

JISL/SEC/2015/05

25.05.2015

To,
Bombay Stock Exchange Ltd.,
Corporate Relationship Department,
1st Floor, New Trading Wing, Rotunda
Building, P. J. Tower, Dalal Street,
Mumbai - 400 001.

To,
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Fax No.022- 22723121/22722037(Day)
022-22721072 (Night)
Email: corp.relations@bseindia.com

Fax No. : 022-26598237/38
Email : cmllist@nse.co.in

Ref: Code No. 500219 (BSE) JISLJALEQS (NSE) Ordinary Equity shares
Code No. 570004 (BSE) & JISLDVREQS (NSE) for DVR Equity Shares

Sub : Compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Dear Sir,

In compliance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and pursuant to SEBI Circular No. CIR/ISD/01/2015 dated 11th May, 2015, we wish to confirm that the Board of Directors of the Company had adopted the following Code, which is applicable w.e.f. 15th May, 2015.

1. Code of Conduct for Prevention of Insider Trading.

Abovementioned code also has been uploaded on website of the Company i.e. www.jains.com

A copy of Code is attached herewith for you information and records.

Please acknowledge.

Thanking you,

Yours faithfully,
For Jain Irrigation Systems Ltd.,



A. V. Ghodgaonkar
Company Secretary

JAIN IRRIGATION SYSTEMS LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

(Adopted by the Board on 15/05/2015)

(Refer Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulation, 2015)

1. A. INTRODUCTION

- 1.1. The Code of Conduct ("the Code") is framed to prevent insider trading and also further to the SEBI (Prohibition of Insider Trading) Regulation, 2015 ("the Regulations"). The Code is to be implemented specifically with reference to the securities of Jain Irrigation Systems Limited ("JISL" or "the Company").
- 1.2. The Code shall generally be complied with by all employees and insiders generally. However, where specified, the respective person shall comply with the specified requirements.
- 1.3. All Designated Persons and insiders generally should carefully read the Regulations in detail (a copy of which is also available at SEBI's website **sebi.gov.in** or may be obtained from the Chief Compliance Officer of the Company) and contact the Chief Compliance Officer for any clarification or guidance that may be needed.
- 1.4. Attention is particularly drawn to the disciplinary, punitive and other consequences of any violation of this Code and/or of the Regulations under this Code and/or the Regulations, the SEBI Act and other relevant provisions of law.
- 1.5. The Company may at its discretion and/or as mandated by law, make changes to this Code from time to time and shall notify the changes/revised Code to the persons to whom this Code is applicable by email and such changes shall take place with effect from issuance of the emails or from such date as specified in the notification.
- 1.6. Terms used herein (particularly those initialized with a capital letter(s)), unless defined herein, shall have their meanings assigned to them under the Regulations and if the Regulations do not provide such definitions, under the Act.

B. DEFINITIONS

(a) "**Dependent family members**" for the purpose of the Insider Code means dependent parents, dependent children, dependent spouse and any other relative(s)



dependent of the Designated Person financially on such person, or consults such person in taking decisions relating to trading in securities.

(b) "**Designated person**" shall cover the following:

- All director(s) whether executive, non-executive or independent;
- Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Internal Auditor (CIA);
- Chief Operations Officer (COO) and Company Secretary or any such equivalent position;
- Heads, senior vice presidents, vice presidents and associate vice president; and all persons handling various sensitive matters in Finance, Accounts & Secretarial department.
- Such other employees as may be determined by the Company from time-to-time.

The term designated persons shall include their immediate relatives.

(c) "**Securities**" shall mean and include equity shares and derivatives on shares of the Company.

(d) "**Promoter**" and "**Promoter Group**" shall have the same meaning as assigned to them in the securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011.

(e) "**Working days**" shall mean the working day when the regular trading is permitted on the concerned Stock Exchange where securities of the Company are listed.

(f) "**Unpublished price sensitive information**" shall mean any information, relating to a Company or its securities, directly or indirectly, that is not generally available to any outsider or investor which upon becoming generally available is likely to materially affect the price of the securities;

(g) "**Generally available information**" has been defined to mean information that is accessible to the public on a non-discriminatory basis.

(h) "**Connected person**" means and includes persons that occupy responsible positions in the Company or those having professional/business relations with the Company but extends to persons who are associated with a Company in any manner, who have or are reasonably expected to have access to unpublished price sensitive information.

