Prevention
of
Insider Trading
Version 5.0

Thomas Cook (India) Limited
15th May 2015

FOREWORD

In creating this handbook we have tried to reinforce and recapture the long unblemished history and values driven culture of Thomas Cook (India) Ltd. The Business Ethics and Integrity Program (Values That Work.....at Work) was implemented in February, 1998 and amended in January, 2015 and contains a section on Insider Trading and Stock Tipping which is applicable to all the TCIL employees, irrespective of their grade.

The Securities and Exchange Board of India (SEBI) promulgated the SEBI (Prohibition of Insider Trading) Regulations, 1992 which were subsequently amended on 20th February, 2002, 11th July, 2003, 23rd April, 2007, 19th November, 2008 and 16th August 2011. These regulations, as amended, prohibit any employee of a company, listed on any stock exchange, from dealing in the securities of their company while in possession of any unpublished price sensitive information. The designated persons are also prohibited from communicating or imparting, whether directly or indirectly, confidential information to any other person, who may then deal in the company's securities.

SEBI, therefore, required all listed companies to frame a specific code of internal procedures and conduct to ensure the adherence to provisions of these regulations. With this in mind we had organized our handbook in three parts: the TCIL directives, Frequently Asked Questions and the SEBI Regulations.

SEBI, has now, with the objective of bringing the basic framework governing the regime of Insider Trading practices in line with the dynamic global scenario and to tighten the gaps of existing norms, has notified the New Prevention of Insider Trading Regulations to be renowned as SEBI (Prohibition of Insider Trading) Regulations, 2015, on 15th January, 2015 and these will become effective 15th May, 2015.

SEBI's move is a significant step to ensuring confidentiality in the operations and to provide a well governed legal system of the corporate sectors on one hand and to

refrain any person from unfair trading in securities who has privilege of having access to unpublished information of any company.

This Code not only aims at meeting that regulation but also intends to define and translate these norms and parameters to all our employees in easily understood terms, in order to avoid any purposeful or innocent breach of company ethics. We must remember that our pride as a company and TCIL employees stems from ethical behaviour beyond compliance.

Thomas Cook (India) Limited is committed to good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of Professionalism, Growth and Building Shareholder Equity with principles of Fairness, Ethics and Corporate Governance in spirit.

With that pertinent reminder I take great pleasure in releasing **"Code of Conduct for Prevention of Insider Trading"** handbook effective 15th May, 2015 (Version 5.0). This version overrides all the earlier versions viz., 30th May, 2002 (Version 1.0), first reprinted on 16th June, 2006 (Version 2.0) then on 2nd July 2009 (Version 3.0) and 29th October 2012 (Version 4.0).

Madhavan Menon
Managing Director

THOMAS COOK (INDIA) LIMITED

CODE OF CONDUCT FOR:

1. **PREVENTION OF INSIDER TRADING**

AND

2. **PRINCIPLES OF FAIR DISCLOSURE FOR PURPOSES OF CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

AND

3. **STANDARDS FOR REGULATING, MONITORING AND REPORTING TRADING BY INSIDERS**

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CHAPTER – I- INTRODUCTION

1. INTRODUCTION:

Insider trading means dealing in Securities of a company by its Directors, Employees or other Insiders based on Unpublished Price Sensitive Information. 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 endeavour to protect the interests of investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 under the powers conferred on it under the SEBI Act, 1992. The new SEBI (Prohibition of Insider Trading) Regulations seem to be more promising and equipped to ensure better compliance and enforcement.

The Insider Trading Regulations prohibits an insider of a Company to deal in the securities of such Company while in possession of any Unpublished Price Sensitive Information. The Insider Trading Regulations also prohibits an insider to communicate, counsel or procure, whether directly or indirectly, any Unpublished Price Sensitive Information to any person including insiders, who while in possession of such information may deal in the securities of the Company listed or proposed to be listed.

Chapter IV of the Regulations, inter alia, requires all listed Companies to frame a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders as near thereto the Principles and Minimum Standards specified in Schedule A and Schedule B to the Regulations.

Every director, officer, designated employee of the company has a duty to safeguard the confidentiality of all the information obtained during the course of his /her employment at the company.

This code of conduct for Prevention of Insider Trading (the Code) shall come into force with effect from 15.05.2015.

2. BACKGROUND:

Thomas Cook (India) Limited is committed to good corporate governance and has consistently maintained its organizational culture as a remarkable confluence of high standards of Professionalism, Growth and Building Shareholder Equity with principles of Fairness, Ethics and Corporate Governance in spirit.

3. DEFINITIONS:

3.1 "**Board of Directors**" or "**Board**" shall mean the collective body of the Directors of the Company.

3.2 "**Code**" or "**this Code**" shall mean the "Code of Conduct for Prevention of Insider Trading" as amended from time to time.

3.3 "**Company**" or "**the Company**" shall mean Thomas Cook (India) Limited.

3.4 "**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;.

