recipient seeks the consent of the Disclosing Party for such disclosure and takes reasonable and lawful actions to avoid and/or minimize the extent of such disclosure.
5. Disclaimer.
- (a) Any Confidential Information as delivered by the Disclosing Party is on an “as is” basis and all representations and warranties express or implied, including fitness for the Purpose, merchantability, and non-infringement, are hereby disclaimed. The Recipient is not entitled to rely on the accuracy or completeness of any Confidential Information.
  - (b) The Parties agree and acknowledge that neither the execution of this Agreement nor the disclosure of Confidential Information pursuant hereto shall obligate either Party to enter into any transactions with one another or any other Party for the Purpose or otherwise.
6. Ownership of Confidential Information. The Recipient agrees that the Disclosing Party are and shall remain the exclusive owner of the Confidential Information.
7. Equitable Remedies. The Recipient acknowledge that monetary damages may not be a sufficient remedy for unauthorized use or disclosure of the Confidential Information and the Disclosing Party shall be entitled, without waiving any other rights or remedies, to seek such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.
8. No Insider Trading. The Recipient acknowledges that some or all of the Confidential Information disclosed under this Agreement may constitute “unpublished price sensitive information” under applicable law. Consequently, each of the Recipient and its representatives that have had access to the Confidential Information (“**Representatives**”) may be deemed to be an “Insider” under applicable law. The Recipient agrees and acknowledges that it is obligated to and shall ensure that its Representatives are compliant with applicable law in respect of the Confidential Information disclosed by the Disclosing Party to the Recipient.
9. Indemnity. The Recipient shall indemnify and hold harmless the Disclosing Party for and against any and all claims, actions, demands, proceedings, damages, losses, fees, penalties, expenses, costs (including attorneys’ and advisors costs) and liabilities arising out of or in connection with any breach of this Agreement by the Recipient.

10. Term. The obligations under this Agreement shall survive in perpetuity.

11. Miscellaneous.

- (a) Entire Agreement. This Agreement supersedes all prior agreements, (if any) written or oral, between the Disclosing Party and the Recipient relating to the Purpose or subject matter of this Agreement.
- (b) Amendments. No change, modification, or termination of any of the terms, provisions, or conditions of this Agreement shall be effective unless made in writing and signed or initialed by all the signatories to this Agreement.
- (c) Assignment. This Agreement will be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns. However, the Recipient cannot transfer or assign his/her rights, benefits, interests or obligations in this Agreement in whole or in part without the prior written consent of the Disclosing Party.
- (d) Severability. If any clause, paragraph, sub-paragraph, or provision of this Agreement, or the application of such clause, paragraph, sub-paragraph, or provision, is held invalid by a court of competent jurisdiction, the remainder of this Agreement, and the application of such clause, paragraph, sub-paragraph, or provision to persons, or circumstances other than those with respect to which it is held invalid shall not be affected.
- (e) Governing Law and Jurisdiction. This Agreement shall be construed and interpreted in accordance with the laws of India and courts in (insert City) shall have exclusive jurisdiction to resolve or adjudicate in respect of any differences/ disputes that may arise from or under this Agreement.
- (f) Counterparts. This Agreement may be executed in one or more counterparts which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the signatories have executed this Agreement as on the day and the year first hereinbefore written.

**Signed Sealed and Delivered  
For and on behalf of  
Tata \_\_\_\_\_ Limited**

**Name:**  
Authorised Signatory

In presence of

**Signed Sealed and Delivered  
By  
[·]**

**Name:**

## **ANNEXURE 2**

### **PART A**

#### **SPECIMEN OF APPLICATION FOR PRE-TRADING APPROVAL (as available on the online portal)**

(Pursuant to Clause 9.2 of the Code)

Name of the company whose Securities are being	Nature of trade Acquisition/Disposal)	DP/BEN ID of the account / folio no. where the securities will be credited/ debited	Value of securities proposed to be traded
		DP ID _____ BEN ID _____ FOLIO NO _____	

### **PART B**

#### **FORMAT OF UNDERTAKING/DECLARATION TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-TRADING**

(Pursuant to Clause 9.2 of the Code)

#### **UNDERTAKING/DECLARATION (as available on the online portal)**

I, being a Designated Person declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information (“UPSI”) up to and at the time of signing this Undertaking/Declaration.

In case I have access to or I receive any UPSI before execution of the transaction, I shall inform the Compliance Officer of the change in my position and refrain myself and shall also ensure that my Immediate Relatives would completely refrain from Trading in the Securities (including derivatives, if any) of the concerned company till the time such UPSI becomes generally available.

I declare that I have not contravened the Code of Conduct for Prevention of Insider Trading (“Code”) as adopted by the Company from time to time.

I undertake to submit the necessary report within two Trading Days of execution of the transaction/a ‘Nil’ report if the transaction is not undertaken.

I confirm that I have not entered into within the past six months, nor shall enter into within the next six months, a opposite transaction or contra trade in respect of the securities.

I am aware that, I shall be liable to face penal consequences and / or disciplinary action, in case the above are found to be misleading or incorrect at any time.

I agree to comply with the provisions of the Code and provide any information relating to the trade as may be required by the Compliance Officer and permit the Company to disclose such detail to SEBI, if so required by SEBI.

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

### **ANNEXURE 3**

#### **FORMAT FOR PRE-TRADING APPROVAL (as available on the online portal)**

(Pursuant to Clause 9.3 of the Code)

Date: \_\_\_\_\_

#### **PRE-TRADING APPROVAL/DISAPPROVAL - Your application for pre-trading approval**

Dear Mr. / Mrs. \_\_\_\_\_

Your pre-clearance application dated \_\_\_\_\_ for trading in \_\_\_\_\_ for acquisition / disposal / subscription of \_\_\_\_\_ value of shares / debentures has been Approved / Rejected. Further, you / your immediate relative is requested to execute the trade between \_\_\_\_\_ to \_\_\_\_\_ and report the same within two days post execution.

If you / your Immediate Relative do not execute the approved transaction /trade on or before the above dates, then confirm within two days of this email, non-execution of the trade with reasons.

Yours truly,

**Compliance Officer**

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### **ANNEXURE 4**

#### **FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS (as available on the online portal)**

(Pursuant to Clause 9.4 of the Code)

[To be submitted within 2 Trading Days of transaction/Trading in Securities (including derivatives, if any) of \_\_\_\_\_ (name of company)]

Dear Sir,

#### **DETAILS OF PRE-APPROVED TRANSACTION**

<b>Name of the company whose Securities have been purchased/sold/subscribed</b>	<b>Security Type</b>	<b>Exchange on which trade is executed</b>	<b>Trade Date</b>	<b>Mode of acquisition / disposal</b>	<b>No. of Securities (including derivatives) dealt with</b>	<b>DP ID/CLIENT ID (electronic form) or Folio no. for physical where the Sec. will be debited or credited</b>	<b>Bought / Sold/ Subscribed</b>

I declare that the above information is correct and that no provisions of the Company's Insider Trading Code and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

I declare that my dealing in these Securities (including derivatives) would in no manner be in violation of the provision of the Code, the Regulations and particularly the provisions pertaining to contra trade.

## **ANNEXURE 5**

### **FORMAT FOR DISCLOSURE OF PARTICULARS BY PROMOTER / MEMBER OF THE PROMOTER GROUP / KEY MANAGERIAL PERSONNEL / DIRECTOR/ DESIGNATED PERSON**

#### **PART A**

#### **DETAILS REQUIRED AS PART OF INITIAL DISCLOSURE AND DISCLOSURE AS AND WHEN THERE IS A CHANGE IN INFORMATION SUBMITTED**

(Pursuant to Clause 11.1 of the Code)

Sr. No.	Name of DP	PAN / Other Identification No.	Phone No./ Mobile No.	Names of educational institutions attended & Past Employer(s) of DP <i>(to be obtained one-time only at the time of appointment)</i>	Depository Participant BEN ID or FOLIO NO.	Date on which the person is identified as a DP	Date on which the person ceases to be the DP

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare that I have the following Immediate Relative(s):

Sr. No.	Name of the Immediate Relative (Refer 1)	Relationship with Director/KMP/ Designated Person	PAN / Other ID	Folio No./ DP ID & Client ID	Details of Security/(ies) Held	Address, Phone & Mobile No.