(i) "**Immediate relative**" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.



(j) The term "**insider**" means any person who is:

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

All the other terms used in the Insider Code shall have the same meaning as assigned to them under the Regulations.

2. CHIEF COMPLIANCE OFFICER

2.1. The Company has appointed Mr. A.V. Ghodgaonkar, Company Secretary of the Company, as the Chief Compliance Officer, who shall act as such for the purposes of this Code and under the Regulations and shall report to the Chairman of the Board of Directors of the Company. He shall also, in particular, provide reports to the Chairman of the Audit Committee and to the Chairman of the Board of Directors at such frequency as may be stipulated respectively by the Audit Committee/Board of Directors.

2.2. The Chief Compliance Officer is responsible for setting forth policies and procedures for monitoring adherence to the rules for the preservation of "Price Sensitive Information", 'pre-clearing of Designated Persons' trades (through respective department heads), for monitoring of trades and generally for the implementation of the Code under the overall supervision of the Board of the Company and its Audit Committee.

The term Designated Persons shall also include their immediate relatives.

2.3. The Chief Compliance Officer shall maintain a record of the Designated Persons and any changes made in the list of Designated Persons.

2.4. The Chief Compliance Officer shall help Designated Persons and employees/Insiders generally in providing any clarifications they may need regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and this Code.

3. PRESERVATION OF "PRICE SENSITIVE INFORMATION"

3.1. Designated Persons, employees and Insiders generally shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall not pass on such information to any person directly or indirectly, by way of making a recommendation for the purchase or sale of securities.



A. PROHIBITION TO TRADE IN SECURITIES OF THE COMPANY BY DESIGNATED PERSONS

- Designated Persons of the Company when in possession of any unpublished price sensitive information, as defined in the Regulations, pertaining to the Company, shall not:
 - (a) Trade in securities of the Company, either on their own behalf or on behalf of any other person, except provided otherwise.
 - (b) Communicate, counsel, procure or allow access to any unpublished price sensitive information to/from any person, except in furtherance of a legitimate object or performance of duties.
 - (c) Designated Persons shall maintain the confidentiality of all price sensitive information. Designated Persons shall not pass on such information to any person directly or indirectly, by way of making a recommendation for the purchase or sale of securities.

4. NEED TO KNOW

- 4.1. All Price Sensitive Information shall be handled within the organisation on a need-to-know basis and no Unpublished Price Sensitive Information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.2. All non-public information directly received by any person should immediately be reported thru the head of the department to the Chief Compliance Officer.

5. LIMITED ACCESS TO CONFIDENTIAL INFORMATION

- 5.1. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.

6. PREVENTION OF MISUSE OF "PRICE SENSITIVE INFORMATION", RESTRICTION & PROHIBITION OF TRADING BY DESIGNATED PERSONS

- 6.1. Designated Persons shall be subject to trading restrictions as enumerated below:-

6.2. TRADING WINDOW

- 6.2.1. The Company shall specify a trading period, to be called "Trading Window", for trading in the Company's securities. The trading window shall be closed during the time the information referred to in para 6.2.3 is unpublished.



6.2.2. When the trading window is closed, the directors, officers and Designated Persons shall not trade in the Company's securities in such period.

6.2.3. The trading window shall be, inter alia, closed at the time of:-

- 6.2.3.1. Declaration of Financial results (quarterly, half-yearly and annual)
- 6.2.3.2. Declaration of dividends (interim and final)
- 6.2.3.3. Changes in capital structure including issue of securities by way of public/ rights/bonus, buyback of securities, etc.
- 6.2.3.4. Any major expansion plans or execution of new projects
- 6.2.3.5. Amalgamations, mergers, de-mergers, acquisitions/takeovers, delisting, disposals and expansion of business and such other transactions;
- 6.2.3.6. changes in key managerial personnel; and
- 6.2.3.7. Material events in accordance with the listing agreement.
- 6.2.3.8. Any material changes in policies, plans or operations of the Company
- 6.2.3.9. Such other events or circumstances as may be notified by the Chief Compliance Officer.

6.2.4. The time, apart from as specified herein in para 6.2.5, for commencement of closing of trading window shall be decided by the Company and communicated by email and/or display on website of the Company and/or intimation to Stock Exchanges where the securities of the Company are listed.