3.5 "**Connected Person**" means**:-**

a. 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**.**

b. 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, -

   1. an immediate relative of connected persons specified in clause (a); or
   2. a holding company or associate company or subsidiary company; or
   3. an intermediary as specified in Section 12 of the Securities and Exchange board of India Act or an employee or director thereof; or
   4. an investment company, trustee company, asset management company or an employee or director thereof; or
   5. an official of a stock exchange or of clearing house or corporation; or

6. 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
7. 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
8. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
9. a banker of the Company; or
10. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

3.6 "**Designated Person(s)**" shall include the following persons:

i) insider

ii) promoter or promoter group

iii) Directors of the Company

iv) permanent invitees / invitees to the board meetings and committee meetings including personal assistant / secretary;

v) members of executive committee of TCIL not being directors including personal assistant / secretary;

vi) employees in the cadre of Grade V and above

vii) personal assistant / secretary to all the above persons;

viii) all other employees irrespective of their cadre in central accounts finance treasury and tax departments, secretarial legal and compliance departments, internal audit department, trade relations and corporate communications department, and chief executive officer / managing director's department and chairman's department.

ix) persons employed on contract basis and performing similar roles or having similar responsibilities as persons mentioned in (iv) to (vi) above;

x) and such other persons as may be notified by the Compliance Officer.

3.7 "**Director**" means a member of the Board of Directors of the Company.

3.8 "**Generally available information"** means information that is accessible to the public on a non-discriminatory basis and information published on website.

3.9 "**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.

3.10 "**Insider**" means any person who is:

(a) A connected person; or

(b) In possession of or having access to UPSI;

3.11 "**Promoter**" means and includes:

(a) the person or persons who are in control of the issuer;

(b) the person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to public;

(c) the person or persons named in the offer document as promoters:

Provided that a director or officer of the issuer or a person, if acting as such merely in his professional capacity, shall not be deemed as a promoter:

Provided further that a financial institution, scheduled bank, foreign institutional investor and mutual fund shall not be deemed to be a promoter merely by virtue of the fact that ten per cent or more of the equity share capital of the issuer is held by such person;

Provided further that such financial institution, scheduled bank and foreign institutional investor shall be treated as promoter for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them;

3.12 "**Regulations**" or "**these Regulations**" means SEBI (Prohibition of Insider Trading), Regulations, 2015 as amended from time to time.

3.13 "**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 and includes:

(i) shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body corporate;

(ii) derivative;

(iii) units or any other instrument issued by any collective investment scheme to the investors in such schemes

(iv) security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(v) any certificate or instrument (by whatever name called), issued to an investor by any issuer being a special purpose distinct entity which possesses any debt or receivable, including mortgage debt, assigned to such entity, and acknowledging beneficial interest of such investor in such debt or receivable, including mortgage debt, as the case may be;

(vi) Government securities;

(vii) such other instruments as may be declared by the Central Government to be securities; and

(viii) Rights or interest in securities;

3.14 "**Stakeholders Relationship Committee**" shall mean the Stakeholders Relationship Committee of the Board of Directors of TCIL, duly constituted from time to time.

3.15 "**Stock Exchange**" means:

(i) BSE Limited and

(ii) National Stock Exchange of India Limited;

3.16 "**Takeover Regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

3.17 "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;

3.18 "**Trading day**" means a day on which the recognized stock exchanges are open for trading;

3.19 "**Unpublished Price Sensitive Information**" or "**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 the securities and shall, ordinarily including but not restricted to, information relating to the following: –

(iii) financial results;

(iv) dividends;

(v) change in capital structure;

(vi) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;

(vii) changes in key managerial personnel; and

(viii) material events in accordance with the listing agreement.

NOTE:

1. Words and expressions used and not defined in this Code 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 legislations.
2. This Code should be read together with Schedule A and Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as annexed below **(See Annexure 12 & Annexure 13)**.

CHAPTER – II- CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

1. APPLICABILITY:

This Code shall be applicable to all the designated persons, their immediate relatives, officers of the Company and to the insiders.

2. COMPLIANCE OFFICER:

SEBI has enhanced the role & responsibilities of a Compliance Officer for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI & implementation of codes specified in the Regulations.

2.1 In view of the foregoing, the Board of the Company has appointed the Company Secretary as the Compliance Officer to ensure compliance for effective implementation of these Regulations and also this Code across the Company. The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee every quarter or at such frequency as may be stipulated by the Board of Directors.

2.2 The Compliance Officer shall hold the position so long as he/she is in the employment of the Company. In his absence, or till such time a successor is appointed, the Managing Director shall, in the interim period act as the Compliance Officer.

2.3 In order to discharge his/her functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure and also be authorised to seek necessary declarations for pre-clearance 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 to the Securities of the Company.

2.4 The Compliance Officer shall be responsible for all communications and filings with SEBI in connection with all matters relating to the administration of the Code and other requirements under the Regulations.

2.5 The Compliance Officer shall also be the chief investor relations officer to deal with dissemination of information and disclosure of material information.