Sr. No.	Name of Person with whom I share a Material Financial Relationship (Refer 2)	PAN/ Other id. no.:	Folio No./DP Id. & Client Id.	Phone & Mobile No.

I hereby undertake to inform the changes in the above details from time-to-time. I hereby declare that the above details are true, correct and complete in all respects.

#### Notes:

1. "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;
2. "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

#### **PART B**

#### **INITIAL DISCLOSURE UNDER REGULATION 7 (1) (B) READ WITH REGULATION 6(2)**

(Pursuant to Clause 11.1 of the Code)

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or Member of the Promoter Group of a listed company or upon being identified as a Designated Person and other such persons as mentioned in Regulation 6(2)**

Name, PAN	Category of Person (Promoters/ Member of Promoter Group / KMP / Directors / Designated Persons (DP)/immediate relatives / Persons with whom DP shares material financial relationship, others, etc.)	Date of appointment of Director / KMP OR Date of becoming Promoter /Member of Promoter group or identification as DP	Securities held at the time of becoming Promoter/ Member of Promoter Group/ appointment of Director / KMP /identification as DP		Open Interest of the Future contracts held at the time of becoming Promoter/ Member of Promoter Group/ appointment of Director / KMP /identification as DP		Open Interest of the Option Contracts held at the time of becoming Promoter/ Member of Promoter Group/ appointment of Director / KMP /identification as DP	
			Type of security (For e.g. – Shares, Warrants, Convertible Debentures, etc.)	No.	Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms

**ANNEXURE 6**

**FORMAT OF ANNUAL STATEMENT OF HOLDINGS BY PROMOTER / MEMBER OF PROMOTER GROUP / KEY MANAGERIAL PERSONNEL / DIRECTOR / DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES**

(Pursuant to Clause 11.2 of the Code)

**STATEMENT OF HOLDINGS OF SECURITIES**

Name of Promoter / Member of Promoter Group / Director / KMP / Designated Person	PAN	ISIN	Company Name	Type of Security*	DPID ClientID*	Description*	Holding	As on Date



## ANNEXURE 7

### FORMAT FOR DISCLOSURE OF TRANSACTIONS CROSSING CERTAIN THRESHOLDS BY PROMOTER/ MEMBER OF THE PROMOTER GROUP/ DIRECTORS/ DESIGNATED PERSON PURSUANT TO REGULATION 7 (2) READ WITH REGULATION 6(2)

(Pursuant to Clause 11.3 of the Code)

(To be submitted within 2 Trading Days of transaction/Dealing in Securities (including derivatives, if any) of the Company)

Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/DIN & address of Promoter / Member of Promoter Group/ KMP/ Designated Person / Director with contact nos.	Category of Person / Promoter / Member of Promoter Group/ KMP/ Designated Person / Director / Immediate relatives (others, etc.)	Securities held prior to acquisition / disposal		Securities acquired/ disposed			Securities held post acquisition / disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/public rights preferential offer /off market/ Inter-se transfer, etc.	Type of Contract specifications	Trading in derivatives (Specify type of contract, Futures or Options, etc.)				Exchange on which the trade was executed	
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures, Right entitlements etc.)	No. and % of share holding	Type of security (For e.g. – Shares, Warrants, Convertible Debentures, Right entitlements etc.)	No.	Value	Transaction type (Purchase/sale/pledge/revocation/other-please specify)	Type of security (For e.g. – Shares, Warrants, Convertible Debentures, Right entitlements etc.)	No. and % of shareholding	From				To	Buy		Sell		
															Notional Value	Number of units (contracts * lot size)	Notional Value		Number of units (contracts * lot size)

#### Notes:

1. "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
2. The disclosure of the incremental transactions after the previous disclosure is required to be made when the transactions effected after the prior disclosure cross the threshold of Rs. 10 lakhs in the same calendar quarter.
3. In case of Options, notional value shall be calculated based on Premium plus strike price of options.
4. The disclosure of the incremental transactions after the previous disclosure is required to be made when the transactions effected after the prior disclosure cross the threshold of Rs. 10 lakh in the same calendar quarter.

**ANNEXURE 8**

**INDICATIVE FORMAT FOR REPORTING UNDER REGULATION 7(3) BY OTHER CONNECTED PERSONS (IF SO DESIRED BY THE COMPANY)**

Name, PAN No., CIN/DIN & address of connected persons, as identified by the company with contact nos.	Connection with company	Securities held		Securities		% of		Date of		Date	Mode of acquisition (market purchase / public rights preferential offer / off market/ Inter- se transfer, etc.	Trading in derivatives (Specify type of contract, Futures or Options, etc.)				Exchange on which the trade was executed		
		prior to		acquired/ disposed		Shareholding		allotment				of		Buy			Sell	
		Type of security  (For e.g. - Shares, Warrants, Convertible Debentures, etc.)	No.	Type of security  (For e.g.- Shares, Warrants, Convertible Debentures, etc.)	No.	Pre transac tion	Post transac tion	From	To			Value	Num ber of units  (cont racts * lot size)	Value	Number of units (contrac ts * lot size)			

**Note:** "Securities" shall have the meaning as defined under regulation 2(l)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

## **ANNEXURE 9**

### **POLICY FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

*[Under Regulation 9A of Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015]*

#### **1. Background**

Regulation 9A of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (“Regulations”) mandates every listed company and intermediary to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information (“UPSI”) and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform Securities and Exchange Board of India (“SEBI”) promptly of such leaks, inquiries and results of such inquiries.

#### **2. Applicability**

This Policy shall be applicable with effect from April 1, 2019.

#### **3. Scope**

This Policy deals with-

- a) Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.
- b) Strengthening the internal control system to prevent leak of UPSI.
- c) Penalizing any insider who appears to have found guilty of violating this policy.

#### **4. Definitions**

The definitions of some of the key terms used in the Policy are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code/Regulations.

“**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Company.

“**Code**” means the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

“**Compliance Officer**” means the person as defined in the Code.

“**Company / TCFSL**” means Tata Cleantech Capital Limited.

“**Leak of UPSI**” means communication of information which is/deemed to be UPSI by any person, who has access or is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.

“**Suspect**” means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.

“**Unpublished price sensitive information**” shall have the meaning as defined in the Code.

**“Whistle Blower”** means an employee making a protected disclosure under the Model Whistle Blower Policy of the Company.

**“Working days”** means working days of the Company.

## **5. Procedure for inquiry in case of Leak or suspected Leak of UPSI**

### **a) Source of information relating to leak of UPSI**

The Compliance Officer/Chairman of Audit Committee may on becoming aware suo moto or on receipt of a written intimation of leak or suspected leak of UPSI from:

- the Suspect
- any other person, including employees of the Company
- regulators

follow the below mentioned procedure in order to inquire and/or investigate the matter.

### **b) Preliminary Inquiry:**

The object of preliminary inquiry is fact-finding, to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation/inquiry.

The Compliance Officer/Chairman of Audit Committee shall forthwith forward such intimation to Managing Director and/or Chief Financial Officer (“CFO”) to conduct a preliminary inquiry headed by Compliance Officer. The said inquiry shall be completed within 2 working days from the date of receipt of such intimation and report thereof shall be circulated to the Chairman of Audit Committee/Managing Director/CFO.

### **c) Intimation of Leak or suspected Leak of UPSI**

If in the opinion of Chairman of Audit Committee/Managing Director/CFO and Compliance Officer, the preliminary inquiry report warrants further investigation, the same shall be submitted to:

- The Board of Directors
- Inquiry Committee for detailed investigation

The Compliance Officer shall simultaneously intimate SEBI about such Leak or suspected Leak of UPSI.

