



**CimplifyFive's Report
On The Policies for
Prohibition of
Insider Trading
A Study of the
Nifty 50 Companies**

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General Information: CimplifyFive Corporate Secretarial Services (CimplifyFive) has prepared this report to craft a model Code of Conduct and Code of Fair Disclosures to regulate Insider Trading in Listed companies by analyzing the evolution of the concepts and regulations, the existing mandates and the Disclosures made by the Nifty 50 companies with the intent of disseminating it to all Corporates in general and the Company Secretaries and Chartered Accountants in particular. This report is not intended to act as a recommendation or condemnation of any practice, company or firm covered in this report.

Risk Warning: CimplifyFive will not be responsible for any loss or damage arising to anyone using any information contained in this report.

Source of Information: CimplifyFive has used the version of the Codes found in the website of Nifty 50 companies during the period June to September 2018.

Limitations: Corporate professionals with adequate experience have undertaken this study. Further, a due process of checks and verifications to ensure accuracy of this report has been followed. This should have eliminated all errors from this report. If any points in the nature of errors are brought to our notice and we agree with the same, CimplifyFive will rectify the report at the earliest and have the revised report available on its website - www.cimplifyfive.com. CimplifyFive does not accept any loss or damage caused to any individual, company, professional or institution by use of this report.

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1. Editorial Note: Why, What & Who

Dear Reader,

Only when there is fair play, markets are an effective instrument and sustainable means to promote trade. A critical element of fair play involves providing a level playing field to all buyers and sellers. If any one category of buyer or seller gains at the cost of the other, the market itself becomes unsustainable and fails. To revitalize markets, an external intervention is required in the form of regulations that is enforced. Prohibition of insider trading is a regulation introduced to revitalize stock markets and create a fair playing field. When enforced, it results in reduced cost of equity that spurs market activities. In fact, one multi-country research report that spans multi-decades has quantified reduction in cost of equity by about 5%, if the insider trading laws are strictly enforced.¹

For the regulators, enforcing prohibition of insider trading regulations is a tough task as circumstantial evidence alone is not enough to get conviction and they need more definitive proofs. Given the fact that stock markets become more attractive when the regulations are enforced, and its enforcement is tough, the behaviour of market participants, especially the companies who are the source of insider information is very critical.

Given this criticality, we have analysed the Policy on Prohibition of Insider Trading and the Code of Fair Disclosure of UPSI (Unpublished Price Sensitive Information) as formulated and disclosed by the Nifty 50 companies in their website. We have picked the Nifty 50 companies as they represent the elite of the corporate world. The policy formulated by the companies not only reveal the thinking of the company in this matter, but it also provides valuable information on the systems, processes and administration of this policy.

Based on our study, we have also drafted a model Code on Prohibition of Insider Trading for companies to consider and adopt, with or without modifications.

This study is undertaken by CimplifyFive Corporate Secretarial Services Private Limited, a company with the vision to 'leverage research and technology to eliminate procedural non-compliance for entities regulated by the Companies Act, 2013'

We look forward to your feedback to enrich this study. Please share your valuable feedback with us at contact@cimplifyfive.com

Yours Sincerely,



Shankar Jaganathan
Founder & Chief Executive
CimplifyFive Corporate Secretarial Services Private Limited
September 19, 2018

¹The World Price of Insider Trading, Utpal Bhattacharaya & Hazem Daouk, https://faculty.fuqua.duke.edu/~charvey/Teaching/BA453_2005/BD_The_world.pdf

2. Top 5 Takeaways

1. The **deterrent element in Prohibition of Insider Trading is very critical**, as circumstantial evidence alone is not enough to obtain conviction in insider-trading cases. Hence the policies framed for Prohibition of Insider Trading and its dissemination plays a key role in creating a fair market for securities.

Given this presumption, the mandate only requires the listed companies to formulate and disclose on their website 'the Code for Fair Disclosure'. Regarding the other leg in the Prohibition of Insider trading regulations, listed companies are only required to formulate 'the Code of Conduct' to regulate, monitor and report trading by Insiders. However, this code is not required to be disclosed on their website, thereby not providing a discerning investor with information to evaluate how a company interprets and administers the code of conduct for regulating insider trading.

2. Though the Code for Fair Disclosure of UPSI is required to be formulated and disclosed on the website of listed companies, it is **not easy to find the Code in their website**, as there is no specific place where this policy can be found in the website, as companies have placed it under different tabs.

Further, companies have also used different titles for the Code for Fair Disclosure, thereby compounding the challenge of finding the code even if the search facility is used.

3. Looking into the spirit of compliance with the Code for Fair Disclosure, the evidence is clear that the **level of compliance in many companies is only at the letter of law**, as 40% (20 of the Nifty 50 companies) have only reproduced the Principles as listed out in the Schedule-A of SEBI (Prohibition of Insider Trading) Regulations, 2015. Even among the companies that have formulated a Code of Fair Disclosure, the spirit of compliance varies significantly, as many companies have clauses that only reproduce the legal provision.

4. **Despite companies not being required by the mandate to disclose** on their website the Code of Conduct for Insider Trading, **18 companies have disclosed it**. A trend that augurs well for promoting good corporate governance. Further in many of these 18 companies, the Codes have also captured elements of how it would be implemented thereby enhancing the investor confidence in these companies.

5. A best practice, disclosed by TATA Steel in their Code of Fair Disclosure is worthy of being mandated, this is **regarding delayed-use agreement with analysts/ investors/ potential investors and media person**, where such persons agree not to use any of the information shared in such meetings for a period of 36 hours. This allows the company to determine whether any information was inadvertently disclosed, so that the company can take necessary steps to cure such error.

3. Prohibition of Insider Trading: The Genesis

In the evolution of societies, prohibition of private information from being used for trading in shares for the benefit of the uninformed investor marks a major milestone. It marks the third category of rights to be protected by society, following the right to life—where no one in society can take the life of another and the right to property—where robbing or stealing is punished.

Despite its wide-spread prevalence in stock markets for centuries, insider trading as a punishable offense was recognized only in the 1930s. Earlier to this, even though insider trading was rampant in the stock market there were no laws to prohibit it. The Great Crash of 1929 in the US stock markets and the resultant slump in the US economy led to serious introspection. Recognition that stock markets can be an effective lever to revive the economy led to mandates that prohibit insider trading and help create a vibrant capital market to propel economic growth.

The First of First

Until the Great Crash, insider trading was rampant in stock markets. One of the frequently quoted instance of insider trading relates to Robert Clive, the Chief of East India Company in India buying his company's stocks for £165 in April 1766 after his company got the right to collect revenue in Bengal following their victory in the Battle of Plassey. Within a year when the share price appreciated due to the public knowledge of the benefits derived by the company from this right, he sold his shares at £223 almost doubling his wealth.

However, it was only in 1930s the economic consequences of insider trading were recognized when the stock market crash of 1929 triggered a severe and prolonged economic depression. By 1933, the US GDP had contracted by 46%, from \$103.8 billion in 1929 to \$56.4 billion. In addition, one in four workers in the US was unemployed. To revive the economy number of steps were taken by the US government including the one to build investor confidence. US enacted the Securities Exchange Act 1934 that established the Securities Exchange Commission to enforce the Securities Exchange Act, 1933.

Securities Exchange Act, 1933, was established for the primary purpose of ensuring and maintaining fair and honest market, which among other things, prohibited insider trading. Section 16 (b) of the Act, provided for recovery of profits earned by an officer or director of the company who unfairly used information by trading in the shares of the company.

Within a few years in 1942, a new rule 10b-5 was enacted that made insider trading a prosecutable offense.

With time, the concept of insider for insider trading was expanded to include not just the directors or officers of the company but also all individuals who possessed unpublished price sensitive information. This change came about in 1962, when one partner of the stock brokerage firm Cady, Roberts & Company used the inside information available with another partner who was a director of Curtiss-Wright Corporation, that the company planned to reduce its dividend and he sold its stock before the matter became public and thereby profited from the stock price decline. SEC in handling this case used the principle of 'abstain or disclose'. A person with price sensitive information is required to abstain from trading or wait until the company disclosed the information to public before they become eligible to trade in their stocks.

The 'abstain or disclose' principle got legal sanction in the year 1968, when a US court upheld this principle in Texas Gulf Sulphur mining company case. In 1964 the company bought land that had major copper and zinc ore deposits estimated at around \$2 billion. Its officers and others tipped off by them bought shares in the company which was trading at around \$20 prior to the announcement and made substantial profits when the share price rose to around \$58 after the discovery was announced. The court held the officers and others with inside information guilty of insider trading on the logic 'all investors trading on impersonal exchanges had relatively equal access to material information' and that all the members of the investing public 'should be subject to identical market risks.'

In the second half of the 20th century as US markets gained prominence and attracted investors from world over, other countries too followed the US lead and enacted similar securities laws to create a fair and efficient stock markets to attract capital and infuse capital into their economy to galvanize economic growth. The rest of the world followed suit, with India too enacting laws against Insider Trading in 1992 by establishing SEBI to enforce fair markets for capital.