2.6 DUTIES OF THE COMPLIANCE OFFICER:

The Compliance Officer shall be responsible for:

- Prescribing procedures for various activities referred to in the Code.
- Monitoring adherence to the regulations for the preservation of "UPSI".
- Grant of pre-clearance approvals to the Designated Persons for dealings in the Company's Securities by them / their Immediate Relatives and monitoring of such dealings.

- Maintenance of a record of designated persons as specifically (provided in **Annexure 1**) and changes provided thereto from time to time.
- Maintaining confidentially a list of securities as a "restricted list" which shall be used as a base for approving or rejecting applications for pre-clearance of trades
- Maintenance of a record of prohibited periods specified from time to time.
- The Compliance Officer shall assist all the Employees in addressing any clarifications regarding the Regulations and this Code.
- Determination of trading window closure and re-opening periods.
- The Compliance Officer shall approve and publicly disclose the trading plan presented to him/her by the insider after which trades may be carried out on behalf of the insider in accordance with such plan.
- The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the 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.
- In case any insider is in possession of UPSI at the time of formulation of trading plan, the Compliance Officer shall confirm that unless such UPSI becomes generally available the commencement of any trading plan shall be deferred.
- The Compliance Officer shall notify the trading plan to the stock exchanges on which the securities of the Company are listed.
- The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, preservation of UPSI, 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 the organisation.
- Ensuring that information shared with Analysts and Research Personnel is not UPSI.
- Ensure that appropriate and fair response is given to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 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.

3. RESPONSIBILITIES OF DIRECTORS, OFFICERS ETC.:

3.1 PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

3.1.1 All the Designated Persons shall maintain confidentiality of all UPSI ("UPSI") coming into their possession or control.

3.1.2 Further, the Designated Persons and their Immediate Relatives shall not:

i. Communicate, provide, or allow access to any UPSI, relating to a company or securities listed or proposed to be listed, to any person.

ii. Trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI.

iii. All Directors / Officers / Designated Persons and / or their Immediate Relatives shall also not take positions in derivative transactions in the securities of the Company at any time.

3.2 NEED TO KNOW:

3.2.1 UPSI is to be handled on a "need to know" basis, i.e. it should be disclosed only to those within the company who need the information to discharge their duty and whose possession of such information will not give rise to conflict of interest or appearance of misuse of information.

3.2.2 UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–

- entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company;
- not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute UPSI 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.

Where such UPSI has been communicated, provided, allowed access to or procured in connection with the aforesaid matters, the Board shall require the concerned parties to execute agreements to contract confidentiality and non-disclosure obligations (see **Annexure 2**) on the part of such parties and such parties shall keep information so received confidential, except for the above mentioned purposes, and shall not otherwise trade in securities of the Company when in possession of UPSI.

3.2.3 Norms for Chinese walls procedure and process for permitting any Designated Person to cross the wall:

(a) To prevent the misuse of UPSI, the organisation shall adopt a "Chinese Wall" policy which separates those areas of the organisation / firm which routinely have access to UPSI, considered "inside areas" from those areas which deal with sale / marketing / investment advise or other departments providing support services, considered "public areas".

(b) The employees in the inside area shall not communicate any Unpublished Price Sensitive Information to anyone in public area.

(c) The employees in inside area shall be physically segregated from employees in public area.

(d) Demarcation of the various departments as inside area shall be implemented by the organisation.

(e) In exceptional circumstances employees from the public areas may be brought "over the wall" and given UPSI on a "need to know" basis, under intimation to the Compliance Officer.

3.3 LIMITED ACCESS TO CONFIDENTIAL INFORMATION:

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

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

3.4 TRADING PLANS:

3.4.1 An Insider has an option to formulate a Trading Plan for dealing in securities of the Company & present it to Compliance Officer for approval & public disclosure.

3.4.2 Trading Plan shall:

(i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;

(ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;

(iii) be for a period of at least twelve months.

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

(v) set out value of trades to be effected or number of securities to be traded along with the nature of trade; and also the intervals at, or dates on which such trades shall be executed; and

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

3.4.3 The Compliance Officer shall consider and assess the Trading Plan made as above and may approve it with such additional express undertakings to be taken from the Insider as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

3.4.4 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation.

In such case, the commencement of the Plan shall be deferred until such UPSI becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

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

CHAPTER – III- TRADING RESTRICTIONS

1. TRADING WINDOW:

1.1. All Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of or otherwise deal in the Company's securities during the period when the trading window is closed.

1.2. Unless otherwise specified by the Compliance Officer, the Trading Window for Dealing in Securities of the Company shall normally be closed for a period of seven (7) days prior to and two (2) Days after a Board Meeting held for the following purposes-

a. Declaration of financial results (quarterly, and annual) stand alone and consolidated,
b. Declaration of dividends (interim and final);
c. Issue of Securities by way of public / rights / bonus etc.;
d. Any major expansion plans or execution of new projects;
e. Amalgamation, mergers, de-mergers takeovers and buy-back;
f. Changes in key managerial personnel;
g. Material events in accordance with the listing agreement;
h. Changes in Capital Structure;
i. Disposal of whole or substantially whole of the undertaking, and
j. Any significant changes in policies, plans or operations of the Company.
k. Such other events as the Compliance Officer may determine.