6.2.5. The trading window will be closed on the following dates generally:

- 6.2.5.1. From 27th January
To 10th February
- 6.2.5.2. From 10th May
To 25th May
- 6.2.5.3. From 27th July
To 10th August



6.2.5.4. From 25th October
To 10th November

- 6.3. The trading window shall be opened 24 hours after the information referred to in para 6.2.3 is made public.
- 6.4. All directors/ officers/ Designated Persons of the Company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when trading window is closed, as referred to in paras 6.2.3 to 6.2.5 or during any other period as may be specified by the Company from time to time.
- 6.5. In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

7. PRE-CLEARANCE OF TRADES

- 7.1. All Designated Persons who intend to deal in the securities of the Company (above a minimum threshold limit of 5,000 Shares) should pre-clear the transaction as per the pre-dealing procedure as described hereunder.
- 7.2. An application may be made in such form as the Company may notify in this regard or else on plain paper, to the Chief Compliance Officer indicating the estimated number of securities that the Designated Persons intend to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.
- 7.3. An undertaking shall be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:
- 7.3.1. That the Designated Person does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
- 7.3.2. That in case the Designated Person has access to or receives "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Chief Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public in the manner specified in the Regulations.



7.3.3. That he/she has not at any time contravened the Code.

7.3.4. That he/she has made a full and true disclosure in the matter.

7.4. The Chief Compliance Officer shall, before granting any clearance for dealing in securities to an applicant, consider whether there is an UPSI and/or whether the applicant may be in possession of UPSI and/or whether any of the statements made in the application and undertaking by the applicant may be inaccurate.

7.5. The applicant shall make the application application/undertaking and other documents in the form as available with the Chief Compliance Officer and in accordance with instructions as laid down therein.

8. OTHER RESTRICTIONS

8.1. All Designated Persons who are dependent on them shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given the employee/ director must pre clear the transaction again.

8.2. All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. The Chief Compliance Officer may, however, in exceptional cases such as emergencies, grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. Provided that all such relaxations shall be presented before the next meeting of the Audit Committee. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

8.2.1. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time.

8.2.2. In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.



A. Voluntary Annual Trading Plans

a) The insider is entitled to formulate and submit trading plan in advance to the Chief Compliance Officer for his approval. The Chief Compliance Officer is also empowered to take additional undertakings from the insiders for approval of the trading plan. Such trading plan on approval also has to be disclosed to the Stock Exchanges, where the securities of the Company are listed.

b) 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.

c) The trading plan is required to be in compliance with the following requirements:

i. It shall be submitted for a minimum period of 12 months.

ii. No overlapping of plan with the existing plan submitted by Insider.

iii. It is required to 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.

iv. Not entail commencement of trading behalf of the insider earlier than six months from the public disclosure of the plan.

v. Not entail trading between 20th day prior to closure of financial period and 2nd trading day after disclosure of financial results.

vi. Irrespective of the trading plan the trading window shall be closed during the period of closure of trading window as mentioned herein.

9. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

A. THERESHOLD LIMIT AND DISCLOSURES

Designated Persons and their dependent family members and any person who is a Promoter or part of Promoter Group shall make the following disclosures of shares and other securities held in the Company by them to the Chief Compliance Officer:

- Disclosure shall be made by Designated Persons of the number shares and other securities held, and position taken in derivatives by Designated Persons and his dependents in **Form B**. This disclosure shall be made within 7 working days of becoming a Designated Person.



- Disclosure shall be made of the number of shares and other securities held, upon becoming a Promoter or person belonging to Promoter Group, at any point of time in **Form B**. This disclosure shall be made within 7 working days of becoming a Promoter or part of Promoter Group.
- Annual disclosure of number of shares and other securities held as on 31st March, including details of purchase/sale of shares, positions taken in derivatives and other securities during the financial year including statement of dependent family members shall be made by the Designated Persons. This disclosure shall be made within 30 days from the close of each financial year.
- Disclosures shall also be made by Designated Persons holding more than 5 per cent shares to the Company in **Form C** of the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5 per cent, if there has been change in such holding from the last disclosure made and such change exceeds 2 per cent of the total shareholding or voting rights in the Company.
- Disclosures shall also be made by Designated Persons to the Company and to the Stock Exchanges where the securities of the Company are listed about and total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such shareholding of such Designated Persons and their dependents and the change exceeds Rs. 5 Lakh in value or 25,000 equity shares or 1 per cent of total shareholding or voting rights, whichever is lower. This disclosure shall be made within 2 working days in **Form D**.
- Disclosure shall also be made by any person who is a Promoter or part of Promoter Group to the Company and to the Stock Exchanges where the securities of the Company are listed about the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such shareholding of such persons and the change exceeds Rs. 5 lakh in value or 25,000 equity shares or 1 per cent of total shareholding or voting rights, whichever is lower. This disclosure shall be made within 2 working days in **Form D**.