Rationale for Prohibition of Insider Trading

A market is a place where buyers and sellers meet to discover and decide the price. With every change in demand and supply, the price changes. For commodities where no one individual controls the demand or supply, markets are an efficient price discovery mechanism.

However, where share prices are concerned, the management team and promoter shareholders of the company

have an unfair advantage as they have access to information which can influence the demand and supply of shares, thereby creating information asymmetry. This results in an unfair advantage to the 'insiders' who have valuable information at the cost of the uninformed investor, who are suppliers of capital.

Hence preventing any person with price sensitive information that is not publicly available from trading in stocks till such time the information is made publicly available creates a level playing field. 'Abstain or disclose' is the idea behind this regulation. With time, the essence of this principle evolved into its more positive interpretation as 'Fair Disclosure' thereby capturing the spirit behind the regulation of creating a level playing field for all players in the stock market.

Mechanism for Prohibition of Insider Trading

World over, insider trading regulation walks on its two feet—controlling the flow of Unpublished Price Sensitive Information (UPSI) and monitoring the conduct of insiders, including people who are outsiders but by the nature of their contact with the insiders may possess USPI. Shorn of all its legal dressing, price sensitive information is one that when it is given to a holder of security or a trader in securities will trigger them to execute a trade at the given market price, confident of a profit due to the privileged information they have. Given the fact that this information is not publicly available, the holder of this information by trading with an innocent counterparty, at their cost has the benefit of either reducing their losses by selling before a negative information becomes public or increasing their gains by buying before the positive information becomes public.

Regulating the conduct of insiders take the form of preventing them from trading in some situations where they are presumed to have inside information, like at quarter-end result announcement time and at other times when they are in possession of UPSI.

4. Prohibition of Insider Trading laws in India - A Snapshot

Stock trading in India is more than a century old, commencing in the year 1875 when the Bombay Stock Exchange was established. Major milestones in Indian Securities Trading Regulations is captured in **Table 4.1**. Despite organized securities trading commencing in India from 1875, the first major efforts to regulate insider trading was initiated only in 1992 with the advent of SEBI. Even the Patel Committee constituted in 1984 to make a Comprehensive Review of the Functioning of the Stock Exchanges acknowledged the fact that stock exchanges in India were home to rampant insider trading.

In between the two milestones of over a hundred years, the Companies Act, 1956 only made attempts to capture shareholding of the Directors; Section 307 of this Act required a Company to maintain a register showing the number, description and amount of any shares or debentures held by Directors of the company along with the consideration paid for such shares. Further, Section 308 cast the duty on the Director to make such disclosures to the company with stringent provisions for failure to make this disclosure that included imprisonment for a term that may extend to two years or with fine which may extend to fifty thousand rupees, or with both.

SEBI, Act 1992 -From Disclosure to Prohibition

The movement from disclosures to prohibition of insider trading was marked by the mandate in 1992 for Securities Exchange

Board of India that replaced the Capital Issues (Control) Act, 1947.

The objective of SEBI Act is captured in section 11 (1) that states, '...it shall be the duty of the Board to protect the interest of Investors in securities and to promote the development of, and to regulate the securities market, by such measures as it thinks fit.' Further sub-section 11 (2) (g) specifies 'prohibiting insider trading in securities;' as one of the measures referred to in section 11 (1).

Based on the enabling provisions in section 11 of the SEBI Act, Insider Trading Regulations were enacted in 1992, which was amended at regular intervals to enhance its effectiveness till it was replaced in 2015 by the existing provision SEBI (Prohibition of Insider Trading) Regulations, 2015. Key milestones in SEBI (Insider Trading) Regulations is detailed in **Table 4.2**.

In 2002, SEBI Act was amended by introducing chapter VA titled, Prohibition of Manipulative and Deceptive Devices, Insider Trading and Substantial Acquisition of Securities or Control' giving more teeth to this measure. Further these provisions were expanded in 2008 by enhancing the definition of insider, introducing time-based disclosures for changes in holdings by directors and officers and prohibition of reverse trades, thereby substantially increasing the effectiveness of the mandated regulations in preventing or deterring insider trading.

Table 4.1 Major Milestones in Indian Securities Trading Regulations

Year	Event	Remarks
1875	Bombay Stock Exchange established	Formal trading in shares of companies begin in India.
1947	Capital Issues (Control) Act, 1947	Regulates the issue of shares by companies for trading in stock exchange.
1956	Securities Contracts (Regulation) Act, 1956	Regulates the terms of securities trade, especially curbing undesirable practices like forward trading and control the working of stock exchanges in India.
1992	Securities Exchange Board of India Act, 1992	This Act replaces the Capital Issues (Control) Act, 1947.

Table 4.2 Key Milestones in SEBI (Insider Trading) Regulations

Year	Event	Remarks
1992	SEBI (Insider Trading) Regulations, 1992	Regulations notified to regulate insider trading in all listed companies .
2002	SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2002	i. Requires companies to create a. Model Code of Conduct for Prevention of Insider Trading for Listed Companies, b. Model Code of Corporate Disclosure Practices for Prevention of Insider Trading, and ii. Defined 'unpublished price sensitive information.'
2008	SEBI Amendment Act, 2008	i. Expanded the definition of "insider" to include individuals not connected with companies, ii. Introduced time-based disclosure of change in securities holding by directors and officers and iii. Prohibition of reverse trade, i.e. buy and sell or sell and buy within a defined period

Table 4.3 Key Provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015

Chapter	Section
Chapter II -Restriction on Communication and Trading by Insiders	Section 3-Communication or procurement of Unpublished Price Sensitive Information
	Section 4-Trading when in Possession of Unpublished Price Sensitive Information
	Section 5-Trading Plan
Chapter III -Disclosure of Trading by Insiders	Section 6-General Provisions
	Section 7-Disclosure by Certain Persons
Chapter IV -Codes of Fair Disclosure and Conduct	Section 8-Code of Fair Disclosure
	Section 9-Code of Conduct

The advent of the Companies Act, 2013 brought in a new dimension in prohibition of insider trading in India. Section 195 of the Act contained provision pertaining to Prohibition of Insider Trading of Securities. However, this section had a short life as the Companies (Amendment) Act, 2017 that came into effect from February 9, 2018 omitted this section altogether.

As it stands today, the only legislation that deals with Prohibition of Insider Trading in India is now the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The SEBI (Prohibition of Insider Trading) Regulations, 2015 came into effect from May 15, 2015 replacing the earlier enactments. A short Regulation of five chapters with 12 sections, it has only three operational chapters with seven sections, as listed in **Table 4.3**.

Each of the three chapters constitutes a line of defence in prohibiting insider trading. The first chapter is conceptual defining the structure, the second chapter is procedural defining the methods, and the third chapter is behavioural defining the minimum accepted standards of behaviour

prescribed by the company to its employees and other connected persons.

Like in the rest of the world, in India too, Prohibition of Insider Trading rests on the two aspects of controlling the flow of UPSI and regulating the conduct of Insiders. Section 8 deals with the Code of Fair Disclosure that regulates the flow of UPSI and Section 9 deals with the Code of Conduct of Insiders.

The mandate as it stands today requires all the listed companies to formulate and publish on their website a code of procedures and practices for fair disclosure of unpublished price sensitive information that it would follow. However, the same mandate only requires a listed company to formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons to comply the provisions of this regulation. Hence a listed company is not mandated to disclose to the public its code of conduct to regulate, monitor and report trading by insiders.

The entire SEBI (Prohibition of Insider Trading) Regulations, 2015 can be accessed at <http://ca2013.com/pit/>, which is updated on a daily basis by 10 AM for changes in the regulations.

5. Evaluating the Code of Fair Disclosures of the Nifty 50 Companies: Our study

Coverage

Our study of the Nifty 50 companies covers the 48 Code of Practices and Procedures for Fair Disclosure of UPSI disclosed by these companies on their website as detailed in **Table 5.1**.

Table 5.1 Code of Fair Disclosures disclosed in the websites of Nifty 50 Companies

Total Companies	Codes found on Website	Codes not found on website
50	48	2

Of the 48 companies that have disclosed the Code on their website –

- 20 companies have only reproduced the principle as listed out in Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015 in their Code of Fair Disclosure of UPSI
- 28 companies have formulated and disclosed their Code for Fair Disclosures based on the principles set out in Schedule-A of SEBI (PIT) Regulations, 2015.

Of the 2 companies for which we could not find the Code for Fair Disclosure on their website, the closest policy that we could find related to it was:

- In the case of Hindustan Unilever Limited, the company has reproduced the entire SEBI(PIT) Regulations, 2015 as Appendix I to its 'Share Dealing Code' that captures the company's initiative in regulating, monitoring and reporting of trading in shares by insiders.
- In the case of UPL, Code of Conduct for Prevention of Insider Trading.