In case of ESOPs, exercise of stock options or sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

1.3. 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 UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates. Designated persons and their Immediate Relatives shall not trade in securities when the trading window is closed.

1.4. The Compliance Officer shall determine the time for re-opening the trading window after taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which shall not be earlier than 48 hours after the information becomes generally available.

1.5. The trading window shall also be applicable to, *inter alia*, the following persons in relation to the Company:

1. Auditors
2. Accountancy firms

3. Law firms
4. Analysts, Consultants
5. Any other person/entity assisting or advising the Company.

When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above such thresholds as specified hereunder.

However, if the circumstances so warrant, the time for closing the window may be increased or decreased by the Compliance Officer.

2. PRE-CLEARANCE OF DEALS IN SECURITIES:

2.1 Every Designated Person shall obtain a pre-clearance approval as per the procedure prescribed hereunder. For any dealing in any Securities of the Company proposed to be undertaken by such Designated Person / his /her Immediate Relative. Such pre-clearance approval would be necessary, only if the cumulative dealing in any month exceeds:

(a) 2500 (Two thousand five hundred) securities or

(b) market value of Rs. 5,00,000/- (Rupees Five Lakh),

whichever is lesser.

However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of UPSI even if the trading window is open and, hence, he shall not be allowed to trade.

2.2 The pre-dealing procedure shall be hereunder:

- ✓ For the purpose of obtaining a pre-clearance approval, the concerned Designated Person shall make an application in the prescribed form (see **Annexure 3**) to the Compliance Officer.
- ✓ Such application should be complete and correct in all respects and should be accompanied by such undertakings (see **Annexure 4**) declarations, indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time.
- ✓ Within 2 (two) Working Days of the receipt of the application together with the necessary undertaking, the Compliance Officer shall either clear the requested deal or refuse to clear the deal by giving the reasons therefor in writing;
- ✓ In case any transaction has been refused, the Designated Person shall be free to re-apply for pre-clearance of the transaction, which was refused, to the Chairman of the Audit Committee of the Company. The decision of the Chairman of the Audit Committee in this regard shall be final.
- ✓ All Designated Persons / his /her Immediate Relative shall execute the order in respect of securities of the Company within 7 (seven) trading days from the

receipt of pre-clearance approval. The Designated Person / his /her Immediate Relative shall file within 2 (two) trading days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed by the Designated Person/ his /her Immediate Relative.

- ✓ If the order is not executed within seven (7) trading days from the receipt of approval, the Designated Person must pre-clear the transaction again.

2.3 Designated person who is permitted to trade shall not execute a contra trade for six months from the date of entering into a transaction. 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.

2.4 Where any contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be surrendered for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

CHAPTER-IV- REPORTING & DISCLOSURE REQUIREMENTS

1. REPORTING REQUIREMENTS:

1.1. All Directors/ officers/ designated persons shall be required to forward the following details of their securities / transactions including the transactions made by their Immediate Relatives to the Compliance Officer in the formats attached to this Code:

- All holdings / nil holdings in securities of that Company by directors/ officers/ designated persons at the time of joining the Company. Such disclosure shall be in the form specified in **Annexure 5** and shall be delivered to the Compliance Officer within 15 (fifteen) days from the date of joining TCIL;
- A six monthly statement of any transactions in securities subject to the provisions of this Code in the form specified in **Annexure 6**; and
- Annual statement of all holdings in securities as on 31st March every year. Such disclosure shall be in the form specified in **Annexure 7** and shall be delivered to the Compliance Officer on or before 15th April every year.

The above reporting requirements shall be in addition to the pre-clearance applications and post-deal disclosures.

1.2. The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors/ officers / designated persons for a minimum period of five years.

1.3. The Compliance Officer shall place before the Stakeholders Relationship Committee, on a regular basis, whenever the Committee meets, all the details of the dealing in securities by the Designated Persons and/or the Immediate Relatives and the accompanying documents that such Designated Persons had executed under the pre-clearing procedure.

2. DISCLOSURES:

2.1 The disclosures to be made hereunder are in addition to the disclosures hereinabove mentioned and shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

(A) Initial Disclosures:

(a) Every promoter, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose in prescribed format (see **Annexure 8**) its/ their/ his/ her holding of securities of the company as on the date of these regulations taking effect, to the company within 30 (thirty days) of these regulations taking effect.

(b) Every key managerial personnel or a director and promoter of the company on his/ her/ its/ their appointment shall disclose in prescribed format (see **Annexure 9**) his/ her/ its/ their holding of securities of the company as on the date of appointment or becoming a promoter, to the company within 7 (seven) days of such appointment or becoming a promoter.

(B) Continual Disclosure:

Every Designated Person and promoter, employee and director of company shall disclose (see **Annexure 10**) to the company the number of such securities acquired or disposed of 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. 10,00,000/- (Rupees Ten Lakh).