9.1. All Designated Persons of the Company shall be required to forward following details of their securities transactions including the statement of immediate relatives dependent on them to the Chief Compliance Officer, in **Form B**:

9.2. All holdings in securities of that Company by Designated Persons at the time of joining the Company or being otherwise associated with it, in **Form B**.

9.3. periodic statement of any transactions in securities (the periodicity of reporting is once every 6 months; and

9.4. Annual statement of all holdings in securities in every April.



9.5. The Chief Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors/ officers/ Designated Persons for a minimum period of three years.

9.6. The Chief Compliance Officer shall place before the Managing Director or a committee specified by the Company, on a monthly basis all the details of the dealing in the securities by Designated Persons of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

9.7. The disclosures shall be made in the form as available with the Chief Compliance Officer and in accordance with instructions as laid down therein.

B. RECORDS

The Chief Compliance Officer shall maintain records of all the declarations made in the appropriate form for a minimum period of 5 years.

The Chief Compliance Officer shall also maintain a record of the Designated Persons and any changes made in the list of the Designated Persons.

C. Disclosures of trading by insiders

As per the New Regulations, the disclosures made by person shall also include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions as the intention of the regulations is to prevent use by trading when in possession of Unpublished Price Sensitive Information. Disclosures are classified as Initial and Continual disclosures.

Initial Disclosures:

Sl. No.	By whom	To whom	When
1	Every Promoter, KMP and Directors, whose securities are listed on any recognized Stock Exchange is required to disclose his holding	Company	Within 30 days of the New Regulations becoming effective
2	Every person on appointment as a KMP or a Director of the Company or upon becoming Promoter is required to disclose his holding	Company	Within 7 days of such appointment or becoming a Promoter

Continual Disclosure

Sl. No.	By whom	To whom	When
1	Every Promoter,	Company	Within 2 (two) trading days if the trading



	employee and director of Company		value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregate to a traded value in excess of Rs. 5,00,000 (Rupees Five Lakhs). Disclosures of incremental transactions shall be made when transactions effected cross the aforesaid threshold.
2	Company	Stock Exchange where the securities are listed	Within 7 days of such appointment or becoming a Promoter

10. A. ACTION FOR CONTRAVENTION OF CODE OF CONDUCT

10.1. Any Designated Person, employee or Insider generally who trades in securities or communicates any information for trading in securities in contravention of the Code of Conduct or otherwise violates the Code in any manner shall face, without prejudice to any action that SEBI may initiate, such disciplinary action (which may include, without limitation, fine, reprimand, suspension, dismissal, wage/salary freeze, ineligible for future participation in employee stock option plans, disgorgement of profits made, etc.) and such other appropriate action as may be deemed fit by the Company.

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

11. A. INFORMATION TO SEBI IN CASE OF VIOLATION OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

11.1. In case it is observed by the Company / Chief Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be promptly informed by the Company.

11.2. The Code replaces with immediate effect the Code of Conduct formulated pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 on 5th May 2002, as last amended on 30th January 2009 (the 2002 Code). Notwithstanding this replacement, the previous operation of the 2002 Code or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty,



forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been replaced; and

- 11.3. anything done or any action taken or purported to have been done or taken including any adjudication, enquiry or investigation commenced or show-cause notice issued under the replaced 2002 Code prior to such replacement, shall be deemed to have been done or taken under the corresponding provisions of this Code.

12. AUTHORITY TO MAKE ALTERATIONS

The Board of Directors are authorised to make such alterations to this Code as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

13. GENERAL

A copy of the Regulations is enclosed. Designated Persons are advised to peruse the Regulations carefully and acquaint themselves with all the provisions contained therein. The Chief Compliance Officer will be available for clarification/assistance that may be necessary.