### **d) Inquiry Committee**

Inquiry Committee shall consist of the following persons or any person nominated by such officers from their department:

- Chief Financial Officer – Holding Company
- Head – Legal and Compliance, Holding Company
- Chief Information Security Officer (irrespective of the Tata Capital entity in which he/she is appointed)
- Chief Human Resources Officer, Holding Company
- Head of Risk Containment Unit (irrespective of the Tata Capital entity in which he/she is appointed)
- Any other person nominated by the Managing Director

**Permanent Invitee:** Compliance Officer under the Code

If any member of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

#### **e) Investigation by Inquiry Committee**

Upon receipt of the report of the preliminary inquiry and all other supporting documents, the Inquiry Committee is required to initiate the investigation. The said investigation shall be completed within 7 working days from the date of receipt of report of the preliminary inquiry. The Inquiry Committee's investigation report shall be submitted to the Audit Committee/Board of Directors and the Compliance Officer immediately, and such report shall also be submitted to SEBI by the Compliance Officer forthwith.

### **6. Powers of the Inquiry Committee**

For purpose of conducting inquiry, the Inquiry Committee:

- a) may call upon
  - such employees/individuals to seek clarification or information pertaining to the leak.
  - persons / members of committees involved in generation of the original data for purpose of determination of key figures pertaining to financial figures.
  - persons involved in the consolidation of the figures for the financial results.
  - persons involved in the preparation of board notes and presentations.
  - persons involved in dissemination of information relating to financial results in the public domain.
  - any other persons who had access to the information.
  - any market intermediaries and other person/ entities who have access to UPSI for inquiry conducted for leak of such UPSI.
- b) may at its discretion, invite external investigators/experts.
- c) may take necessary actions including sending the Suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the investigations for fair conduct of the proceedings.
- d) shall keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.
- e) shall notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.
- f) shall do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

### **7. Rights and Obligations of the Suspect**

- a) The Suspect shall:
  - co-operate with the Inquiry Committee during the investigation process.
  - have a right to consult with a person or persons of their choice, other than members of Inquiry Committee.
  - right to be informed of the outcome of the investigation
- b) The Suspect (s) has the responsibility not to interfere with the investigations. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspect.
- c) Unless there are compelling reasons not to do so, Suspect will be given the opportunity to respond to material findings contained in investigation report. No

allegation of wrongdoing against a Suspect shall be considered as maintainable unless there is good evidence in support of the allegation.

#### **8. Consequences of non-compliance**

- a) On receipt of report of inquiry committee, the Compliance Officer shall forthwith forward such report to Audit Committee. Compliance Officer shall forthwith forward such report to SEBI.
- b) The disciplinary action against Suspect may be taken within 15 working days from receipt of investigation report by Audit Committee in consultation with Board of Directors or any other person authorised by the Board.
- c) The disciplinary action may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorised by the Board.
- d) SEBI or any other appropriate regulatory authority would also be informed by the Compliance Officer of such violation who may take appropriate action against the Suspect.

## CODE OF CORPORATE DISCLOSURE PRACTICES

### **Overseeing and co-ordinating disclosure:**

The Board of the Company shall designate a Senior Officer as the Chief Investor Relations Officer who would be responsible to ensure timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information (“**UPSI**”) relating to the Company or its Securities pursuant to this Code as required under the Regulations so as to avoid selective disclosure.

The Chief Investor Relations Officer shall report to the Managing Director with respect to this Code and shall also co-ordinate with the Compliance Officer.

The Chief Investor Relations Officer shall ensure that information shared with analysts and research personnel is not UPSI. The Chief Investor Relations Officer shall be responsible for overseeing and co-ordinating disclosure of UPSI to analysts, shareholders and media, and educating Employees on disclosure policies and procedures.

**The Chief Investor Relations Officer, shall also ensure that when interacting with media and external public, guidelines for disclosure of UPSI are complied with.**

All disclosure/dissemination of any UPSI (save and except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first marked to the Chief Investor Relations Officer, for approval. Any such information shall be made public or published on behalf of the Company only if the same is approved by the Chief Investor Relations Officer. In case of doubt, the Chief Investor Relations Officer, shall consult and seek approval of the Managing Director before dissemination of such information.

Should any dissemination of information on behalf of the Company take place without prior approval referred above, out of accidental omission, selectively, inadvertently or otherwise by any Employee / Director of the Company then such Employee / Director of the Company shall forthwith inform the Chief Investor Relations Officer, about such disclosure. The Chief Investor Relations Officer will then promptly disseminate the information so as to make such information generally available.

### **Responding to market rumours:**

The Employee/ Director of the Company shall promptly direct any queries on news reports or requests for verification of market rumours received from regulatory authorities to the Chief Investor Relations Officer.

The Chief Investor Relations Officer, shall on receipt of requests as aforesaid, consult the Managing Director / Chief Executive Officer and send an appropriate and fair response to the same.

The Chief Investor Relations Officer shall be responsible for deciding in consultation with the Managing Director / Chief Executive Officer of the Company as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

All requests/queries received shall be documented and as far as practicable, the Chief Investor Relations Officer, shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Chief Investor Relations Officer, unless the Managing Director / Chief Executive Officer approves the same.

**Disclosure/ dissemination of UPSI with special reference to analysts, institutional investors:**

No person, except those authorized by the Chief Investor Relations Officer, shall disclose any information relating to the Company's Securities to analysts and research persons. The Chief Investor Relations Officer shall be invited to meetings/ conferences organized by the Company with analysts/research persons.

All Directors and Employees of the Company should follow the guidelines given hereunder while dealing with analysts and institutional investors: -

(i) Sharing of UPSI:

The Employee and Director of the Company shall provide only public information to analysts/ research persons. In case any UPSI is proposed to be provided, the person proposing to so provide information shall consult the Chief Investor Relations Officer in advance. The Chief Investor Relations Officer, shall ensure that that the information provided to the analyst/research person/investor as above is made public simultaneously with such disclosure.

The Company shall take extreme care and caution when dealing with analysts' questions that raise issues outside the intended scope of discussion.

The Chief Investor Relations Officer should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later in consultation with the Managing Director. If the answer to any question requires dissemination of UPSI, the Chief Investor Relations Officer, shall report the same to the Managing Director and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement through press. The Chief Investor Relations Officer, shall, after dissemination of such UPSI, respond to such unanticipated questions.

The Chief Investor Relations Officer shall handle all the UPSI on a need-to-know basis only. In case of doubt, the Chief Investor Relations Officer, shall consult and seek approval of the Managing Director before dissemination of such information.

(ii) Legitimate Purpose:

The term "legitimate purpose" shall include sharing of UPSI 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 the Regulations.

Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of the Regulations and execution of confidentiality agreement (see Annexure 1B) with such persons, to maintain confidentiality of such UPSI in compliance with the Regulations.

(iii) Recording of discussion:

All analyst and other investor relations conferences shall be attended by the Chief Investor Relations Officer who may be accompanied by any other Employee(s) of the Company. In order to avoid misquoting or misrepresentation, the Chief Investor Relations Officer can make transcripts or arrangements for recording the discussions at the meeting.



(iv) Simultaneous release of information:

Whenever the Company proposes to organise meetings with investment analysts/research person, the Company shall make a press release or post relevant information on its website after every such meeting. The Company may also consider live webcasting of analyst meets.

The Chief Investor Relations Officer, shall be responsible for drafting of the press release or the text of the information to be posted on the Company's web-site, in consultation with the Managing Director.

(v) Medium of disclosure/ dissemination:

The Company shall disseminate all credible and concrete UPSI on a continuous and in a timely manner to stock exchanges where its Securities are listed in accordance with the requirements of applicable law and thereafter to the press.

As a good corporate practice, the UPSI disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's web-site. The Company may also consider other modes of public disclosure of UPSI so as to improve investor access to the same.

The Chief Investor Relations Officer, shall mark a copy of the press release to Chief - Group Corporate Affairs and Media, Tata Sons Limited, simultaneously for supplementing the Group's website: [www.tata.com](http://www.tata.com).

The information filed by the Company with the Stock Exchanges under the Stock Exchange Listing Agreement shall also be posted on the Company's website.

The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchanges, as required under the Regulations.

## **APPENDIX A**

### **SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

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### **CHAPTER – I**

#### **PRELIMINARY**

##### **Short title and commencement.**

(1) These regulations may be called the SEBI (Prohibition of Insider Trading) Regulations, 2015.

(2) These regulations shall come into force on the one hundred and twentieth day from the date of its publication in the Official Gazette.