While the Code of Practices and Procedures for Fair Disclosure of UPSI was the title used by most companies, a few companies used a different title, as listed below:

- Hindustan Petroleum Corporation Limited -Code of Internal Procedures and Conduct and Code of Corporate Disclosure Practices for Prevention of Insider Trading in Hindustan Petroleum
- Indusind Bank – Code of Fair Disclosure Practices for Prevention of Insider Trading
- Infosys Limited -Corporate Policy on Investor Relations
- Tata Consultancy Limited, Tata Motors Limited & Tata Steel Limited -Code of Corporate Disclosure Practices
- Zee Entertainment Enterprises Limited -Policy for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

CimplifyFive's Learning

1. Finding the Codes on the website of the companies was not an easy task as there is no uniform practice of where to locate this code. Given the importance of this code in promoting good governance, we suggest that SEBI provide some direction on where to locate the different disclosures required to be made by the companies in their website to help the investors and other stakeholders save time and effort in finding the codes/ policies.
2. We believe having disclosures of the Code on Regulating, Monitoring and Reporting Insider Trading on the website of the company is a good practice that should not only be encouraged but also mandated.

Evaluation Methodology

We have bifurcated the clauses in the code into two categories: Operational Clauses and Critical Clauses. The operational clauses are generic in nature and can be found in many corporate policies. We identified five such clauses namely, Administrative issues, Reference to mandates, Definitions, Scope & Applicability and Amendment. Further, we considered the eight principles listed out in Schedule-A, of Regulation 8 (1) as critical clauses and examined how the companies have dealt with them -legally or substantially. We classify a clause as legalistic when it reproduces the provisions of the act, without adding anything to it. In contrast, a substantive treatment would capture the spirit or rationale for the principle and document it to ensure its compliance.

OPERATIONAL CLAUSES

1. Administrative Issues

Administrative issues cover whether the policy captures the information pertaining to the approving authority, approval date, effective date of the policy and amendment dates that makes the policy robust and easy to administer.

CimplifyFive's Observation

Board of Directors was the approving authority in all the 20 companies that spelt out their approving authority. Regarding approval date, Bajaj Finance Ltd had the earliest approval date, March 23, 2015 and ITC Ltd had the latest approval date, May 22, 2018. Turning to the effective date, 19 of the 24 companies which mentioned the effective date specified May 15, 2015, the date when SEBI (PIT) Regulations, 2015 came into force. In the case of ONGC Ltd, April 29, 2015 was the effective date which was the earliest.

Further in the case of 6 companies, the Code was further amended, and the date of amendment is available in the revised code as detailed below in **Table 5.2**.

Table 5.2 Administrative issues captured in Code of Fair Disclosures

Parameter	# of Companies disclosing	Total Companies
Approving authority	20	48
Approval date	15	48
Effective date	24	48
Amendment Date	6	48

CimpllyFive's Learning

We believe a policy should have the following four elements set out at the start - Approving Authority, Approval Date, Effective Date and Version reference or amendment date. This ensures clarity in administration and provides the users more effective guidance.

2. Reference to Mandates

Insider Trading in India is regulated by the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The operational part of this regulation is Regulation 8 for Fair Disclosures and Regulation 9 for regulating, monitoring and reporting on insider trading. For effective prohibition of insider trading, both the regulations need to work in tandem.

CimpllyFive's Observation

Table 5.3 Mandates referred to in Code of Fair Disclosures

Reference	# of Companies
Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015	6
SEBI (Prohibition of Insider Trading) Regulations, 2015	16
No mention of mandate	6
Total Companies	28
Companies that have reproduced Schedule-A of Regulation 8 (1)	20

Out of 28 companies that disclosed Code for Fair Disclosures, 6 have referred to SEBI (Prohibition of Insider Trading) Regulations, 2015, 16 companies have referred to only Regulation 8 and the remaining 6 companies have not made any reference to mandates.

CimpllyFive's Learning

We believe giving reference to the specific regulations in the mandate is desirable as it will enable a reader to go to the source of regulations when required to obtain clarity.

3. Definitions

It is advisable to define words or phrases used in a policy for better understanding if their meaning is either more than or less than what is understood in its normal usage.

CimpllyFive's Observation

Our review of the policies revealed a wide range of practice, with only 14 companies have a clause on Definition. Among the 14 companies, one company had defined 17 words and phrases, the maximum and the least number of definitions was 2 words and phrases as detailed in **Table 5.4**.

Two companies stated in their policy that the words and expressions used in the Policy have the same meaning as that defined in the Regulations, and or other applicable laws.

Table 5.4. Details of Definitions Given in the Code

Narration	# of Definitions
Maximum words and phrases defined by a company	17
Minimum words and phrases defined by a company	2
Number of Companies having definitions in their Code	14
Companies that have stated the words and phrases as mentioned in the Act-2	20

CimpllyFive's Learning

We believe words and phrases need to be defined in the policy only if they are used to mean something more or less than what is conveyed in general usage or specified in the mandate of which the policy constitutes a part.

4. Scope and Applicability

Insider Trading Code is applicable to all persons who are in possession of or having access to the Unpublished Price Sensitive Information (UPSI).

CimplifyFive's Observation

Only 6 companies had a clause on Scope and Applicability covering within its ambit all persons having access to Unpublished Price Sensitive Information. This included Directors, Employees, Designated Person, Connected Persons and their Relatives as detailed in **Table 5.5**.

Table 5.5 Details of Designations mentioned in Scope & Applicability

Designation mentioned in scope	# of Companies
Employees / Directors	5/6
<ul style="list-style-type: none"> • Connected persons • Person authorized to speak on behalf of the Corporation • Officers • Independent contractors • Investor community including analysts, institutional & individual stock holders • Subsidiaries • Associates • Companies under the same management 	1/6

CimplifyFive's Learning
It is desirable to have a clause on scope and applicability that is explicit.

5. Amendment

Any Code is subject to revision, modification and amendment by the prescribed authority. The code could mention the date for next review and the individual or the body who is designated with the responsibility to make the amendment.

CimplifyFive's Observation

Only 7 companies have mentioned the authority who is vested with the power to amend or modify the policy as detailed below in **Table 5.6**.

Table 5.6 Details of Authorities with the Power to Amend or Modify the Code

Prescribed Authority	# of Companies
Board of Directors	5
Board of Directors or Company Secretary	2

CimplifyFive's Learning
It is desirable to identify an individual who is responsible for reviewing the policy. We believe making an individual accountable is desirable as making a body like Board of Directors could result in ineffective implementation as individual responsibility is not fixed.

CRITICAL CLAUSES

A. Analysis of how the Nifty 50 companies have dealt with the eight principles contained in Schedule A of Regulation 8 (1) of the SEBI (PIT) Regulations, 2015 is tabulated in the Table 5.7.

Table 5.7. Eight Principles contained in Schedule A of SEBI(PIT) Regulation, 2015

Sl. No.	Principle	Code not disclosed	Principle reproduced	Not covered	Legalistic coverage	Substantive coverage	Total
1	Prompt public disclosure of UPSI	2	20	0	24	4	50
2	Uniform and universal dissemination	2	20	0	25	3	50
3	Designation of a Senior Officer as Chief Investor Relations Officer	2	20	1	0	27	50
4	Making it generally available where the UPSI is disclosed selectively, inadvertently or otherwise	2	20	2	25	1	50
5	Fair response to queries on news report and verification of market rumours	2	20	0	20	8	50
6	Information shared with Analysts and Research personnel is not UPSI	2	20	0	18	10	50
7	Making transcripts of analysts' meetings and IR material on website	2	20	2	16	10	50
8	Access to UPSI on a need to know basis	2	20	1	24	3	50

Based on our analysis, we have reproduced below instances where companies have made disclosures that we consider are substantial in nature:

1. Prompt public disclosure of UPSI - Wipro Ltd.

"Prompt public disclosure of UPSI shall be done no sooner than credible and concrete information comes into being in order to make such information generally available.

Material Events mean events that a reasonable stakeholder dealing with the Company would consider important in deciding to engage and deal with the Company, its products and services and in its securities. Whether any particular information could be considered Material by a reasonable stakeholder depends on specific circumstances existing at a particular point of time.

Material Information- Material Information shall mean Material Events meeting the requirements of the Disclosure Policy.

When a Material event or Material Information triggers disclosure, the Company shall promptly furnish the Material Information to all stock exchanges where its Securities are listed. Information published on the website of a stock exchange, would ordinarily be considered generally available information.

The information released by the Company to the stock exchanges may also be released to the press for wider circulation. The information released by the Company to the stock exchanges may also be hosted on the Company website www.wipro.com for wider circulation."

2. Uniform and universal dissemination – Reliance Industries Ltd.

“(a) Uniformly and universally disseminate in a timely manner UPSI to avoid selective disclosure by communicating the same to the stock exchange(s) and disclosing the same on its website;

(Note: Under certain circumstances, the Company may keep material information as stipulated under Clause 36 of the Listing Agreement confidential for a limited period of time because immediate disclosure may compromise certain strategic business opportunities of the Company or may not be disclosable due to third party confidentiality restrictions or uncertainty of event. The CFO of the Company shall determine when to disclose such material information).

(b) Disclose press releases issued by it from time to time which are considered to be important for the general public besides putting the same on Company's website;

(c) Put on Company's website quarterly and annual financial results and all investor presentations pertaining to such financial results for reference of the general public.”