CODE OF PRACTICES FOR FAIR DISCLOSURE OF INFORMATION

1. This Code of Practices (hereinafter referred to as "the Code") has been formulated for the purposes of laying down a set of guidelines, practices and procedures for fair disclosure of Unpublished Price Sensitive Information in accordance with and as required by sub-regulation (1) of Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulation, 2015 ("the Regulations").
2. This Code has been approved and adopted by the Board of Directors ("the Board") of Jain Irrigation Systems Limited ("the Company") upon recommendation by the Audit Committee of the Company.
3. The Company in general and the Chief Investor Relations Officer, Managing Director, other Key Managerial Personnel, and senior officers in particular shall ensure due compliance of this Code in respect of the matters stated herein.
4. Terms used herein (particularly those initialised with a capital letter(s)), unless defined herein, shall have their meanings assigned to them under the Regulations and if the Regulations do not provide such definitions, under the SEBI Act, 1992.
5. There shall be prompt public disclosure of Unpublished Price Sensitive Information ("UPSI") that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
6. There shall be uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
7. The Company shall designate a senior officer as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI. Such Officer shall generally ensure due compliance of this Code.
8. The Company shall ensure prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available. For this purpose, it may adopt such suitable measures such as press releases/intimation to Stock Exchanges, disclosure on its website, etc.
9. The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
10. The Company shall ensure that information shared with analysts and research personnel is not Unpublished Price Sensitive Information. In case the Company seeks to share any UPSI, it shall ensure due and simultaneous public disclosure and availability of such information to the general public/investors.
11. The Company shall adopt best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences and shall display such transcripts/records on its website to ensure official confirmation and documentation of disclosures made.
12. The Company shall ensure that all Unpublished Price Sensitive Information is handled on a need-to-know basis.



FORM A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7(1)(a) read with Regulation 6 (2)]

Name of the Company: _____

ISIN of the Company: _____

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

Name, PAN No. CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP/ Directors/ immediate relatives/ others etc.)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For eg. Shares, warrants, convertible Debentures etc.)	No.		Number of units (contracts* lot size)	Notional value in Rupee terms	Number of units (contracts* lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8	9

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

Signature: _____

Designation: _____

Date: _____

Place: _____



FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7(1)(b) read with Regulation 6(2)]

Name of the Company: _____

ISIN of the Company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a Listed Company and other such persons as mentioned in Regulation 6(2)

Name, PAN No. CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP/ Directors/ immediate relatives/ others etc.)	Date of appointment of Director/ KMP or Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Future contracts held at the time of becoming Promoter/ appointment of Director/KMP	
			Type of security (For eg. Shares, warrants, convertible Debentures etc.)	No.		Number of units (contracts* lot size)	Notional value in Rupee terms	Number of units (contracts* lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	8	9	10

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



Signature:

Designation:

Date:

Place:

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7(2) read with Regulation 6(2)]

Name of the Company: _____
ISIN of the Company: _____

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

Name, PAN No., CIN/DIN, & address of Promoter/Employee/Director with contact nos.	Category of Person (Promoter/ KMP/ Directors/ immediate relatives/ others etc.)	Securities held prior to acquisition/ disposal		Securities acquired/ Disposed		% of Shareholding		Date of allotment advice/ acquisition of shares/ sale of shares specify	Date of intimation to Company	Mode of acquisition (market purchase/ public rights/ preferential offer/ off market/ Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)			Exchange on which the trade was executed		
		Type of security (For eg.- Shares, warrants, Convertible Debentures etc.)	No.	Type of security (For eg.- Shares, warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction				From	To	Value		Number of units (contracts* lot size)	Value
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

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

Signature:

Designation:

Date:

Place:



FORM D (Indicative format)

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Regulation 7(3) – Transactions by Other connected persons as identified by the Company

Name, PAN No., CIN/DIN, & address of connected persons, as identified by the Company with contact nos.	Connection with Company	Securities held prior to acquisition/disposal		Securities acquired/Disposed		% of Shareholding		Date of allotment/advice/acquisition of shares/sale of shares specify		Date of intimation to Company	Mode of acquisition (market purchase/public rights/preferential offer/off market/Inter-se transfer etc.)	Trading in derivatives (Specify type of contract, Futures or Options etc)			Exchange on which the trade was executed		
		Type of security (For eg.- Shares, warrants, Convertible Debentures etc.)	No.	Type of security (For eg.- Shares, warrants, Convertible Debentures etc.)	No.	Pre transaction	Post transaction	From	To			Value	Number of units (contracts * lot size)	Value		Number of units (contracts * lot size)	
												Buy	Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
												Sell	Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12		13	14	15	16	17