##### **Definitions.**

2. (1) In these regulations, 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" means the Securities and Exchange Board of India;

(c) "compliance officer" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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 listed company or the head of an organization, as the case may be;

**Explanation**–For the purpose of this regulation, “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.

(d) "connected person" means,-

(i) any person who is or has during the six months prior to the concerned act been associated with a 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 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 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 a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

**NOTE:** *It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.*

(e) "generally available information" means information that is accessible to the public on a non-discriminatory basis;

**NOTE:** *It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what unpublished price sensitive information is. Information published on the website of a stock exchange, would ordinarily be considered generally available.*

(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;

**NOTE:** *It is intended that the immediate relatives of a “connected person” too become connected persons for purposes of these regulations. Indeed, this is a rebuttable presumption.*

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

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

**NOTE:** *Since “generally available information” is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an “insider” regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.*

(h) "promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

(ha) "promoter group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

(hb) “proposed to be listed” shall include securities of an unlisted company:

- (i) if such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or
- (ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;

(i) "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;

(j) "specified" means specified by the Board in writing;

(k) "takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

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

**NOTE:** Under the parliamentary mandate, since the Section 12A (e) and Section 15G of the Act employs the term 'dealing in securities', it is intended to widely define the term "trading" to include dealing. Such a construction is intended to curb the activities based on unpublished price sensitive information which are strictly not buying, selling or subscribing, such as pledging etc when in possession of unpublished price sensitive information.

(m) "trading day" means a day on which the recognized stock exchanges are open for trading;

(n) "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;

(v) changes in key managerial personnel; and

**NOTE:** It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.

(2) 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.

## **CHAPTER – II RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

### **Communication or procurement of unpublished price sensitive information.**

3. (1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

**NOTE:** This provision is intended to cast an obligation on all insiders who are essentially persons in possession of unpublished price sensitive information to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis. It is also intended to lead to organizations developing practices based on need-to-know principles for treatment of information in their possession.

(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or

proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

**NOTE:** *This provision is intended to impose a prohibition on unlawfully procuring possession of unpublished price sensitive information. Inducement and procurement of unpublished price sensitive information not in furtherance of one's legitimate duties and discharge of obligations would be illegal under this provision.*

(2A) The board of directors of a listed company shall make a policy for determination of "legitimate purposes" as a part of "Codes of Fair Disclosure and Conduct" formulated under regulation 8.

**Explanation**—For the purpose of illustration, the term "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.

(2B) 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.

(3) Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:—

(i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the listed company is of informed opinion that the sharing of such information is in the best interests of the company;

**NOTE:** *It is intended to acknowledge the necessity of communicating, providing, allowing access to or procuring UPSI for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control to assess a potential investment. In an open offer under the takeover regulations, not only would the same price be made available to all shareholders of the company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under those regulations.*

(ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that the 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.

**NOTE:** *It is intended to permit communicating, providing, allowing access to or procuring UPSI also in transactions that do not entail an open offer obligation under the takeover regulations when authorized by the board of directors if sharing of such information if it is in the best interests of the company. The board of directors, however, would cause public disclosures of such unpublished price sensitive information well before the proposed transaction to rule out any information asymmetry in the market.*

(4) For purposes of sub-regulation (3), 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 purpose of sub-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

(5) The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

**Trading when in possession of unpublished price sensitive information.**

4. (1) 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:

**Explanation-** 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;

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;

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

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

(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 regulation 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.*

(2) 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 Board.

(3) The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

### **Trading Plans.**

5. (1) An insider shall be entitled to formulate a trading plan 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.

**NOTE:** *This provision intends to give an option to persons who may be perpetually in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he had pre- decided even before the unpublished price sensitive information came into being.*

(2) Such 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;

**NOTE:** *It is intended that to get the benefit of a trading plan, a cool-off period of six months is necessary. Such a period is considered reasonably long for unpublished price sensitive information that is in possession of the insider when formulating the trading plan, to become generally available. It is also considered to be a reasonable period for*

*a time lag in which new unpublished price sensitive information may come into being without adversely affecting the trading plan formulated earlier. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the insider were to be in possession of the same unpublished price sensitive information both at the time of formulation of the plan and implementation of the same.*

(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;

**NOTE:** *Since the trading plan is envisaged to be an exception to the general rule prohibiting trading by insiders when in possession of unpublished price sensitive information, it is important that the trading plan does not entail trading for a reasonable period around the declaration of financial results as that would generate unpublished price sensitive information.*

(iii) entail trading for a period of not less than twelve months;

**NOTE:** *It is intended that it would be undesirable to have frequent announcements of trading plans for short periods of time rendering meaningless the defence of a reasonable time gap between the decision to trade and the actual trade. Hence it is felt that a reasonable time would be twelve months.*

(iv) not entail overlap of any period for which another trading plan is already in existence;

**NOTE:** *It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an insider to time the publication of the unpublished price sensitive information to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.*

(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

**NOTE:** *It is intended that while regulations should not be too prescriptive and rigid about what a trading plan should entail, they should stipulate certain basic parameters that a trading plan should conform to and within which, the plan may be formulated with full flexibility. The nature of the trades entailed in the trading plan i.e. acquisition or disposal should be set out. The trading plan may set out the value of securities or the number of securities to be invested or divested. Specific dates or specific time intervals may be set out in the plan.*

(vi) not entail trading in securities for market abuse.

**NOTE:** *Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse. For instance, in the event of manipulative timing of the release of unpublished price sensitive information to ensure that trading under a trading plan becomes lucrative in circumvention of regulation 4 being detected, it would be open to initiate proceedings for alleged breach of SEBI*

*(Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.*

(3) The compliance officer shall review the trading plan 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.

**NOTE:** *It is intended that the compliance officer would have to review and approve the plan. For doing so, he may need the insider to declare that he is not in possession of unpublished price sensitive information or that he would ensure that any unpublished price sensitive information in his possession becomes generally available before he commences executing his trades. Once satisfied, he may approve the trading plan, which would then have to be implemented in accordance with these 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.

(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.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4.

**NOTE:** *It is intended that since the trading plan is an exception to the general rule that an insider should not trade when in possession of unpublished price sensitive information, changing the plan or trading outside the same would negate the intent behind the exception. Other investors in the market, too, would factor the impact of the trading plan on their own trading decisions and in price discovery. Therefore, it is not fair or desirable to permit the insider to deviate from the trading plan based on which others in the market have assessed their views on the securities.*

*The proviso is intended to address the prospect that despite the six-month gap between the formulation of the trading plan and its commencement, the unpublished price sensitive information in possession of the insider is still not generally available. In such a situation, commencement of the plan would conflict with the over-riding principle that trades should not be executed when in possession of such information. If the very same unpublished price sensitive information is still in the insider's possession, the commencement of execution of the trading plan ought to be deferred.*

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

**NOTE:** *It is intended that given the material exception to the prohibitory rule in regulation 4, a trading plan is required to be publicly disseminated. Investors in*

*the market at large would also factor the potential pointers in the trading plan in their own assessment of the securities and price discovery for them on the premise of how the insiders perceive the prospects or approach the securities in their trading plan.*

## **CHAPTER – III**

### **DISCLOSURES OF TRADING BY INSIDERS General provisions.**

6. (1) Every public disclosure under this Chapter shall be made in such form as may be specified.

(2) The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

**NOTE:** *It is intended that disclosure of trades would need to be of not only those executed by the person concerned but also by the immediate relatives and of other persons for whom the person concerned takes trading decisions. These regulations are primarily aimed at preventing abuse by trading when in possession of unpublished price sensitive information and therefore, what matters is whether the person who takes trading decisions is in possession of such information rather than whether the person who has title to the trades is in such possession.*

(3) 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 Chapter:

Provided that trading in derivatives of securities is permitted by any law for the time being in force.

(4) The disclosures made under this Chapter shall be maintained by the company, for a minimum period of five years, in such form as may be specified.

### **Disclosures by certain persons.**

#### **7. (1) Initial Disclosures.**

(a). Every promoter, member of the promoter group, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;

(b). Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or member of the promoter group shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter or member of the promoter group, to the company within seven days of such appointment or becoming a promoter or member of the promoter group.