3. Designation of a Senior Officer as a Chief Investor Relations Officer

18 companies have a Investor Relations Specialist identified as the CIRO. In the remaining 32 companies, a Senior Finance Executive was named in 11, CS in 7 companies, Compliance Officer in 7 companies, General Management Leader in 3 companies and in 4 companies we could not identify the CIRO named.

4. Disclosed selectively, inadvertently or otherwise to make it generally available - Infosys Ltd.

“An Authorized Spokesperson should not disclose or discuss material non-public information about the Company with anyone who is or might be a finance industry professional. However, in the event of an inadvertent disclosure, the Authorized Spokesperson should notify the CEO, CFO, General Counsel & Chief Compliance Officer and the Investor Relations Department about the disclosure. If it is determined that the information disclosed or discussed is material and non-public, the information must be disclosed through a press release or a current report on Form 6-K or both promptly following the at the same time. The public must be given adequate advance notice of any conference call and / or webcast and the means to access it.”

5. Fair response to queries on news report and verification of market rumours - HCL Technologies Ltd.

“8. Responding to market rumours.

8.1. The CEO and/or the CFO shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the disclosure. He shall give appropriate and fair response to the queries on news reports and requests for verification of market rumours by regulatory authorities.

8.2. As a policy, the company will consistently ignore speculative reports that appear in the press or in the electronic media. In order to protect the standing of the company, the response of the CIO, in each instance of a market rumour will be to neither affirm nor deny the rumour till such time an official position on the subject is developed in consultation with the CEO and / or the CFO. However, if a rumour or a press report is likely to impact the business of the Company in a significant manner a suitable communication responding to market rumours shall be finalised in consultation with the CEO and / or the CFO before dissemination to the Stock Exchanges and external agencies.”

6. Information shared with Analysts and Research personnel is not UPSI - Wipro Ltd.

“The Company shall ensure that the following guidelines are followed while dealing with analysts and institutional investors.

In order to maintain a transparent and effective two-way communication between a Company, the financial community, the Management shall interact with equity research analysts, investors and other members of the investing community from time to time.

During these interactions, the Company will ensure that no UPSI is disclosed selectively to any one or group of research analysts or investors, to the disadvantage of other stakeholders. In structured communication events, the Company may make arrangements to ensure that the interactions at the event are available to the public simultaneously. This simultaneous access may be achieved by making arrangements for simultaneous audio broadcast of such interaction/ calls over the phone or internet or suitable media with due notice of such interaction. Recording of the proceedings in suitable media will be made available on the official website for a period of 5 years.

Handling of unanticipated questions

The Company shall promptly and carefully deals with analysts' questions that raise material issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes UPSI, a public announcement shall be made before responding.

Medium of disclosure/dissemination

Disclosure and dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination. All disclosures to the stock exchanges must be made promptly. The Company shall also disclose information through the use of its dedicated Internet website www.wipro.com

Company's website

The Company's website (www.wipro.com) may provide a means of giving a direct access to analyst briefing material, significant background information and questions and answers.”

7. Making transcripts of analysts meetings and IR material on website - TATA Steel

"7. Arrangements must be made to publicise the schedule of the quarterly analyst meetings in advance and to record the proceedings of such meetings of the company and transcribe them and/or to simultaneously webcast proceedings of such meetings. The transcripts can be uploaded by the company on its website within a reasonable time.

8. It is preferable that no Analyst Meetings are held at least 2 weeks prior to the announcement of quarterly financial results. Additionally, the IRO/CO/CCC must be mindful of any other price sensitive events such as material acquisitions, mergers, issues etc. while finalising schedules for Analyst Meetings during the year.

9. As a best practice, Management Personnel shall endeavour that a delayed-use agreement is executed between the company and the analysts/investors/potential investors/ media persons for all Analyst Meetings as the case may be, where such persons agree not to use any of the information shared in such meetings for a period of 36 hours. This allows the company to determine whether any information was inadvertently disclosed, so the company can take necessary steps to cure such error.

21. The IRO/CO/CCC must carefully review the available recording, in any of Analyst Meetings to ensure that no material UPSI was disclosed during the Analyst Meeting. If any material UPSI was disclosed, the same must be published on the company's website or if required, notified to the stock exchanges for public disclosure.

22. A transcript of the Analyst Meeting, if available can be uploaded on the company's website within a reasonable time. This will help avoid misquoting and miscommunication.

25. The IR presentation, underlying data points and Analyst Meeting transcript, if any, must be preserved by the company as part of its corporate records atleast for a period of eight years."

8. Access to UPSI on a need to know basis - Housing Development Finance Corporation Ltd.

"The directors/ employees of the Corporation shall not discuss the matters or developments regarding the Corporation which in any way relate to Material Information with any other persons, except that are required to be disclosed in performance of his or her duties or under applicable laws or regulations or in legal proceedings. To protect Material Information from disclosure, the directors/ employees of the Corporation:

- Should not discuss Material Information in public places where Material Information may be overheard (e.g., elevators, restaurants, airplanes, taxicabs) or participate in, host or link to Internet chat rooms, online social networking sites, newsgroup discussions or bulletin boards which discuss matters pertaining to the Corporation's activities or its securities;

- Should not carry, read or discard Material Information in an exposed manner in public places;
- Should not discuss Material Information with any other persons, except as required in performance of his or her duties;
- Shall advise the other persons with whom they are meeting where Material Information may be disclosed, before the meeting, that they must not divulge the Material Information; and
- Should not deal in the securities of the Corporation until the Material Information is publicly disclosed."

B. Purpose/Objective

Code for Fair Disclosures is articulated and adopted with the objective of safeguarding the investing public from being parties to a trade with a counterparty who has an unfair advantage due to possessing UPSI, that is not available in the public domain.

CimpllyFive's Observation

Of the 48 companies that disclosed Code, 20 companies have reproduced Schedule A of the SEBI (PIT) Regulations. Of the remaining 28 companies, 15 companies do not have a clause on purpose/ objective, 10 companies have a legalistic clause that does not communicate the rationale for this code. Only 3 companies have captured the rationale of the code which is to promote fair trade in their securities as detailed in **Table 5.8**.

Table 5.8. Details of Purpose/Objective

Narration	# of Definitions
Reproduced Schedule A of SEBI (Prohibition of Insider Trading) Regulations Principles	20
Purpose / Objective -Not covered	15
Purpose/ Objective -Legalistic/ minimal information	10
Purpose / Objective -Substantive information)	3
Total	48

Substantive Description- Kotak Mahindra Bank Ltd.

“Kotak Mahindra Bank’s policy is to maintain active and open communication with all shareholders, institutional investors, brokers/dealers, analysts and potential investors regarding its historical performance and future prospects. The Bank is committed to fair disclosure of information to its investors in compliance with all applicable laws. The Bank believes that when information is equally available to all, there is no distinct advantage that insiders can capitalize on.”

CimplifyFive's Learning

It is desirable to capture the rationale for the code in addition to mandates. For this Code, explicitly stating that the object of promoting transparency and fairness for trading in securities of the company will provide guidance in interpreting the policy where different interpretations could be taken.

6. Evaluating the Code of Conduct of the Nifty 50 Companies: Our study

We have analysed the voluntary disclosures on Code of Insider Trading made by 18 companies (including two which form part of the Code of Fair Disclosure of UPSI) that were disclosed by the Nifty 50 Companies on their website.

OPERATIONAL CLAUSES

1. Administrative Issues

Administrative issues cover whether the policy captures the information pertaining to the approving authority, approval date, and effective date of the policy that makes the policy robust and easy to administer.

CimplifyFive's Observation

Board of Directors was the approving authority for all the 9 companies that disclosed it as detailed in **Table 6.1**. Further, the earliest approval date for this code was October 31, 2009 of Hindustan Unilever and the latest was on January 13, 2017 of Infosys. Turning to effective dates, April 29, 2015 of ONGC was the earliest and January 1, 2018 of Vedanta was the latest. In the case of five companies, the amendment date of the code is available and in two of these companies, all the dates of amendment from its inception is provided in the code itself, a commendable practice.

Table 6.1 Details of Administrative Clauses in the Code

Parameter	Approving authority	Approval date	Effective Date
Total no. of Companies	18	18	18
# of Companies	9	4	14
% of companies covered	50%	22%	78%

CimplifyFive's Learning

The practice of providing all the dates of amendment after the inception of the policy is a commendable step, as it informs the reader that the code is a live document evolving with time. Further, details of the Approving Authority, Approval date and Effective date should also be provided for the benefit of users and the ease of administration.

2. Reference to Mandates

Insider Trading in India is regulated by the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The operational part of this regulation is Regulation 8 for Fair Disclosures and Regulation 9 for regulating, monitoring and reporting on insider trading. For effective prohibition of insider trading, both the regulations need to work in tandem.

CimplifyFive's Observation

Out of 18 companies that disclosed their Code for regulating, monitoring and reporting on Insider Trading, 14 have referred to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the remaining 4 companies have referred to Regulation 9 as detailed in **Table 6.2**.