(C) Disclosures by other connected persons:

The company may require from connected persons, as defined in this Code, to make disclosures in prescribed format (see **Annexure 11**) of holdings within 15 (fifteen) days of being so connected with the Company and of trading in securities of the Company within 2 (two) trading days of such trading respectively.

2.2 Disclosure by Company to Stock Exchange:

The Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within 2 (two) trading days of receipt of the disclosure or from becoming aware of such information.

2.3 The Compliance Officer shall maintain records of all the above disclosures in an appropriate form for a minimum period of 5 (five) years from the date of the filing thereof.

CHAPTER- V- MISCELLANEOUS

1. DISSEMINATION OF PRICE SENSITIVE INFORMATION:

1.1. No information shall be passed by a Designated Person by way of making a recommendation for the purchase or sale of securities of the Company.

1.2. No information shall be passed by a Designated Person by way of Disclosure/ dissemination of UPSI with special reference to analysts, media persons and institutional investors.

1.3. The Company will promptly make a public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

1.4. The Company will make a uniform and universal dissemination of UPSI thus avoiding selective disclosure.

1.5. The Company will make prompt public dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise.

2. PENALTY FOR CONTRAVENTION:

2.1. Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/ her Immediate Relatives).

2.2. Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.

2.3. Designated Person who violates this Code shall also be subject to disciplinary action by the Company, which may include wage freeze, ineligibility for future participation in employee stock option plans, suspension, termination of employment/ engagement and such other actions as may be deemed appropriate by Stakeholders Relationship Committee of the Board of Directors of the Company.

2.4. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

3. INFORMATION:

3.1. Where there is a violation of regulations, the Board of Directors of the Company shall promptly inform SEBI about such violation.

4. CLARIFICATIONS:

4.1. For all queries concerning this Code, the Directors, Officers and Employees may please contact the Compliance Officer.

ANNEXURE 1

SPECIMEN OF REGISTER OF DESIGNATED PERSONS

(To Be Maintained by Compliance Officer)

Sr. No.	Name of Employee	Grade	Dept	Location	Name of Immediate Relative	Date of joining	Date of ceasing	Remark

ANNEXURE 2

Agreement for Confidentiality and Non-dealing in TCIL Securities

(On TCIL Letterhead)

Date

To

Name of the consultant/ advisor

Address

Dear Sir,

We have agreed to appoint you as our advisor / consultant / auditor / banker / merchant banker / share transfer agent / registrar to an issue / debenture trustee / broker / portfolio manager / investment advisor / sub-broker / investment company in respect of our business and in this connection would provide you from time to time various information related to Thomas Cook (India) Ltd. (TCIL) and/or its group and associate company/ies (hereinafter collectively referred to as "Thomas Cook") which is not available to the general public or is proprietary in nature (such oral or written information and all copies of, extracts from, analysis and other materials based on, containing or otherwise reflecting such information shall herein be referred to as the "Information"). As a condition to you being furnished with any Information and as consideration for such, you (the "Recipient") agree as follows:

(1) (a) Non-disclosure: Recipient recognizes and acknowledges the competitive value of the Information and the damage that could result from the disclosure thereof to third parties. Accordingly, Recipient agrees to keep the Information strictly confidential and Recipient will not, without the prior written consent of TCIL, disclose the Information to any third party in any manner whatsoever, in whole or in part, except that Recipient may disclose the Information to those of Recipient's directors, officers, employees, agents or other representatives (collectively, "Representatives") who (i) need to know the Information for the purpose for which the Recipient has been appointed (ii) have been informed of the confidential nature of the Information and (iii) have agreed in writing to keep the Information confidential and be bound by the terms of this Agreement as if they were parties hereto. Recipient agrees to be responsible for and to indemnify

Thomas Cook and its representatives against any breach by any of Recipient's Representatives of the matters referred to herein.

(b) Restrictions on Use: The Information will not, without the prior written consent of TCIL, be used by Recipient or its Representatives, directly or indirectly, for any purpose other than the purpose for which the Recipient has been appointed and such use shall absolutely cease at the request of TCIL. In addition, Recipient hereby acknowledges that Recipient is aware (and, if applicable, that Recipient's Representatives have been advised) that Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 prohibit any person, who has material non-public information about a company, from purchasing or selling securities of such company or from communicating such information to a third party under circumstances in which it is reasonably foreseeable that such third party is likely to purchase or sell such securities.

(c) Return of Information: Upon the request of TCIL, Recipient shall, and shall cause its Representatives to, promptly return all Information to TCIL, without retaining any copies, summaries or extracts thereof. In the event of such request, all documents, analysis, compilations, studies or other materials prepared by Recipient or its Representatives that contain or reflect Information shall be destroyed and no copy thereof shall be retained (such destruction to be confirmed in writing by a duly authorized officer of Recipient). Notwithstanding the return or destruction of the Information, Recipient and its Representatives shall continue to be bound by their obligations of confidentiality and other obligations hereunder. With respect to those portions of the Information that consist of analysis, compilations, studies or other materials prepared by Recipient or its Representatives, TCIL may, in its sole discretion, permit the retention of such Information for evidentiary purposes. Notwithstanding such retention, Recipient and its Representatives shall continue to be bound by their obligations of Confidentiality and other obligations hereunder.