#### **(2) Continual Disclosures.**

(a). Every promoter, designated person and director of every 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 ten lakh rupees or such other value as may be specified;

(b). Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

*Disclosures by other connected persons.*

(3) Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

**NOTE:** *This is an enabling provision for listed companies to seek information from those to whom it has to provide unpublished price sensitive information. This provision confers discretion on any company to seek such information. For example, a listed company may ask that a management consultant who would advise it on corporate strategy and would need to review unpublished price sensitive information, should make disclosures of his trades to the company.*

## **Chapter IIIA**

### **Definitions.**

**7A.** (1) In this Chapter, unless the context otherwise requires:-

(a) 'Investor Protection and Education Fund' means the Investor Protection and Education Fund created by the Board under section 11 of the Act;

(b) 'Informant' means an individual(s), who voluntarily submits to the Board a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward;

(c) 'Informant Incentive Committee' means the High Powered Advisory Committee constituted by the Board in the manner as may be specified under regulation 11 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018.

(d) 'insider trading laws' means the following provisions of securities laws,-

- i. Section 15G of the Act;
- ii. regulation 3 of these regulations;
- iii. regulation 4 of these regulations;
- iv. regulation 5 of these regulations; and
- v. regulation 9 or regulation 9A of these regulations, in so far as they pertain to trading or communication of unpublished price sensitive information.

(e) 'irrelevant, vexatious and frivolous information' includes, reporting of information which in the opinion of the Board, -

- (i) Does not constitute a violation of insider trading laws; or
- (ii) Is rendered solely for the purposes of malicious prosecution; or
- (iii) Is rendered intentionally in an effort to waste the time and resource of the Board.

(f) 'Legal Representative' means a duly authorised individual who is admitted to the practice of law in India;

(g) 'Monetary Sanctions' shall mean any non-monetary settlement terms or any direction of the Board, in the nature of disgorgement under securities laws aggregating to at least

Rupees one crore arising from the same operative facts contained in the original information.

(h) 'Original Information' means any relevant information submitted in accordance with these regulations pertaining to any violation of insider trading laws that is:-

(i) derived from the independent knowledge and analysis of the Informant;  
(ii) not known to the Board from any other source, except where the Informant is the original source of the information;  
(iii) is sufficiently specific, credible and timely to - (1) commence an examination or inquiry or audit, (2) assist in an ongoing examination or investigation or inquiry or audit, (3) open or reopen an investigation or inquiry, or (4) inquire into a different conduct as part of an ongoing examination or investigation or inquiry or audit directed by the Board;

(iv) not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit, or investigation, or from the news media, except where the Informant is the original source of the information; and

(v) not irrelevant or frivolous or vexatious.

*Explanation.* –Information which does not in the opinion of the Board add to the information already possessed by the Board is not original information.

(i) 'own analysis' means the examination and evaluation of the relevant information by the Informant that may be publicly available, but which reveals analysis that is not known to SEBI:

Provided that such analysis is not derived from professional or confidential communication protected under the Indian Evidence Act, 1872 (1 of 1872);

(j) 'own knowledge' means relevant information in the possession of the Informant not derived from publicly available sources:

Provided that such knowledge is not derived from professional or confidential communications protected under the Indian Evidence Act, 1872 (1 of 1872);

(k) 'Reward' means any gratuitous monetary amount for which an Informant is declared eligible as per the provisions of these regulations;

(l) 'securities laws' means the Act, the Securities Contract (Regulations) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996), the relevant provisions of any other law to the extent it is administered by the Board and the relevant rules and regulations made thereunder;

(m) 'voluntarily providing information' means providing the Board with information before receiving any request, inquiry, or demand from the Board, any other Central or State authorities or other statutory authority about a matter, to which the information is relevant;

(2) Words and expressions used but not defined in these regulations but defined in securities laws, shall have the same meanings respectively assigned to them in those laws or any statutory modification or re-enactment thereto.

## **Submission of Original Information to the Board**

**7B.** (1) An Informant shall submit Original Information by furnishing the Voluntary Information Disclosure Form to the Office of Informant Protection of the Board in the format and manner set out in Schedule D. The Voluntary Information Disclosure Form may be submitted through informant's legal representative:

Provided that where the Informant does not submit the Voluntary Information Disclosure Form through a legal representative, the Board may require such Informant to appear in person to ascertain his/her identity and the veracity of the information so provided.

*Explanation.* – Where any information pertaining to any violation of the Securities Laws is received in a manner not in accordance with the manner provided under these regulations, the Board may require such information to be filed with it in accordance with these regulations or reject the same.

(2) The legal representative shall,-

i. Verify the identity and contact details of the Informant;  
ii. Unless otherwise required by the Board, maintain confidentiality of the identity and existence of the Informant, including the original Voluntary Information Disclosure Form;

- iii. Undertake and certify that he/she,-
- (a) Has reviewed the completed and signed Voluntary Information Disclosure Form for completeness and accuracy and that the information contained therein is true, correct and complete to the best of his/her knowledge;
  - (b) Has obtained a irrevocable consent from the Informant to provide to the Board with original Voluntary Information Disclosure Form whenever required by the Board; and
  - (c) Agrees to be legally obligated to provide the original Voluntary Information Disclosure Form within seven (7) calendar days of receiving such requests from the Board.
- iv. Submits to the Board, the copy of the Voluntary Information Disclosure Form in the manner provided in Schedule D of these regulations along with a signed certificate as required under clause (iii) of this sub-regulation (2).

(3) An Informant shall while submitting the Voluntary Information Disclosure Form shall expunge such information from the content of the information which could reasonably be expected to reveal his or her identity and in case where such information cannot be expunged, the Informant may identify such part of information or any document that the Informant believes could reasonably be expected to reveal his or her identity.

### **Receipt of Original Information by the Board**

**7C.** (1) The Board may designate a division to function as the independent Office of Informant Protection.

(2) The Office of Informant Protection shall perform such functions as may be specified by the Board, including,-

- i. Receiving and registering the Voluntary Information Disclosure Form;
- ii. Making all necessary communications with the Informant;
- iii. Maintaining a hotline for the benefit of potential Informant;
- iv. Maintaining confidentiality of the legal representative of the Informant and act as an interface between the Informant and the officers of the Board;
- v. Interacting with the Informant Incentive Committee;
- vi. Issuing press releases and rewards relating to Informant; and
- vii. Submitting an annual report to the Board relating to the functioning of the Office of Informant Protection.

(3) On receipt of the Voluntary Information Disclosure Form, the Office of Informant Protection shall communicate the substance of the information along with the evidence submitted by the informant to the relevant department or division of the Board for examination and initiation of necessary action, if any.

(4) The Board shall not be required to send any intimation or acknowledgement to the Informant or any other person, of the examination or action initiated by the Board, if any, pursuant to receipt of the Voluntary Information Disclosure Form or information under these regulations, including rejection thereof.

### **Informant Reward.**

**7D.** (1) Upon collection or substantial recovery of the monetary sanctions amounting to at least twice the Reward, the Board may at its sole discretion, declare an Informant eligible for Reward and intimate the Informant or his or her legal representative to file an application in the format provided in Schedule-E for claiming such Reward:

Provided that the amount of Reward shall be ten percent of the monetary sanctions collected or recovered and shall not exceed Rupees One crore or such higher amount as the Board may specify from time to time:

Provided further that the Board may if deemed fit, out of the total Reward payable, grant an interim reward not exceeding Rupees Ten lacs or such higher amount as the Board may specify from time to time, on the issue of final order by the Board against the person directed to disgorge.

(2) In case of more than one Informant jointly providing the Original Information, the Reward, as specified in the intimation under sub-regulation (1), shall be divided equally amongst the total number of Informants.

(3) The Reward under these regulations shall be paid from the Investor Protection and Education Fund.

### **Determination of amount of Reward.**

**7E.** (1) The amount of the Reward, if payable, shall be determined by the Board.

(2) While determining the amount of Reward under sub-regulation (1), the Board may specify the factors that may be taken into consideration by the Informant Incentive Committee.