Table 6.2 Details of Mandates Referred to in the Code

Reference	# of Companies
Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015	4
SEBI (Prohibition of Insider Trading) Regulations, 2015	14
Total Companies	18

CimplifyFive's Learning

We believe giving reference to the specific regulations in the mandate is desirable as it will enable a reader to go to the source of regulations when required to obtain clarity.

3. Definitions

It is advisable to define words or phrases used in a policy for better understanding if their meaning is either more than or less than what is understood in its normal usage.

CimplifyFive's Observation

Our review of the policies shows all the 18 companies have definitions as part of their Insider Trading Code as detailed in **Table 6.3**. Some companies have defined 25 words and phrases, with at the lower end, only one word was defined.

Table 6.3. Details of Definitions Given in the Code

Narration	# of Definitions
Maximum words and phrases defined by a company	25
Minimum words and phrases defined by a company	1

CimplifyFive’s Learning
 We believe words and phrases need to be defined in the policy only if they are used to mean something more than or less than what is conveyed in general usage or specified in the mandate of which the policy constitutes a part.

4. Scope and Applicability

Insider Trading Code is applicable to all persons who are in possession of or having access to the Unpublished Price Sensitive Information (UPSI).

CimplifyFive’s Observation

16 of the 18 companies had a clause on Scope and Applicability covering within its ambit all persons having access to Unpublished Price Sensitive Information including Promoters, Directors, Employees, Designated Person, Connected Persons and their Relatives.

CimplifyFive’s Learning
 It is desirable to have a clause on scope and applicability that is explicit.

CRITICAL CLAUSES

A. Analysis of how the Nifty 50 companies have dealt with the thirteen standards contained in Schedule B of Regulation 9 (1 & 2) of the SEBI (PIT) Regulations, 2015 is tabulated in Table 6.4.

Table 6.4. Details of Definitions Given in the Code

Sl No.	Principle	Not covered	Legalistic coverage	Substantive coverage	Total Codes disclosed
1	Periodic reporting by Compliance Officer to the Audit Committee	1	16	1	18
2	Methods for handling on 'Need to know basis' and how the Chinese Wall operates	0	11	7	18
3	Identification of Designated Person by the BOD along with Compliance Officer	0	16	2	18
4	Mechanism for operating the Trading window that restricts designated persons from trading in securities	0	7	11	18
5	Reopening of Trading window by Compliance Officer	1	15	2	18
6	Pre-clearance for trades by designated persons during the period when trading window is open	0	9	9	18
7	Maintaining a confidential Restricted list for approving or rejecting pre-clearance of trades	18	0	0	18
8	Declaration from designated persons in pre-clearance process that they are not in possession of UPSI	0	8	10	18
9	Pre-cleared trades to be completed within 7 trading days of approval	0	18	0	18
10	Prohibition of Contra trade within 6 months or more	0	16	2	18
11	Frequency for reporting and formats for making applications, reporting trades and reasons for not trading	0	18	0	18
12	Penalties for contravention of this Code	0	4	14	18
13	Prompt disclosures to the Board on violations of this code/ regulations	1	17	0	18

Illustrations of a substantial description of each of the 13 standards required in the Code for Regulating, Monitoring and Reporting of Insider Trading is listed below:

1. Periodic reporting by Compliance Officer - Asian Paints Ltd.

"1. Shri R J Jeyamurugan, Vice President – Finance shall be the Compliance Officer and he will report to the Shri Jayesh Merchant, CFO & Company Secretary, President-Industrial JVs.

2. The Compliance Officer shall provide periodic reports to the Chairman of the Audit Committee of the Company at such frequency as stated by the Board, from time to time, including all the details of the Trading in Securities of the Company by the Designated Persons and the accompanying documents such persons had executed under the pre-clearance procedure as envisaged in this Code.

3. The Compliance Officer will be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearing of Insider's Trades, monitoring of Trades and implementation of the Code of Conduct.

4. The Compliance Officer will assist the Insiders in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

5. All Insiders will be provided a copy of the Code of Conduct by the Compliance Officer, on the Code coming into effect and they will confirm having received it and acknowledge that they undertake to confirm to the stipulations and obligations under the Code, in the interest of maintaining highest standards of corporate governance and ethics as provided for in paragraph 12 on Reporting Requirements.

6. The Compliance Officer will propose necessary changes to the Code of Conduct, as and when the same are necessitated. The proposal will be considered by the Board and, if approved, will take effect immediately following the meeting of the Board in which such proposals are approved.

7. The Compliance Officer shall in consultation with the Board inform SEBI of any material violation of the Regulations.

8. The Compliance Officer may engage an external consultant for deploying an electronic platform to automate the compliances under this Code including seeking disclosures and undertakings from Designated Persons, sending intimations to Designated Persons regarding Closure of Trading Window, etc."

2. Need to know basis, Chinese Wall, Designated persons

-Power Grid Corporation of India Ltd.

"5.0 RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

5.1 Communication or procurement of unpublished price sensitive information

5.1.1 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.

5.1.2 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.

5.1.3 All information shall be handled within the Company 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.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

(a) 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; or
(b) 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.

However, 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

5.2 Limited access to confidential information:

All the Designated Persons who are privy to the confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others but not limited to the following safeguards:

- To keep files containing confidential information secured.
- To keep computer files with adequate security of login through a password.

5.3 Need to know:

All the Designated Persons, who are privy to unpublished Price Sensitive Information, shall handle the same strictly on a "Need to Know" basis. This means the unpublished Price Sensitive Information shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their respective professional duties and whose possession of unpublished Price Sensitive Information will not in any manner give rise to a conflict of interest or likelihood of misuse of the information."

3. Designated Person - Identification by BOD along with Compliance Officer - Cipla Ltd.-

"• Human Resource Department

The Global Chief People Officer shall ensure the following:

- i. Provide updated list of Designated Persons to the Compliance Officer from time to time
- ii. Obtain initial disclosures from Designated Persons

- Monitoring Committee

A committee is constituted under the Code named as Monitoring Committee, comprising of the following officials:

- Managing Director and Global Chief Executive Officer
- Global Chief People Officer
- Global Chief Financial Officer
- Compliance Officer

The Committee will perform the following functions:

- Review list of Designated Persons on a half yearly basis and inform the Board regarding the changes, if any.
- Conduct inquiries/investigations regarding alleged violations of the Code or the SEBI Regulations.
- Decide upon the penal consequences to be imposed on Designated Persons for any contravention of the Code.
- Waive the penal consequences for contraventions of

the Code which does not amount to contravention of the SEBI Regulations.

v. Decision on intimation to SEBI on any trading in Securities of the Company by a Designated Person in contravention of the Code. The Committee shall take into account the nature and severity of the contravention while deciding on the intimation.

vi. Seek any such information / documents from the Designated Persons and employee(s) of the Company and their Immediate Relatives, as the case may be, for the purpose of enforcing the provisions of this Code and the SEBI Regulations, and it shall be the duty of such persons to provide the same forthwith. Failure or refusal to co-operate in such enquiries shall be deemed to be a serious violation of the obligations owed to the Company under this Code."

4. Operating Trading Window – NTPC Ltd.

3.4.1 No Designated Person and their immediate relative shall trade securities of the Company when the "Trading Window" is closed. The Trading Window shall be closed in the following events:

Events for closing Trading window (NTPC Ltd.)

Sl. No.	Events/Particulars	Restricted Period	
		From	To
1	2	3	4
(i)	Declaration of financial results of first quarter	20th July or such other date as may be notified	To be notified by the Compliance Officer depending upon the date of the Board Meeting
(ii)	Declaration of Half-yearly financial results	20th October or such other date as may be notified	To be notified by the Compliance Officer depending upon the date of the Board Meeting
(iii)	Declaration of financial results of third quarter	20th January or such other date as may be notified	To be notified by the Compliance Officer depending upon the date of the Board Meeting
(iv)	Declaration of Annual audited financial results	20th May or such other date as may be notified	To be notified by the Compliance Officer depending upon the date of the Board Meeting
(v)	Intended declaration of interim dividend	Date as may be notified by the Compliance Officer depending upon the date of the Board Meeting	To be notified by the Compliance Officer depending upon the date of the Board Meeting
(vi)	Intended recommendation of final dividend	20th May or such other date as may be notified by the Compliance Officer depending upon the date of the Board Meeting	To be notified by the Compliance Officer depending upon the date of the Board Meeting
(vii)	Issue of Securities (public/right/bonus) or buy-back of Securities	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board with the approval of the Reporting Officer	Shall be notified by the Compliance Officer as and when the proposal is approved by the Board of Directors
(viii)	Amalgamation, mergers or takeover	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board with the approval of the Reporting Officer	Shall be notified by the Compliance Officer as and when the proposal is approved by the Board of Directors

Sl. No.	Events/Particulars	Restricted Period	
		From	To
1	2	3	4
(ix)	Disposal of the whole or a substantial part of the undertaking	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board with the approval of the Reporting Officer	Shall be notified by the Compliance Officer as and when the proposal is approved by the Board of Directors
(x)	Any significant changes in policies, plans or operations of the Company	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board with the approval of the Reporting Officer	Shall be notified by the Compliance Officer as and when the proposal is approved by the Board of Directors
(xi)	Any change in status of the Company	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board with the approval of the Reporting Officer	Shall be notified by the Compliance Officer as and when the proposal is approved by the Board of Directors
(xii)	Any other event as may be notified by the Company from time to time.	Shall be notified by the Compliance Officer as and when the proposal is put up to the Board with the approval of the Reporting Officer	Shall be notified by the Compliance Officer as and when the proposal is approved by the Board of Directors

Explanation: The trading window shall be opened 48 hours after the “unpublished price sensitive information”, becomes generally available.