For purpose of this Agreement, the term "Information" shall not include such portions of the Information that (i) are or become generally available to the public other than as a result of disclosure by Recipient or its Representatives, (ii) become available to Recipient on a non-confidential basis from a source not subject to a confidentiality obligation to Thomas Cook, whether by contractual, legal or fiduciary obligation or otherwise or (iii) were, as evidenced by written records or

other documentation satisfactory to TCIL, in Recipient's possession on a non-confidential basis prior to TCIL's disclosure to Recipient.

(2) Without TCIL's prior written consent, Recipient shall not and Recipient shall cause each of its Representatives not to, directly or indirectly, alone or in concert with others deal in Securities of TCIL or encourage any third party to deal in Securities of TCIL. The term "Securities of TCIL" shall mean and include the equity shares of TCIL and such other securities issued by TCIL and listed on any recognised Stock Exchange. The term "deal" used herein shall mean to subscribe, buy, sell or agreeing to subscribe, buy, sell or deal, directly or indirectly, in Securities of TCIL by any person either as principal or agent.

(3) In the event that Recipient or its Representatives are requested or become legally compelled (by oral questions, interrogatories, requests for information or documents, subpoena, investigative demand or similar process) to disclose any of the Information, Recipient and its Representatives will promptly provide TCIL with written notice so that TCIL may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or other remedy or waiver, Recipient or its Representatives are, in the opinion of TCIL's counsel, legally compelled to disclose such Information to any tribunal or else, in the opinion of TCIL's counsel, stand liable for contempt or suffer other censure or penalty, Recipient or its Representatives will furnish only that portion of the Information which is legally required to be furnished and each will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded to such Information.

(4) The Recipient hereby agrees that money damages could be only a part remedy for any breach or threatened breach of this Agreement by the Recipient or its Representatives. In addition to the money damages, TCIL shall be entitled, without the requirement of posting a bond or other security, to specific performance and injunctive or other equitable relief in the event of any such breach or threatened breach, in addition to all remedies available to TCIL at law or in equity. In the event of litigation relating to this Agreement, if a court of competent jurisdiction determines that the Recipient has breached this Agreement, then the Recipient shall be liable and pay to the non-breaching Party the legal fees and expenses incurred by Thomas Cook in connection with such litigation, including any appeals therefrom.

(5) The Recipient further agrees to indemnify, defend, and hold harmless Thomas Cook and its affiliates and all directors, officers, employees, agents, advisors or other representatives thereof (each an "Indemnified Person") from and against any losses, claims, damages or liabilities arising out of a breach or alleged breach of this Agreement and to reimburse each Indemnified Person for all costs and expenses (including counsel fees) incurred in connection therewith. Such indemnity agreement shall be in addition to any other liabilities that may be available to any Indemnified Person.

If you agree to the terms and conditions of this Agreement, please indicate your acceptance by signing and returning to the undersigned the duplicate copy of this Agreement.

Yours faithfully,

For Thomas Cook (India) Ltd.

By: _____

Name:

Designation:

Agreed to as of the

date first written above:

for _____ (name of the consultant / advisor / etc.)

By: _____

Name:

Designation:

ANNEXURE 3

SPECIMEN OF APPLICATION FOR PRE-CLEARANCE APPROVAL

Date:

To,

The Compliance Officer,

Thomas Cook (India) Limited,

Dear Sir / Madam,

Application for Pre-clearance approval in securities of the Company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sell / subscribe _____ securities or around Rs. _____ in market value of securities of the Company as per details given below:

1.	Name of the applicant	
2.	Designation	
3.	Number of securities held as on date	
4.	Folio No. / DP ID / Client ID No.	
5.	The proposal is for (strike off unwanted)	(a) Purchase of securities (b) Sale of securities (c) Subscription to securities
6.	Whether any opposite transaction was entered into during the last six (6) months	YES NO
7.	Estimated number of securities proposed to be purchased / subscribed / sold	
8.	Whether the proposed transaction will be through stock exchange or off-market deal	
9.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited (if same as in 4. above, mention so, else give details)	

I agree to not enter into an opposite transaction i.e. Sell or Buy (strike off whichever is not applicable) any number of securities during the next six months following this transaction.

I also agree to not take positions in derivative transactions in the shares of the Company at any time during my employment with TCIL.