(3) An Informant may be eligible for a Reward whether or not he reported the matter to his organization as per its internal legal and compliance procedures and irrespective of such organization's compliance officer subsequently providing the same Information to the Board.

#### **Application for Reward.**

**7F.** (1) Informants who are considered tentatively eligible for a Reward, shall submit the Informant Reward Claim Form set out in Schedule E to the Board within the period specified in the intimation sent by the Board.

(2) Prior to the payment of a Reward, an Informant shall directly or through his or her legal representative, disclose his or her identity and provide such other information as the Board may require.

#### **Rejection of claim for Reward.**

**7G.** No Reward shall be made to an Informant:-

- (1) who does not submit original information;
- (2) who has acquired the Original Information, through or as a member, officer, or an employee of:-
  - (i) any regulatory agency constituted by or under any law in India or outside India, including the Board;
  - (ii) any self-regulatory organization;
  - (iii) the surveillance or investigation wings of any recognised stock exchange or clearing corporation; or
  - (iv) any law enforcement organization including the police or any central or state revenue authorities.
- (3) against whom the Board may initiate or has initiated criminal proceedings under securities laws;
- (4) who wilfully refused to cooperate with the Board during its course of investigation, inquiry, audit, examination or other proceedings under securities laws;
- (5) who:
  - (i) knowingly makes any false, fictitious, or fraudulent statement or representation; or
  - (ii) uses any false writing or document knowing that the writing or document contains any false, fictitious, or fraudulent statement or entry; or
  - (iii) fails to furnish the complete information available with him or accessible by him in relation to the alleged violation.
- (6) who is obligated, under any law or otherwise, to report such Original Information to the Board, including a compliance officer under securities laws.

Provided that the Board may if deemed fit, at its sole discretion, exempt a person from any of these disqualifications.

#### **Informant confidentiality.**

**7H.** (1) Any information including Original Information may, at the discretion of the Board, be made available:

- (a) when it is required to be disclosed in connection with any legal proceedings in furtherance of the Board's legal position;
- (b) as permitted by these regulations; or
- (c) as may be otherwise required or permitted by law.

(2) Original Information may, at the discretion of the Board, be made available to -

- (i) any regulatory agency constituted by or under any law in India or outside India;
- (ii) any self-regulatory organization;
- (iii) the surveillance or investigation wings of any recognised stock exchange or clearing corporation; or
- (iv) any law enforcement organization including the police or any central or state revenue authorities; or
- (v) a public prosecutor in connection with any criminal proceedings.

Provided that sharing of information shall be in accordance with such assurances of confidentiality as the Board determines appropriate.

Explanation - Nothing in these regulations is intended to limit, or shall be construed to limit, the ability of the public prosecutor to share such evidence with potential witnesses or accused in connection with any criminal proceedings.



(3) The Original Information and identity provided by an Informant shall be held in confidence and exempted from disclosure under clauses (g) and (h) of sub-section (1) of section 8 of the Right to Information Act, 2005 (No. 22 of 2005).

(4) Subject to the law of evidence for the time being in force, nothing in these regulations shall prejudice the right of the Board to use or to rely on information received otherwise.

(5) No person shall have the right to compel disclosure of the identity, existence of an Informant or the information provided by an Informant, except to the extent relied upon in any proceeding initiated against such person by the Board.

Explanation 1. – The confidentiality in respect of the identity and existence of the Informant shall be maintained throughout the process of investigation, inquiry and examination as well as during any proceedings before the Board and save where the evidence of the Informant is required during such proceedings, advance notice of such evidence may be provided to the noticee at least seven (7) working days prior to the date of the scheduled hearing for evidence.

Explanation 2. – In proceedings before any authority other than the Board, the Board may request maintenance of confidentiality of the identity and existence of an Informant in such proceeding.

### **Protection against retaliation and victimisation**

7I. (1) Every person required to have a Code of Conduct under these regulations shall ensure that such a Code of Conduct provides for suitable protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by the Board or he or she is eligible for a Reward under these regulations, by reason of:

- (i) filing a Voluntary Information Disclosure Form under these regulations;
- (ii) testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or
- (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

Explanation 1. - For the purpose of this Chapter, “employee” means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under these regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

*Explanation 2.* - Nothing in this regulation shall require the employee to establish that,-

- (i) the Board has taken up any enforcement action in furtherance of information provided by such person; or
- (ii) the information provided fulfils the criteria of being considered as an Original Information under these regulations.

(2) Nothing in these regulations shall prohibit any Informant who believes that he or she has been subject to retaliation or victimisation by his or her employer, from approaching the competent court or tribunal for appropriate relief.

(3) Notwithstanding anything contained in sub-regulation (2), any employer who violates this Chapter may be liable for penalty, debarment, suspension, and/or criminal prosecution by the Board, as the case may be:

Provided that nothing in these regulations will require the Board to direct re-instatement or compensation by an employer.

(4) Nothing in these regulations shall diminish the rights and privileges of or remedies available to any Informant under any other law in force.

### **Void Agreements**

7J. (1) Any term in an agreement (oral or written) or Code of Conduct, is void in so far as it purports to preclude any person, other than an advocate, from submitting to the Board information relating to the violation of the securities laws that has occurred, is occurring or has a reasonable belief that it would occur.

(2) No person shall by way of any threat or act impede an individual from communicating with the Board, including enforcing or threatening to enforce, a confidentiality agreement (other than agreements related to legal representations of a client and communications there under) with respect to such communications.

*Explanation.* - No employer shall require an employee to notify him of any Voluntary Information Disclosure Form filed with the Board or to seek its prior permission or consent or guidance of any person engaged by the employer before or after such filing.

### **No Amnesty**

**7K.** (1) Nothing in these regulations shall be deemed to provide any amnesty or immunity to an Informant for violation of securities law.

(2) Where an action against an Informant is deemed appropriate the Board may take into account the co-operation rendered in the final determination of any penalty, sanction, direction or settlement thereof, as the case may be.

(3) Where an action against an Informant is deemed appropriate, the Board while determining the value of monetary sanctions shall not take into account the monetary sanctions that the Informant is ordered to pay or that which any other person is ordered to pay if the liability of such other person is based substantially on the conduct that the Informant directed, planned, or initiated.

(4) An Informant who may be liable for enforcement action by the Board based on his or her conduct in connection with securities laws violations reported in the Voluntary Information Disclosure Form filed with the Board, may simultaneously or at any time thereafter file an application seeking settlement with confidentiality under Chapter IX of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018.

(5) Notwithstanding any action taken by the Board against an Informant, the Informant may, after payment of any monetary amounts be eligible for a Reward.

### **Functions of Informant Incentive Committee**

**7L.** (1) The Informant Incentive Committee shall be assisted by the Office of Informant Protection.

(2) The Informant Incentive Committee shall give its recommendations to the Board on the following matters,-

- i. Eligibility of Informant for reward;
- ii. Determination under regulations 7E and 7G; and

iii. Such other issues relating to Informant as the Board may require from time to time.

(3) The Informant Incentive Committee shall conduct its meetings in the manner specified by the Board in this regard.

### **Public dissemination and incentivisation of Informant.**

**7M.** (1) The Board shall upload on its website the following,-

- i. Annual report of the Office of Informant Protection;
- ii. Press release informing the public that an intimation to the Informant has been issued under Regulation 7D;
- iii. Press release informing the public that a Reward has been paid under these regulations and the amount of Monetary Sanctions recovered pursuant to the information provided by the Informant;
- iv. The Order issuing the Reward;

*Explanation.* – Nothing in this regulation shall require the Board to disclose information that could identify the Informant or the information provided by the Informant.”

## **CHAPTER – IV**

### **CODES OF FAIR DISCLOSURE AND CONDUCT**

#### **Code of Fair Disclosure.**

8. (1) The board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to these regulations, without diluting the provisions of these regulations in any manner.

**NOTE:** *This provision intends to require every company whose securities are listed on stock exchanges 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. Principles 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 are set out in the schedule.*

(2) Every such code of practices and procedures for fair disclosure of unpublished price sensitive information and every amendment thereto shall be promptly intimated to the stock exchanges where the securities are listed.