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

Signature:

Designation:

Date:

Place:



**APPLICATION FOR PRE-CLEARANCE OF TRADE UNDER SEBI (PROHIBITION OF¹⁸
INSIDER TRADING) REGULATION, 2015**

(To be given in duplicate)

Date:

To,
The Chief Compliance Officer,
Jain Irrigation Systems Limited,
Jain Plastic Park, N. H. No. 6,
Bambhori, Jalgaon - 425001

Dear Sir/Madam,

Sub: Application for Pre –Dealing approval in Securities of the company

Pursuant to the SEBI (Prohibition of Insider Trading) Regulation 2015 and the company's Code of Conduct for Prevention of Insider Trading, I seek approval to purchase/ sale/ subscription of _____ Equity/DVR shares of the company as per details below:

1.	Name of the applicant & Employee Code	
2.	Designation	
3.	Number of securities held as on date	
4.	Folio No. / DP ID / Client ID No.	
5.	The proposal is for (tick one and cross out others)	a) Purchase of securities b) Subscription to securities c) Sale of Securities
6.	Proposed date of dealing in securities	
7.	Estimated number of securities proposed to be acquired/subscribed/sold	
8.	Price at which the transaction is proposed	
9.	Current market price (as on date of application)	
10.	Whether the proposed transaction will be through stock exchange or off-market deal	
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature)

Name:



FORMAT OF UNDERTAKING

To,
Jain Irrigation Systems Limited,
Jain Plastic Park, N. H. No. 6,
Bambhori, Jalgaon - 425001

I, _____ of the Company residing at _____ am desirous of dealing in _____ *shares of the Company as mentioned in my application dated _____ for pre-clearance of trade.

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

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

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

I undertake to submit the necessary report within two days of execution of the transaction / a "Nil" report if the transaction is not undertaken.

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

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

(.....)

Name: _____

Designation: _____

Signature _____

Date: _____

* Indicate number of shares



FORMAT OF PRE-CLEARANCE ORDER

To,
 Name: _____
 Designation: _____
 Place: _____

This is to inform you that your request for dealing in _____ (no) shares of the Company as mentioned in your application dated _____ is approved. Please note that the said transaction must be completed on or before (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a "Nil" report shall be necessary.

Yours faithfully,
For JAIN IRRIGATION SYSTEMS LIMITED

**Company Secretary and
 Chief Compliance Officer**

Date: _____

Encl: Format for submission of details of transaction



FORMAT OF DISCLOSURE OF TRANSACTIONS

To,
The Chief Compliance Officer,
Jain Irrigation Systems Limited,
Jain Plastic Park, N. H. No. 6,
Bambhori, Jalgaon - 425001

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to ___ securities as mentioned below on ____ (date)

Name of holder	No. of securities dealt with	Bought/ Sold/ Subscribed	DP ID/ Client ID/ Folio no.	Price(Rs.)

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

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

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Chief Compliance Officer for necessary approval. (Applicable in case of purchase / subscription).

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

Date: _____
Signature: _____
Name: _____
Designation: _____



THE GAZETTE OF INDIA

EXTRAORDINARY

PART – III – SECTION 4

PUBLISHED BY AUTHORITY

NEW DELHI, JANUARY 15, 2015

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 15th January, 2015

SECURITIES AND EXCHANGE BOARD OF INDIA

(PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

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

CHAPTER – I

PRELIMINARY

Short title and commencement.

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

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

Definitions.

2. (1) In these regulations, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:–

(a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(b) “Board” means the Securities and Exchange Board of India;

(c) “compliance officer” means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be;

(d) "connected person" means,-

(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- (a). an immediate relative of connected persons specified in clause (i); or
- (b). a holding company or associate company or subsidiary company; or
- (c). an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- (d). an investment company, trustee company, asset management company or an employee or director thereof; or
- (e). an official of a stock exchange or of clearing house or corporation; or
- (f). a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- (g). a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- (h). an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- (i). a banker of the company; or
- (j). a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

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

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

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

(f) “immediate relative” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

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

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

i) a connected person; or

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

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

(h) "promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

(i) "securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

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

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

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

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

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

(n) "unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement.