3.4.2 The remaining days of a year other than the days mentioned under para 3.4.1 above shall be called “Valid Trading Window”

5. Reopening of Trading window by Compliance Officer - Ambuja Cements Ltd.

“7.4 In addition to keeping the trading window closed for the period of quarterly half yearly / annual financial results, trading window will be closed during other periods whenever the Board of Directors are to consider any of the matters mentioned in para 7.1 above.

7.5 The Trading Window shall open 48 (forty eight) after the quarterly / half yearly or annual financial results or the decision of the Board of Directors on the matters mentioned in 7.1, as the case may be, have been communicated to the stock exchanges.

7.6 The insider and their immediate relatives shall undertake trade in the Company's securities only when the Trading Window is open and shall not undertake any trades during the periods when the Trading Window is closed.

7.7 The restriction to trade in the Company's securities as stipulated in 7.6 above 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.

All communication regarding the closing and opening of the Trading Window will be sent by e-mail to the Designated Persons and will also be notified to the Stock Exchanges and uploaded on the Company's website. However, irrespective of whether such communication is received, the Insiders governed by this code should

mandatorily verify whether the trading window is open before undertaking any transactions in respect of the Company's securities. Non receipt of communication regarding closure of trading window will not justify a transaction done during the period when the trading window was closed.

7.8 In respect of Employees Stock Options, if any, the employees covered under the list of Designated Persons can exercise the options when the trading window closed. However, selling of shares allotted on exercise of the option is not allowed when the trading window is closed."

6. Pre clearance of Trades - Zee Entertainment Enterprises Ltd.

“Any Designated Person who intends to conduct Trading either in his / her own name or in the name of his/her Immediate Relative(s) may trade or deal in the securities of the Company only during any non-window closure period, without obtaining pre-clearance of such trade(s) from the Compliance Officer and such trade and/or dealing (in one or more tranches) in every quarter shall be limited to the lower of the following (hereinafter called “threshold”):

- 2500 Equity Shares of the Company of Re 1 each and
- 75000 Non-Convertible Preference Shares of the Company;
- Rs 10 lakhs calculated based on aggregate traded value of such Shares dealt with.

Pre-clearance will not be necessary if such Trade to be carried out does not exceed the above threshold. However, no Insider shall be entitled to apply for or seek any pre-clearance of proposed trade(s) if such Insider is in possession of unpublished price sensitive information

even if the trading window is not closed. Any trade(s) executed based on pre-clearance shall be concluded within 7 (seven) trading days after the date of pre-clearance."

7. Maintenance of a Confidential Restricted List of Securities for approval

None of the 18 companies that have published a Code of Conduct have disclosed their compliance with this clause. On discussion with a few company secretaries, multiple explanations emerged. One of which is, only financial intermediaries need to comply with this clause. The other explanation being this clause is being complied with, whenever an acquisition or merger is contemplated. However the practices followed are more by convention and not by explicitly written directions.

8. Declaration from designated persons in pre-clearance process – Hindalco Industries Ltd.

"8. Disclosure to the Compliance Officer

8.1 Initial Disclosure:

- a) Any person who joins the Company as Director or Designated employee shall disclose to the Company, the number of shares or voting rights held and positions taken in derivatives by such person and his/her dependents, within 2 working days of becoming a director or designated employee of the Company.
- b) The disclosure is to be made in the Format as per Form 'A' attached herewith.

8.2 Continual Disclosure:

- a) All the Directors and Designated Employees of the Company shall disclose to the Company and the stock exchanges where the securities of the company are listed the total number of shares or voting rights held and change in shareholding or voting rights together with the shareholding of their dependents, if there has been a change in such holdings from the last disclosure made under sub-regulation (2) of Regulation 13 of SEBI Regulation (Initial Disclosure) or under sub-regulation (4) of Regulation 13 of SEBI Regulation (Continual Disclosure) and the same exceeds the least of the following:

- Rs.5 lacs in value or
- 25,000 shares or
- 1% of the total shareholding or voting rights

The names of the Stock Exchanges where the Company's securities are listed can be obtained from the Compliance Officer of the Company.

Provided however that the Directors / Designated Employee shall make disclosures to the Company even if the changes are within the above mentioned limits. The disclosure mentioned above shall have to be made within 2 working days of:

- i) the receipt of intimation of allotment of shares, or
 - ii) the acquisition or sale of shares or voting rights, as the case may be.
- b) The disclosure is to be made in the Format as per Form

'B' attached herewith.

8.3 Annual Disclosures by the Director / Designated Employee of the Company for updating of the record Annual Disclosure as of 31st March every year within 7 days thereof shall be made by all the Directors, Designated Employees of the Company and their dependents who are holding listed securities in the Company and/or any Group Company in the format as per Form "C" attached herewith.

8.4 The Compliance Officer will prepare their compilation for all the respective Connected Persons and shall maintain such record for a period of 3 years.

8.5 The Compliance officer shall place before the Managing / Whole time Director / CEO / CFO of the Company, on a monthly basis the details of all dealings in the securities by Directors/Designated Employees of the company and other connected or deemed to be Connected Persons alongwith relevant documents / disclosures."

9. To complete all trades within 7 days of clearance

All the 18 companies have disclosed the requirement to comply with this clause. Being a specific requirement, there is nothing much to differentiate between the companies.

10. Contra trade within 6 months - Indiabulls Housing Finance Ltd.

"All Designated Persons and their Immediate Relatives who trade in the Securities of the Company shall not execute a contra trade, during the next six months following the preceding transaction.

For the sake of clarity, if any Designated Person and their Immediate Relatives has bought or has been allotted any shares / Securities of the Company (including under ESOPs / Preferential Issue), he / she cannot sell any Securities of the Company, within a period of six months, from the date of such purchase.

Similarly, in case any Designated Person and their Immediate Relatives has sold any Securities, he / she cannot acquire any Securities, including by way of allotment through ESOPs / Preferential Issue, within a period of six months, from the date of such sale."

11. Frequency and format of trades

All the 18 companies have disclosed the requirement to comply with this clause. Being a specific requirement, there is nothing much to differentiate between the companies.

12. Penalty for Non-compliance - UPL Ltd

"In case of any contravention of the Company's Code of Conduct, the Directors/officers/ designated employees of the Company shall be subjected to the following penalties.

7.1 Any Director/officer/designated employee who trades in securities or communicates any information for trading in securities in contraventions of the code of conduct will be penalized by way of penalty of Rs. 5/- per share for the number of shares traded in or Rs. 5000- whichever is

higher.

7.2 The Company shall take appropriate action against such Directors/officers /designated employees of the Company as may be recommended by the Compliance Officer.

7.3 Director/officer/designated employee of the Company who violate the code of conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

7.4 Apart from the above action taken by the Company, SEBI may take any appropriate action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.”

13. Prompt disclosure to Board

All the 18 companies have disclosed the requirement to comply with this clause. Being a specific requirement, there is nothing much to differentiate between the companies.

B. Identification of Connected Persons

1. Connected Person is one who has or is reasonably expected to have access, directly or indirectly to UPSI by reasons of frequent contact with company's officers due to their contractual, fiduciary, filial, professional or employment relationship or by being a director, officer or an employee of the company.

CimplyFive's Observation

On the basis of our analysis of the policies, the following categories of individuals have been identified as Connected Persons by the companies:

- **13 companies** identified 'Persons associated with Company or its officers'
- **12 companies** identified 'Relatives of Connected Persons'
- **10 companies** identified 'intermediary or employee or director', 'Banker of the company', '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', 'a Holding Company or Associate or Subsidiary Company.'
- **9 companies** identified 'Investment Co., Trustee Company, Asset Management Co. or employee or director thereof', 'An official of a stock exchange or of clearing house or corporation', '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', 'Directors or employee, of a Public Financial Institution', 'Official or an employee of a self-regulatory organization recognised or authorized by SEBI',
- **1 company** identified 'Any person who has a professional or business relationship that allows access to UPSI'

CimplyFive's Learning

It is desirable to capture the essence of a Connected Person and provide an inclusive definition by listing out positions and designations identified, and with a residual clause for other similar individuals/ positions with access to UPSI.

C. Identification of Designated Persons

Designated Persons are Insiders having or reasonably expected to be in possession of UPSI.