**NOTE:** *This provision is aimed at requiring transparent disclosure of the policy formulated in sub-regulation (1).*

**Code of Conduct.**

9. (1) The board of directors of every listed company and the board of directors or head(s) of the organisation of every intermediary shall ensure that the chief executive officer or managing director shall formulate a code of conduct with their approval to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B (in case of a listed company) and Schedule C (in case of a intermediary) to these regulations, without diluting the provisions of these regulations in any manner.

Explanation—For the avoidance of doubt it is clarified that intermediaries, which are listed, would be required to formulate a code of conduct to regulate, monitor and report trading by their designated persons, by adopting the minimum standards set out in Schedule B with respect to trading in their own securities and in Schedule C with respect to trading in other securities.

**NOTE:** *It is intended that every company whose securities are listed on stock exchanges and market intermediary registered with SEBI is mandatorily required to formulate a code of conduct governing trading by its designated persons and their immediate relatives. The standards set out in the schedules are required to be addressed by such code of conduct.*

(2) The board of directors or head(s) of the organisation, of every other person who is required to handle unpublished price sensitive information in the course of business operations shall formulate a code of conduct to regulate, monitor and report trading by their designated persons and immediate relative of designated persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule C to these regulations, without diluting the provisions of these regulations in any manner.

**Explanation** - 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.

**NOTE:** *This provision is intended to mandate persons other than listed companies and intermediaries that are required to handle unpublished price sensitive information to formulate a code of conduct governing trading in securities by their designated persons. These entities include professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising listed companies. Even entities that normally operate outside the capital market may handle unpublished price sensitive information. This provision would mandate all of them to formulate a code of conduct.*

(3) Every listed company, intermediary and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations.

**NOTE:** *This provision is intended to designate a senior officer as the compliance officer with the responsibility to administer the code of conduct and monitor compliance with these regulations.*

(4) For the purpose of sub regulation (1) and (2), the board of directors or such other analogous authority shall in consultation with the compliance officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:-

- (i) Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;
- (ii) Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
- (iii) All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;
- (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- (v) Any support staff of listed company, intermediary or fiduciary such as IT staff or secretarial staff who have access to unpublished price sensitive information.

#### **Institutional Mechanism for Prevention of Insider trading.**

9A. (1) The Chief Executive Officer, Managing Director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading.

(2) The internal controls shall include the following:

- a) all employees who have access to unpublished price sensitive information are identified as designated person;
- b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
- c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
- d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under these regulations shall be complied with;
- f) periodic process review to evaluate effectiveness of such internal controls.

(3) The board of directors of every listed company and the board of directors or head(s) of the organisation of intermediaries and fiduciaries shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with regulation 9 and sub-regulations (1) and (2) of this regulation.

(4) The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

(5) Every listed company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

(6) The listed company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.

(7) If an inquiry has been initiated by a listed company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the listed company in connection with such inquiry conducted by listed company.

## **CHAPTER – V**

### **MISCELLANEOUS**

#### **Sanction for violations.**

10. Any contravention of these regulations shall be dealt with by the Board in accordance with the Act.

#### **Power to remove difficulties.**

11 (1). In order to remove any difficulties in the interpretation or application of the provisions of these regulations, the Board shall have the power to 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.

(2) For the purpose of Chapter IIIA, the Board may,-

- i. by circular, specify procedures and processes for carrying out the purposes of these regulations;
- ii remove any difficulty in the interpretation or application or implementation of the provisions of these regulations, by issuing clarifications and specifying procedures through circulars or guidelines.”

#### **Repeal and Savings.**

12. (1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 are hereby repealed.

(2) Notwithstanding such repeal,—

(a) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred

under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed; and

(b) anything done or any action taken or purported to have been done or taken including any adjudication, enquiry or investigation commenced or show-cause notice issued under the repealed regulations prior to such repeal, shall be deemed to have been done or taken under the corresponding provisions of these regulations;

(3) After the repeal of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, any reference thereto in any other regulations made, guidelines or circulars issued thereunder by the Board shall be deemed to be a reference to the corresponding provisions of these regulations.

## **SCHEDULE A**

*[See sub-regulation (1) of regulation 8]*

### **Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

1. Prompt public disclosure of unpublished price 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. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing 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. Handling of all unpublished price sensitive information on a need-to-know basis.

## **SCHEDULE B**

*[See sub-regulation (1) of regulation 9]*

### **Minimum Standards for Code of Conduct for Listed Companies to Regulate, Monitor and Report Trading by Designated Persons**

1. The compliance officer shall 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, but not less than once in a year.

2. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to “cross the wall”.

3. Designated Persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.

4. (1) Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer 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. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

(2) Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

(3) The trading window restrictions mentioned in sub-clause (1) shall not apply in respect of –

(a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board;

(b) transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer.

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

6. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.

7. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

8. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.

9. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

10. The code of conduct shall stipulate such formats as the board of directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.

11. Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc., that may be imposed, by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, for the contravention of the code of conduct.

12. The code of conduct shall specify that in case it is observed by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, that there has been a violation of these regulations, it shall inform the Board promptly.

13. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

(a) immediate relatives

(b) persons with whom such designated person(s) shares a material financial relationship

(c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.



**Explanation**—The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transactions.

14. Listed entities shall have a process for how and when people are brought ‘inside’ on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

## **SCHEDULE C**

*[See sub-regulation (1) and sub-regulation (2) of regulation 9]*

### **Minimum Standards for Code of Conduct for Intermediaries and Fiduciaries to Regulate, Monitor and Report Trading by Designated Persons**

1. The compliance officer shall report to the board of directors or head(s) of the organisation (or committee constituted in this regard) and in particular, shall provide reports to the Chairman of the Audit Committee or other analogous body, if any, or to the Chairman of the board of directors or head(s) of the organisation at such frequency as may be stipulated by the board of directors or head(s) of the organization but not less than once in a year.

2. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The code of conduct shall contain norms for appropriate Chinese Wall procedures, and processes for permitting any designated person to “cross the wall”.

3. Designated persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.

4. Designated persons may execute trades subject to compliance with these regulations. Trading by designated persons shall be subject to pre- clearance by the compliance officer(s), if the value of the proposed trades is above such thresholds as the board of directors or head(s) of the organisation may stipulate.

5. The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

6. Prior to approving any trades, the compliance officer shall seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

7. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been precleared have to be executed by the designated person, failing which fresh preclearance would be needed for the trades to be executed.

8. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is a connected person of the listed

company and is permitted to trade in the securities of such listed company, shall not execute a contra trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

9. The code of conduct shall stipulate such formats as the board of directors or head(s) of the organisation (or committee constituted in this regard) deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.

10. Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc., that may be imposed, by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, for the contravention of the code of conduct.

11. The code of conduct shall specify that in case it is observed by the intermediary or fiduciary required to formulate a code of conduct under sub-regulation (1) or sub-regulation (2) of regulation 9, respectively, that there has been a violation of these regulations, such intermediary or fiduciary shall inform the Board promptly.

12. All designated persons shall be required to disclose name and Permanent Account Number or any other identifier authorized by law of the following to the intermediary or fiduciary on an annual basis and as and when the information changes:

a) immediate relatives

b) persons with whom such designated person(s) shares a material financial relationship

c) Phone, mobile, and cell numbers which are used by them

In addition, names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

**Explanation** – the term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

13. Intermediaries and fiduciaries shall have a process for how and when people are brought ‘inside’ on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

**Schedule D**

[See regulation 7B]

Form for Informant’s Voluntary Information Disclosure to be submitted to the Board.

Note: For submission of information through a legal representative, the redacted copy of the Form expunging information that may identify the Informant shall be submitted by the legal representative without expunging any information relating to the legal representative and the details relating to the violation of securities laws.

\*Indicates that the required field is non-mandatorily, remaining fields are mandatory

**“ SCHEDULE D**

[See regulation 7B]

*Form for Informant’s Voluntary Information Disclosure to be submitted to the Board.*

Note: For submission of information through a legal representative, the redacted copy of the Form expunging information that may identify the Informant shall be submitted by the legal representative without expunging any information relating to the legal representative and the details relating to the violation of securities laws.