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

(2) Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

CHAPTER – II

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

Communication or procurement of unpublished price sensitive information.

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

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

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

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

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

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

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

(ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine.

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

(4) For purposes of sub-regulation (3), the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

Trading when in possession of unpublished price sensitive information.

4. (1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

Provided that the insider may prove his innocence by demonstrating the circumstances including the following : –

(i) the transaction is an off-market *inter-se* transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

(ii) in the case of non-individual insiders: –

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals

taking trading decisions and there is no evidence of such arrangements having been breached;

- (iii) the trades were pursuant to a trading plan set up in accordance with regulation 5.

NOTE: When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He traded when in possession of unpublished price sensitive information is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition.

(2) In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.

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

Trading Plans.

5. (1) An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

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

(2) Such trading plan shall:–

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

NOTE: It is intended that to get the benefit of a trading plan, a cool-off period of six months is necessary. Such a period is considered reasonably long for unpublished price sensitive information that is in possession of the insider when formulating the trading plan, to become generally available. It is also considered to be a reasonable period for a time lag in which new unpublished price sensitive information may come into being without adversely affecting the trading plan formulated earlier. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the insider were to be in possession of the same unpublished price sensitive information both at the time of formulation of the plan and implementation of the same.

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

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

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

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

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

NOTE: It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an insider to time the publication of the unpublished price

sensitive information to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.

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

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

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

NOTE: *Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse. For instance, in the event of manipulative timing of the release of unpublished price sensitive information to ensure that trading under a trading plan becomes lucrative in circumvention of regulation 4 being detected, it would be open to initiate proceedings for alleged breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.*

(3) The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

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

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

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

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

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

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

NOTE: *It is intended that given the material exception to the prohibitory rule in regulation 4, a trading plan is required to be publicly disseminated. Investors in the market at large would also factor the potential pointers in the trading plan in their own assessment of the securities and price discovery for them on the premise of how the insiders perceive the prospects or approach the securities in their trading plan.*

CHAPTER – III

DISCLOSURES OF TRADING BY INSIDERS

General provisions.

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

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

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

(3) The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Chapter:

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

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

Disclosures by certain persons.

7. (1) Initial Disclosures.

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

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

(2) *Continual Disclosures.*

- (a). Every promoter, employee and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;
- (b). Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

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

Disclosures by other connected persons.

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

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

CHAPTER – IV

CODES OF FAIR DISCLOSURE AND CONDUCT

Code of Fair Disclosure.

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

***NOTE:** This provision intends to require every company whose securities are listed on stock exchanges to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities. Principles such as, equality of access to information, publication of policies such as those on dividend, inorganic growth pursuits, calls and meetings with analysts, publication of transcripts of such calls and meetings, and the like are set out in the schedule.*

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

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

Code of Conduct.

9. (1) The board of directors of every listed company and market intermediary shall formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.

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

(2) Every other person who is required to handle unpublished price sensitive information in the course of business operations shall formulate a code of conduct to regulate, monitor and report trading by employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B to these regulations, without diluting the provisions of these regulations in any manner.

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

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

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

CHAPTER – V

MISCELLANEOUS

Sanction for violations.

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

Power to remove difficulties.

11. In order to remove any difficulties in the interpretation or application of the provisions of these regulations, the Board shall have the power to issue directions through guidance notes or circulars:

Provided that where any direction is issued by the Board in a specific case relating to interpretation or application of any provision of these regulations, it shall be done only after affording a reasonable opportunity of being heard to the concerned persons and after recording reasons for the direction.

Repeal and Savings.

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

(2) Notwithstanding such repeal,—

(a) the previous operation of the repealed regulations or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the repealed regulations, any penalty, forfeiture or punishment incurred in respect of any offence committed against the repealed regulations, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, shall remain unaffected as if the repealed regulations had never been repealed; and

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

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

SCHEDULE A

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

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

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

SCHEDULE B

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

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

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors.
2. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to "cross the wall".
3. Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.
4. Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

5. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

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

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

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

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

10. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra

trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

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

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

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

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