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

_____

(Name of Employee)

ANNEXURE 4

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

UNDERTAKING
(On Rs. 100/- Stamp Paper/ Franked Paper)

To,

Thomas Cook (India) Limited,

I, _____, _____ of the Company residing at _____, am desirous of dealing in _____ (indicate number of shares/ market value) shares / Rs. _____ worth market value of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

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

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

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

I undertake to submit the necessary report within two (2) trading days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

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

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

Date: _____

Signature: _____

Name: _____

Annexure 5

Initial Disclosure by Designated Persons
(On Plain Paper)

Date:
To
The Compliance Officer
Thomas Cook (India) Limited
Dr. D. N. Road, Fort,
Mumbai – 400 001

Internal use
Recd date and time:
Sign:

NAME OF DESIGNATED PERSON: _____

 # EMPLOYEE NO. _____ **GRADE** _____
DEPARTMENT _____ **LOCATION** _____
DATE OF APPOINTMENT _____

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and TCIL Code, I hereby declare that I have the following Immediate Relatives:

Sr. No.	Name of the Immediate Relatives:	Relationship with the Designated Person
	(name of spouse)	
	(name(s) of dependent children)	
	(name(s) of dependent parent(s))	
	(name(s) of dependent brother(s)/sister(s))	

(*Note: Dependent means any of the above, who is either dependent financially on you, or, if not financially dependent on you, still consults you in taking decisions relating to trading in securities.*)

I hereby declare that I / my Immediate Relatives hold the following demat account(s)

- but do not hold Thomas Cook (India) Limited (TCIL) Securities as on date OR
- and hold TCIL Securities as per the details given below:

(Provide the demat account details even if you / your immediate relatives do not hold TCIL securities but hold a demat account)

Name of holder / Immediate Relative	*S/F/J	Folio No. (physical form)	No of Securities	DP ID and CLIENT ID (electronic form)	No of Securities

* "S" sole holder / "F" first holder / "J" joint holder

I hereby undertake to approach the Compliance Officer for pre-clearance approval in case of any proposed Dealing (buying/selling/subscribing/acquiring) in TCIL Securities in respect of the above mentioned holders.

I hereby declare that the above details are true, correct and complete in all respects.

Signature: _____ Name: _____

Employee No: _____ Department: _____

Location: _____

Applicable only where the designated person is TCIL employee

Annexure 6

Half Yearly Disclosure by Designated Persons
(On Plain Paper)

Date: _____

The Compliance Officer
Thomas Cook (India) Limited
Dr. D. N. Road, Fort,
Mumbai – 400 001

Dear Sir,

SUB: HALF YEARLY TRANSACTION STATEMENT

For the half year ended 30th September, _____, I hereby declare that I / my Immediate Relatives

- have not dealt in Thomas Cook (India) Limited (TCIL) Securities OR
- have dealt in TCIL Securities as per the details given below:

Name of holder / Immediate Relative	*S / F / J	Opening balance	No. of Securities dealt with during the 6 months	Date of deal (s)	Bought / Sold / Subscribed	Price per security (Rs)	Closing balance	DP ID No & CLIENT ID (electronic form) or Folio no. (physical) where the Securities will be debited or credited

strike out whichever is not applicable

* "S" sole holder / "F" first holder / "J" joint holder

In connection with the aforesaid dealing(s), I hereby undertake to preserve, for a period of 3 (three) years and produce to the Compliance Officer / SEBI any of the following documents:

1. Broker's contract note
2. Proof of payment to / from brokers
3. Extract of bank passbook / statement (to be submitted in case of demat transactions)
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

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

I declare that I have not entered into an opposite transaction i.e. Sell or Buy (strike off whichever is not applicable) for any number of securities during the **six months** of the aforesaid transaction / s.

I also agree to not take positions in derivative transactions in the shares of the Company at any time during my employment with TCIL.

I hereby declare that the above details are true, correct and complete in all respects.

Signature: _____ Name: _____

Employee No: _____ Department: _____

Location: _____

Annexure 7

Annual Disclosure of Holdings by Designated Persons
(On Plain Paper)

Date: _____

The Compliance Officer
Thomas Cook (India) Limited
Dr. D. N. Road, Fort,
Mumbai – 400 001

Dear Sir,

ANNUAL STATEMENT OF SHAREHOLDINGS IN THOMAS COOK (INDIA) LIMITED

As on 31st March_____, I / my Immediate Family Members, have the following Demat Accounts in our respective names.

Further, I / my Immediate Family Members, in the capacity of Sole holder / First holder / Joint holder *hold / do not hold the Securities of the Company, details whereof are as under:

Description of Securities:

Name of Holder	**S / F / J	**Folio No. (Physical Form) AND / OR DP ID & CLIENT ID (Electronic Form)**	**No. of Securities**
_____ (Self)		*(Pls provide these details even if holding in TCIL is NIL)*	xxx / NIL
_____ (Spouse)		*(Pls provide these details even if holding in TCIL is NIL)*	xxx / NIL
_____ (Dependent child / children)		*(Pls provide these details even if holding in TCIL is NIL)*	xxx / NIL
_____ (Dependent Parent / s)		*(Pls provide these details even if holding in TCIL is NIL)*	xxx / NIL
_____ (Dependent brother(s) / sisters(s))		*(Pls provide these details even if holding in TCIL is NIL)*	xxx / NIL

(*Note: Dependent means any of the above, who is either dependent financially on you, or, if not financially dependent on you, still consults you in taking decisions relating to trading in securities.*)

* strike out whichever is not applicable
** "S" sole holder / "F" first holder / "J" joint holder