\*Indicates that the required field is non-mandatorily, remaining fields are mandatory

<b>I. PERSONAL INFORMATION OF THE INFORMANT</b>		
A.INDIVIDUAL I:		
Last Name:.....	First Name:.....	Title:.....
Address:	City / State:	PIN:
Telephone (with State Code):	Mobile:	E-Mail address:
Employment Details*:	Permanent Account Number, if available:	
<b>II. LEGAL REPRESENTATIVE (where applicable)</b>		
Last Name:.....	First Name:.....	Title:.....
Firm Name (if not self-employed):		
Contact address :	City / State:	PIN:

Residence address:	City / State:	PIN:
Telephone (with State Code):	Mobile:	E-Mail address:
Bar Council Enrolment Number:		
<b>III SUBMISSION OF ORIGINAL INFORMATION</b>		
1. Is it a violation of securities laws? Yes / No		
2. If yes to question (1), please describe the type of violation:		
3. Has the violation: Occurred / Occurring / Potential to occur in future		
4. If the violation has occurred, date of occurrence: dd/mm/yy (in case exact date is not known, an approximate period may be entered)		
5. Have the individual(s) or their representatives had any prior communication(s) or representations with the Board concerning this matter? Yes (Details thereof) / No		
6. Does this violation relate to an entity of which the individual is or was an officer, director, counsel, employee, consultant or contractor? Yes (Details thereof) / No		
7. If yes to question (6), was the original information submitted first to your Head or internal legal and compliance office? Yes / No		
8. If yes question (7), then please provide, Date of submission of original information: dd/mm/yy		
9. Please describe in detail why you think the information submitted is a violation?		
10. What facts or supporting material is your allegation based on? Please attach any additional documents to this form, if necessary.		
11. Identify any documents or other information in your submission that you believe could reasonably be expected to reveal your identity and explain the basis for your belief that your identity would be revealed if the documents were disclosed to a third party.		
12. Provide details of connection amongst the Informant, the company whose securities are involved and the person against whom information is being provided:		
<b>IV. DECLARATION</b>		
I/we hereby declare that,-		
A. I/we have read and understood the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;		
B. I/we accept that mere furnishing of information by me/us does not by itself confer on me/us right to get reward and that I/we may not get any Reward at all. I/we would be bound by the decisions that the authority competent to grant reward may take;		
C. I/we accept that the Securities and Exchange Board of India is under no obligation to enter into any correspondence regarding action or inaction taken as a result of my/our information.		
D. I/we accept that the reward would be an ex-gratia payment which, subject to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, shall be granted at the		

absolute discretion of the competent authority. The decision of the authority shall be acceptable to me/us and I/we shall not challenge it in any litigation, appeal, adjudication, etc.

E. In the event of my/our death before the reward is paid to me/us, it may be paid to ..... (Details of nominee)

F. I/we declare that the information contained herein is true, correct and complete to the best of my/our knowledge and belief and not obtained from the categories of persons indicated in sub-regulation (2) and sub-regulation (6) of regulation 7G of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and agree to indemnify the Board in case it is not so found. I/we fully understand that I/we may be subject to action under securities laws as well as Section 182 of the Indian Penal Code, 1860 (45 of 1860) and ineligible for Reward if, in my/our submission of information or in any other dealings with the Board, I/we knowingly and wilfully make any false, fictitious, or fraudulent statements or representations, or use any false writing or document knowing that the writing or document contains any false, fictitious, or fraudulent statement.

Signature:.....

Date: dd/mm/yy

Place:

**V. CERTIFICATE BY LEGAL REPRESENTATIVE (where the information is submitted through legal representative)**

I hereby certify as follows,-

(a) I have reviewed the completed and signed Voluntary Information Disclosure Form for completeness and accuracy and the information contained therein is true, correct and complete to the best of my knowledge;

(b) I have irrevocable consent from the Declarant, to provide to the Securities and Exchange Board of India, the original Voluntary Information Disclosure Form in the event of a request for it from the Securities and Exchange Board of India due to concerns that the Informant has not complied with these regulations or where the Securities and Exchange Board of India requires the said information for the purpose of verification for declaring any gratuitous reward to the Informant or where the Securities and Exchange Board of India determines that it is necessary to seek such information to accomplish the purpose of the Securities and Exchange Board of India Act including for the protection of investors, sharing with foreign securities regulators and foreign and Indian law enforcement agencies, etc.;

(c) I am and shall continue to be legally obligated to provide the original Voluntary Information Disclosure Form without demur within seven (7) calendar days of receiving such request from the Securities and Exchange Board of India.

Signature:.....

Date: dd/mm/yy

Place:

**“SCHEDULE E**

[See regulations 7D and 7E]

*Form for Informant’s Reward Claim to be submitted to the Board within the time specified in the intimation of prima facie eligibility to receive an Informant Reward.*

All fields are mandatory

<b>I. PERSONAL INFORMATION</b>		
A. Informant: Last name:-----	First Name:-----	Title:-----
Address:	City / State:	PIN:
Telephone (with State code):	Mobile:	E-Mail Address:
Employment Details:	Permanent Account Number:	
<b>II ORIGINAL INFORMATION SUBMITTED</b>		
Online Acknowledgment Receipt Number: (Annex Original Form for Voluntary Information Disclosure, if not yet submitted to Securities and Exchange Board of India)		
Subject matter of submission:		Date of submission: dd/mm/20
Case Name:	SEBI Order No.:	Date: dd/mm/20
<b>III CONSIDERATION FOR REWARD</b>		
Provide any material information that may be relevant in light of the criteria for determining the amount of Reward or denial thereof. Include any supporting documents if necessary.		
<b>IV DECLARATION BY INFORMANT</b>		
<p>I/we hereby declare that,-</p> <p>A. I/we have read and understood the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;</p> <p>B. I/we accept that mere furnishing of information by me/us does not by itself confer on me/us right to get reward and that I/we may not get any Reward at all. I/we would be bound by the decisions that the authority competent to grant reward may take;</p> <p>C. I/we accept that the Securities and Exchange Board of India is under no obligation to pay any reward or enter into any correspondence regarding action or inaction taken as a result of this communication.</p> <p>D. I/we accept that the reward would be an ex-gratia payment which, subject to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, shall be granted at the absolute discretion of the competent authority. The decision of the authority shall be acceptable to me/us and I/we shall not challenge it in any litigation, appeal, adjudication, etc.</p> <p>E. In the event of my/our death before the reward is paid to me/us, it may be paid to ..... (Details of nominee)</p> <p>F. I/we declare that the information contained herein is true, correct and complete to the best of my/our</p>		

knowledge and belief and not obtained from the categories of persons indicated in sub-regulation (2) and sub-regulation (6) of regulation 7G of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and agree to indemnify the Board in case it is not so found. I/we fully understand that I/we may be subject to action under securities laws as well as Section 182 of the Indian Penal Code, 1860 (45 of 1860) and ineligible for an Informant Reward if, in my/our submission of information or in any other dealings with the Board, I/we knowingly and wilfully make any false, fictitious, or fraudulent statements or representations, or use any false writing or document knowing that the writing or document contains any false, fictitious, or fraudulent statement.

Signature:.....

Date: dd/mm/yy

Place:

**V CERTIFICATE BY LEGAL REPRESENTATIVE (where applicable)**

I hereby certify as follows,-

- (a) I have reviewed the completed and signed claim form for completeness and accuracy and the information contained therein is true, correct and complete to the best of my knowledge; and
- (b) The declarant is the person who signed the original Voluntary Information Disclosure Form.

Signature:.....

Date: dd/mm/yy

Place:

## **Appendix B**

### **An extract of Sections 15G and 24 the SEBI Act, 1992**

#### **15G. Penalty for insider trading**

If any insider who,—

(i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price-sensitive information; or

(ii) communicates any unpublished price-sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or

(iii) counsels, or procures for any other person to deal in any securities of any body corporate on the basis of unpublished price-sensitive information, shall be liable to a penalty which shall not be less than ten lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

#### **24. Offences**

(1) Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ten years, or with fine, which may extend to twenty- five crore rupees or with both.

(2) If any person fails to pay the penalty imposed by the adjudicating officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month but which may extend to ten years, or with fine, which may extend to twenty- five crore rupees or with both.