CimplyFive's Observation

Our analysis of the policies reveals the following have been identified as Designated Persons:

- **15 companies** - Directors
- **10 companies** - Employees of Legal and Secretarial Department
- **8 companies** - Employees of Finance department, Accounts department
- **7 companies** - General Managers and Heads of Department
- **6 companies** - Employees of Corporate Planning Department, Relatives of Employees, Insiders and auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company
- **5 companies** - Promoters, KMPs, Employees of Audit department, Personal assistants of Directors or employees, Relative of the Directors
- **4 companies** - Directors, Chief Executives and the head of Accounts and Finance of the Associate Companies, Joint Venture Companies and Subsidiaries, Investor Service Cell, Corporate Communications and Public Relations
- **3 companies** - Employees of taxation department, Sales and Marketing Department
- **2 companies** - Members of Executive Committees, Connected Persons, Management Council Members and their assistants
- **1 company** - Global Chief Executive Officer(s), Global Chief Financial Officer(s), Global Chief Permanent invitees and their assistants, Statutory Auditors, employees having possession or access to UPSI, employees of Project Monitoring Department, Other departments, Person employed on contract basis, Finance Department of headquarters of Marketing, Refineries, Pipelines, R&D, Enterprise Risk Management Department

CimplyFive's Learning

It is desirable to capture the essence of Designated Persons and provide an inclusive definition by listing out positions and designations identified with a residual clause for other similar individuals/ positions.

7. Dealing with Insider Trading: A Model Policy

Code of Conduct to Regulate, Monitor & Report Trading by Insiders

Approved by	Final approving authority –the Board of Directors
Approved on	Date of the Board Meeting where the Policy is approved
Effective date	Date in the policy from which the policy will become effective
Version	Start from 1.0 and keep updates numbered chronologically

I. Objective

This Code of Conduct to Regulate, Monitor & Report Trading by Insiders is adopted to bring transparency and fairness in dealing with the securities of the company and promote confidence of the investing public to deal in the securities of the company. This policy is also compliant with the Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 mandated for achieving similar results. The code is to ensure timely reporting and adequate disclosure of price sensitive information by the company and monitor the activities of the promoters, directors, key managerial personnel and other connected persons of the Company in prohibiting insider trading during the time they are in possession of Unpublished Price Sensitive Information (UPSI).

II. Terms & References

All words/terms in this Code shall have the same meaning as assigned to them under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

III. Scope & Applicability

This Code shall be applicable to all Insiders who are in possession or have access to UPSI including Promoters, Directors, Employees, Designated Persons, Connected Persons and their Immediate Relatives.

IV. Compliance Officer

The <Company Secretary> designated as such by the Board will act as the Compliance Officer for the purpose of this Code and in the absence of the <Company Secretary>, such other officer authorized by the Chairperson of the Board shall be the compliance officer. The Compliance Officer will perform the following functions and shall have the following powers:

- i. Monitor and administer this Code.
- ii. Process the pre-clearance of trade as per approval matrix.
- iii. Maintain, update and preserve records, as per SEBI Regulations.
- iv. Clarify issues regarding the Code and redress the grievances of the Designated Persons.

v. Decide and notify the 'No-Trading Period' for Designated Persons / select persons or specific departments, as deemed necessary.

vi. Identify and notify the list of Designated Persons on the basis of specific transactions, as required under the Code.

vii. The Compliance Officer shall send reports to the Chairman of Audit Committee, on a quarterly basis, providing details of the trading in the Securities of the Company by the Designated Persons and the accompanying documents such persons had executed under the pre-dealing procedure as envisaged in this Code.

The Compliance Officer can delegate all or any of the above powers to any officer / employee of the Company.

V. Identification of Connected Persons

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 Securities and Exchange Board of India Act, 1992 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.

VI. Identification of Designated Person

1. Designated Persons shall be identified on the basis of their functional role in the organization and shall be governed by this Code of Conduct while Trading in the Securities of the Company.

2. The Board shall in consultation with the Compliance Officer lay down the criteria for identification of Designated Persons to be covered by this Code of Conduct.

3. The term "Designated Persons" will mean and consist of certain Connected Persons i.e.

(i) All the Directors of the Company;

(ii) Relatives of the Directors of the Company;

(iii) Promoters of the Company;

(iv) All employees of the Company in the grade ___ and above;

(v) Key Managerial Personnel of the Company;

(vi) All employees of the 'Finance', 'Accounts', 'Audit', 'Taxation', 'Legal and Secretarial' functions of Corporate Finance of the Company, irrespective of their grade;

(vii) All employees in finance functions of respective business units/ business verticals;

(viii) Directors, Chief Executives and the head of Accounts and Finance (by whatever name called) of the Associate Companies, Joint Venture Companies and subsidiaries;

(ix) Personal assistants, if any, of the Directors and of the employees referred to at (i) and (iv) above;

(x) Any other employees as may be designated/ notified by the Compliance Officer in consultation with the Managing Director of the Company from time to time;

(xi) Immediate Relatives of persons specified in (iii) to (ix) above.

4. The Compliance Officer may in consultation with the Managing Director determine and include such other Connected Person or class of Connected Persons, including their Immediate Relatives, from time to time to whom the restrictions on Trading in Securities of the Company will apply.

VII. Preservation of Price Sensitive Information

Insiders shall maintain the confidentiality of all UPSI coming into their possession or control.

To comply with this confidentiality obligation, the Insiders shall not:

(i) communicate, provide or allow access of UPSI to any person directly or indirectly, including by way of making a recommendation for the purchase or sale of Securities of the Company unless such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations; or

(ii) discuss UPSI in public places, or

(iii) disclose UPSI to any Employee who does not need to know the information for discharging his or her duties, or

(iv) recommend to anyone that they may undertake Trading in Securities of the Company while being in possession, control or knowledge of UPSI, or

(v) be seen or perceived to be Trading in Securities of the Company while in possession of UPSI.

Limited access to confidential information:

All Insiders who are privy to the confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others but not limited to the following safeguards:

- To keep files containing confidential information secured.
- To keep computer files with adequate security of login through a password.

Need to know basis:

All Insiders, who are privy to unpublished Price Sensitive Information, shall share the same strictly on a "Need to Know" basis. This means the unpublished Price Sensitive Information shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their respective professional duties and whose possession of unpublished Price Sensitive Information will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

VIII. Trading Window

1. No insider shall deal in any transaction involving the purchase or sale of the Company's securities, either in their own name or in the name of their immediate relatives, during the periods mentioned below, when "Trading Window" shall remain closed:

Explanation: The trading window shall be opened 48 hours after the "price sensitive information", for which the trading window is closed, is generally available.

2. The remaining days of a year other than the days mentioned above shall be called "Valid Trading Window".

Table -7.1 Illustrative List of Unpublished Price Information

Sl no	Events / Particulars	Restrictive period
1	Declaration of the quarterly financial results	To be notified by the Compliance Officer depending upon the date of the Board meeting for approving the results
2	Declaration of dividend	To be notified by the Compliance Officer depending upon the date of the Board Meeting, in which the same would be considered.
3	Change in capital structure e.g. further issue of securities by way of public / rights / bonus etc.	To be notified by the Compliance Officer as and when the proposal is put up to the Board / Committee / competent authority.
4	Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions	To be notified by the Compliance Officer as and when the proposal is put up to the Board / Committee /competent authority.
5	Any other material event.	To be notified by the Compliance Officer as and when the proposal is put up to the Board / Committee / competent authority.

3. All insiders shall conduct their dealings in the securities of the Company only in the "Valid Trading Window" period as mentioned above and shall not enter into "Contra Trade" i.e. opposite or reverse transactions like buy and sell or sell and buy, in the securities of the company within six months of undertaking the first trade.

4. 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. If a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to credit to the Investor Protection and Education Fund administered by the Securities & Exchange Board of India (SEBI).

5. The Compliance Officer shall maintain a register of the periods of "Closed Trading Window", wherein he shall record the date of closure and opening of the trading window and the purpose for which trading window is closed as per proforma provided at Annexure-I.

IX. Trading Plan

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 as per proforma provided at Annexure - II.

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;

(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 company and the second trading day after the disclosure of such financial results;

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

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

(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

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

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.

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 the violation.

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

X. Pre-clearance of Trade

1. An Insider, who intends to trade in the securities of the Company above the minimum threshold limit of <ten lakhs rupees>, shall obtain pre-clearance of the transaction as per the pre-clearance procedure as described hereunder.

2. Application for pre-clearance shall be made only during valid trading period. Application submitted during closure of trading window shall be invalid.

3. No Insider shall apply for pre-clearance of any proposed trade if such Insider is in possession of unpublished price sensitive information even if the trading window is not closed.

4. An insider shall make a pre-clearance application to the Compliance Officer in the prescribed format along with an undertaking stating that the Insider has not contravened the provision of Insider Trading Code. A combined proforma application cum undertaking is annexed to this code as Annexure- III.

5. Immediately on receipt of the pre-clearance application, the date and time of the receipt of the same shall be recorded thereon. The Compliance Officer shall process the pre-clearance applications and if the pre-clearance application is in accordance and in compliance with the provisions of this Code, the Compliance Officer shall endeavour to communicate the preclearance immediately to the insider but not later than 48 hours from the time of receiving the application. In the absence of the Compliance Officer, the officer authorized by the Compliance Officer shall give the pre-clearance.