Yours faithfully,

Signature: _____ Name: _____

Employee No: _____ Department: _____

Location: _____

ANNEXURE 8

FORM A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (a) read with Regulation 6 (2)]

Name of the company: _____

ISIN of the company: _____

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/ DIN & address with contact nos.	Category of Person (Promoters/KMP/ Directors/Immediate relatives/ others etc.)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		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
1	2	3	4	5	6		7	

ANNEXURE 9

FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2)]

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 of a listed company and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN/ DIN & Address with contact nos.	Category of Person (Promoters/ KMP/ Directors/ Immediate relatives/ others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/ appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/ appointment of Director/ KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/ appointment of Director/ KMP	
			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
1	2	3	4	5	5	6		7	

ANNEXURE 10

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2)]

Name of the company: _____

ISIN of the company: _____

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN / DIN, & address of Promoter / Employee / Director with contact nos.	Category of Person (Promoters / KMP / Directors / immediate relatives / others etc.)	Securities held prior to acquisition / disposal		Securities acquired / Disposed		% of shareholding		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.	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 Debenture s etc.)	No.	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre-transaction	Post-transaction	From	To			Buy		Sell		
												value	No of units (contracts * lot size)	value	No of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

ANNEXURE 11

Form D (Indicative format)

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7(3) – Transactions by Other connected persons as identified by the Company]

Name of the company: _____

ISIN of the company: _____

Transactions by Other connected persons as identified by the company

Name, PAN, CIN/DIN, & address of Promoter/ Employee / Director with contact nos.	Connection with company	Securities held prior to acquisition/ disposal		Securities acquired/ Disposed		% of shareholding		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.	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 Debenture s etc.)	No.	Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre-transaction	Post-transaction	From	To			Buy	Sell	

ANNEXURE 12

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

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

ANNEXURE 13

Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders

- 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.
- 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 the insider's legitimate purposes, performance of duties or discharge of his 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".
- Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.
- 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 office 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.
- 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. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.
- 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. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

- The 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 preclearance of trades.
- 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.
- 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.
- 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.
- 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, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.
- 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 etc., that may be imposed, by the persons 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.
- The code of conduct shall specify that in case it is observed by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these regulations, they shall inform the Board promptly.

THE GAZETTE OF INDIA

EXTRAORDINARY

PART – III – SECTION 4

PUBLISHED BY AUTHORITY

NEW DELHI, JANUARY 15, 2015

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 15th January, 2015

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

No. LAD-NRO/GN/2014-15/21/85.- In exercise of the powers conferred by section 30 read with clause (g) of sub-section (2) of section 11 and clause (d) and clause (e) of section 12A of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof, namely:—

CHAPTER – I

PRELIMINARY

Short title and commencement.

1. (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;

(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, 2009 or any modification thereof;

(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

(vi) material events in accordance with the listing agreement.

***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 organisations 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.*

(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 company is of informed opinion that the proposed transaction 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 company is of informed opinion that the proposed transaction 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.

***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 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.

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:

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 promoters 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;

(ii) 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;

(iii) 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.*

(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, 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 shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

(2) *Continual Disclosures.*

(a). Every promoter, employee 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 – 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 market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.

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

(2) 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 employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.

***NOTE**: This provision is intended to mandate persons other than listed companies and market intermediaries that are required to handle unpublished price sensitive information to formulate a code of conduct governing trading in securities by their employees. These entities include professional firms such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising listed companies, market intermediaries and other capital market participants. 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, market 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.*

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. 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.

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) and sub-regulation (2) of regulation 9]

Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders

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.

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 the insider's legitimate purposes, performance of duties or discharge of his 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. Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

4. 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.

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. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

6. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.

12. 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 etc., that may be imposed, by the persons 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.

13. The code of conduct shall specify that in case it is observed by the persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these regulations, they shall inform the Board promptly.

U. K. SINHA
CHAIRMAN
SECURITIES AND EXCHANGE BOARD OF INDIA

FORM A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (a) read with Regulation 6 (2)]

Name of the company: _____

ISIN of the company: _____

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For eg. – 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
1	2	3	4	5	6		7	

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature:

Designation:

Date:

******

Place:

FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6(2)]

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 of a listed company and other such persons as mentioned in Regulation 6(2).

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP / Directors/immediate relatives/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP		Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP	
			Type of security (For eg. – 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
1	2	3	4	5	5	6		7	

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature:

Designation:

Date:

Place:

******

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (2) read with Regulation 6(2)]

Name of the company: _____

ISIN of the company: _____

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

Name, PAN No., CIN/DIN, & address of Promoter/ Employee / Director with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		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.	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Signature:

Designation:

Date:
Place:

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Form D (Indicative format)

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

Regulation 7(3) – Transactions by Other connected persons as identified 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 prior to acquisition/disposal		Securities acquired/Disposed		% of shareholding		Date o 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.)	Trading in derivatives (Specify type of contract, Futures or Options etc)				Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Buy		Sell		
												Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

Note: *"Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

Name:

Signature:

Date:

Place:

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