6. The Compliance Officer shall maintain a Register of pre-clearance of trading of Securities as per proforma provided at Annexure- IV.

7. The Insider shall execute their order in respect of securities of the Company within seven trading days from the date of approval of pre-clearance. If the order is not executed within said period, the Insider shall obtain fresh pre-clearance.

8. A Designated person who has got the permission to trade shall not execute a contra trade, i.e. buy after selling the shares or sell after buying the shares, within a period of six months. Should a contra trade be executed inadvertently or otherwise, in violation of such restriction, the profit from such trade shall be disgorged for remittance to SEBI for the credit of Investor Protection and Education Fund.

XI. Disclosures & Reporting

Initial Disclosure

Every promoter, key managerial personnel and director of the Company shall disclose his/her holding of securities and trading in derivatives 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 in Form-A.

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his/her holding of securities and trading in derivatives 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 in Form-B.

Continual Disclosure

Every promoter, employee and director of every company shall disclose in Form-C 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 lakhs rupees> or such other value as may be specified.

The Company shall notify the particulars of 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 Clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified above.

Disclosure by other connected person

The other connected person or class of connected persons may require to make disclosures of holdings and trading in securities of the company in Form-D and at such frequency as may be determined by the company time to time.

XII. Penalty for contravention of code of conduct

All Insiders shall be individually responsible for complying with the provisions of this Insider Trading Code including to the extent the provisions hereof are applicable to his/her Immediate Relatives.

UNDERTAKING

In this connection I solemnly confirm and declare:

- a) THAT I do not have access and/or have not received any "Unpublished Price Sensitive Information" up to the time of signing the undertaking;
- b) THAT in case I have access to or receive "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer about such "Unpublished Price Sensitive Information" and that I shall completely refrain from dealing in the securities of the company till the time such information becomes public;
- c) THAT I have not contravened the Insider Trading Code as notified by the company from time to time.
- d) THAT I shall not undertake any contra trade for a minimum period of six months from the date of the transaction, for which pre-clearance has been taken.

I hereby solemnly declare that I have made a full and true disclosure in this regard to the best of my knowledge and belief.

Pre-clearance may kindly be accorded in terms of Clause 10 of the Insider Trading Code of the company.

Signature :

Date :

Place:

FOR OFFICE USE

Date & time of receipt of the Application :

Date & time of communication of the pre-clearance or otherwise :

Reasons for not giving pre-clearance, if any :

Signature of the Compliance Officer / Authorised Officer

Annexure-IV

REGISTER OF PRE-CLEARANCE FOR TRADING IN SECURITIES

(In terms of clause X of the Insider Trading Code)

S.No.	Name	Designation	Department	Date & Time of Receipt of Pre-Clearance Application	Name of person in whose name transaction is being made	Relationship
1	2	3	4	5	6	7

Nature of Transaction (Buy / Sell)	Estimated no. of securities	Estimated Consideration	Date of Communication of the clearance by the Compliance Officer	Reasons for non-clearance, if any	No. of securities actually traded, if intimated
8	9	10	11	12	13

Form- A
Initial disclosure to the company

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
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

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

Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

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		
Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms
6	7	8	7	8	9

Note: In case of Options, notional value shall be calculated based on premium plus strike price of option

Name & Signature:

Designation:

Date:

Place:

Form- B
Disclosure on becoming a director/KMP/Promoter

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.)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held as on the date of regulation coming into force		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

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

Details of Open Interest (OI) in derivatives of the company 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)

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		
Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts lot size)	Notional value in Rupee terms
6	7	8	7	8	9

Note: In case of Options, notional value shall be calculated based on premium plus strike price of option

Name & Signature:

Designation:

Date:

Place:

Form-C
Continual Disclosure

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, CIN/DIN, & address of Promoter / Employee / Director with contact	Category of Person (Promoters/ KMP / Directors / Immediate relatives/ others)	Securities held prior to acquisition /disposal		Securities acquired /Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of Security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of share holding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of share holding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

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

Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:
Designation:
Date:
Place:

Form-D

Transactions by Other connected persons as identified by the company

Name of the company: _____

ISIN of the company: _____

Details of trading in securities by other connected persons as identified by the company

Name, PAN, CIN/DIN, & address of Promoter / Employee / Director with contact	Category of Person (Promoters/ KMP / Directors / Immediate relatives/ others)	Securities held prior to acquisition /disposal		Securities acquired /Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of Security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

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

Details of trading in derivatives by other connected persons as identified by the company

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

Code of Fair Disclosure of Unpublished Price Sensitive Information

Approved by	Final approving authority –the Board of Directors
Approved on	Date of the Board Meeting where the Policy is approved
Effective date	Date in the policy from which the policy will become effective
Version	Start from 1.0 and keep updates numbered chronologically

I. Objective

This Code of Fair Disclosure of Unpublished Price Sensitive Information (UPSI) is adopted to bring transparency and fairness in dealing with the securities of the company and promote confidence of the investing public to deal in the securities of the company by ensuring a level playing field. This code is also compliant with the Regulations 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 mandated for achieving similar results. This code is to ensure timely reporting and adequate disclosure of price sensitive information by the company and monitor the activities of the promoters, directors, key managerial personnel and other connected persons of the Company in prohibiting insider trading during the time they are in possession of Unpublished Price Sensitive Information (UPSI).

II. Terms & References

All words/terms in this Code shall have the same meaning as assigned to them under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

III. Scope & Applicability

This Code shall be applicable for all UPSI and shall be administered by the Chief Investor Relations Officer. In case of doubt, whether an information is to be considered as price sensitive or not, the Chief Investor Relations Officer shall consult the CFO and the Company Secretary in arriving at a decision. The decision taken shall be documented along with its rationale. The decision taken by the Chief Investor Relations Officer after consultation with the CFO and Company Secretary shall be final.

IV. Prompt 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.

Unpublished Price Sensitive Information shall be given by Company to the Stock Exchanges where the Securities of the Company are listed, promptly and the said information shall also be uploaded to the Company's official website www._____ in order for it to be accessed by the investors

and members of the Company by making the information generally available.

V. Uniform and universal dissemination of UPSI information to avoid selective disclosure.

The price sensitive information shall be disseminated uniformly and universally to all stakeholders through Stock Exchange and/or by posting the same on official website of the Company i.e. www._____ or by making press releases. The Company shall use its best endeavours to Managing Director, Chief Finance Officer, Chief Investor Relations Officer or the designated persons for Investor Relations. avoid selective disclosure of price sensitive information. In case any information gets disclosed selectively or inadvertently or otherwise, the Company's endeavour shall be to make generally available the above information through dissemination of the same to Stock Exchanges and/or by posting the same on the official website of the Company as soon as practicable and making the necessary press releases.

VI. Authority for Dissemination of information and Disclosure of UPSI.

No employee in the organization should communicate externally about the Company's prospects, performance and policies or disclose any unpublished information whether price sensitive or not, without appropriate authority. Generally, only the following officers shall be authorized to communicate with media, investors, analysts and others:

VII. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

If any information is accidentally disclosed without prior approval of the authorised spokesperson, the person responsible may inform the authorised spokesperson immediately, even if the information is not considered price sensitive. In such event of inadvertent, selective disclosure of the price sensitive information, the authorised spokesperson shall take prompt action to ensure that such information is generally made available.

VIII. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

The Chief Investor Relations Officer shall promptly respond to any queries or requests for verification of market rumours by the exchanges.

The Chief Investor Relations Officer shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, if required.

He/she shall also provide appropriate assistance and fair response to the regulatory authorities including the stock exchange for verification of news reports and market rumours.

IX. Ensuring that information shared with analysts and research personnel is not UPSI.

(i) Only Public information to be provided: The Company shall provide only public information to the analyst/research persons/large investors like institutions. Alternatively, the information given to the analysts should be made public immediately after such disclosure is inadvertently made.

(ii) Handling of unanticipated questions: The Company should be careful while making corporate disclosures or dealing with analysts' questions that raise issues outside the intended scope of discussions. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes UPSI, then before responding, a public announcement should be made and/or posted on the website of the Company www._____.

X. Developing best practices to make transcripts or recrds of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

In order to avoid misquoting or misrepresentation, it is necessary that all corporate disclosures shall be made either in writing or in cases of meeting with analysts, brokers or institutional investors, disclosures are made only of quarterly earnings calls with analysts/ investors shall be posted on the company's website.

XI. Handling of all UPSI on a need-to-know basis.

Persons who are privy to UPSI, shall handle the same strictly on a "need to know" basis. This means the UPSI shall be disclosed only to those persons who need to know the same in the course of performance or discharge of their duty and whose possession of UPSI will not, in any manner, lead to misuse of the information.

The persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent

its wrongful dissemination, adopt among others, the following safeguards:

- (i) physical files containing information shall be kept secure, preferably in designated places; and
- (ii) files containing confidential information shall be kept secure.

XII. Amendment

The Code can be modified

- i. at any time by the Board of Directors of the Company to make the Code more effective, or
- ii. By the Compliance Officer or Company Secretary to reflect any changes / amendments / clarifications notified by SEBI, subject to ratification of such amendment by the Board, in its next meeting.



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