

FAQs- INSIDER TRADING CODE

- (1) *“What is Unpublished price sensitive information (UPSI)? How do I confirm/know whether any information is UPSI or not? “*

Ans: Kindly refer Definition of UPSI mentioned in Code of Conduct on prevention of Insider Trading. Please find hyperlink of definition of [Unpublished Price Sensitive Information](#)

- (2) *“I am a designated employee. Am I supposed to make annual declaration of my shareholding? Should this cover the shareholdings of my immediate relatives (who are financial dependent on me or consult me for taking investment decisions)? “*

Ans: Yes, every designated employee needs to make an annual declaration of shareholding along with immediate relative(s). Please find hyperlink of [pt no.14 of Code of Conduct on prevention of Insider Trading](#)

14.Additional disclosures required from the Designated persons:

- (3) *“I am a designated employee, do I have to give prior intimation of the Compliance officer for exercise of ESOPs?”*

Ans: Yes, a Designated person intending to exercise his ESOPs is required to give intimation to the Compliance officer since important statutory steps need to be taken by the Compliance Officer for allotment and listing of such shares apart from working out the perquisite tax payable by the Designated employee.

- (4) *“Can I exercise ESOPs during the closed window period?”*

Ans: Yes, ESOPs can be exercised during closed window period. Please find hyperlink of [Pt. no. 7 Trading Window and Window Closure of Code of Conduct](#). Kindly refer [Clause 7.1 and 7.2](#).

- (5) *“Can I sell shares (acquired pursuant to ESOPs) during closed window period?”*

Ans: Shares acquired pursuant to exercise of ESOPs cannot be sold during trading window closure. Please find hyperlink of [Pt. no. 7 Trading Window and Window Closure of Code of Conduct](#). Kindly refer [Clause no 7.2](#).

- (6) *Can the Compliance officer give any exemption for holding period?*

Ans: Yes, the Compliance officer can give permission in case of personal emergencies.

Please find hyperlink of extract of Code - [clause 9- Pre Clearance of Trade](#). Kindly refer [clause 9.2\(viii\)](#)

(7) I am a designated employee but my immediate relative neither financially dependent on me nor does he / she consult me for taking any investment decision, is he/she covered by the Code?

Ans: The following points in this regard need to be noted very carefully:

- a. The designated employee's Spouse (whether financially dependent or not or whether consulting him/her for investment decisions) who stays under the same roof (at the same residential premises) as the designated employee is covered by the Code under all circumstances;
- b. Any immediate relative (whether financially dependent or not or whether consulting him/her for investment decisions) who stays under the same roof (at the same residential premises) as the designated employee is covered by the Code under all circumstances. However, where the immediate relative stays at a different place then he/she would not be covered by the Code unless he/she has material financial relationship' with the designated employee

Kindly refer hyperlink for specific details on 'material financial relationship'.

14. Additional disclosures required from the Designated persons:

(8) "I am a designated employee, my father/mother who is financially dependent on me holds some shares of the Company which were acquired much prior to becoming financially dependent on me. Do I have to disclose the shareholding and is approval from Compliance officer required for sale of such shares?"

Ans: Yes, in cases where the immediate relative(s) of the designated employees is/are financially dependent, then they get covered under the ambit of Connected person. Kindly refer definition 2(iii) [connected person](#) mentioned under Code of Conduct.

(9) "I am a designated employee and desire to purchase/sell shares of the Company based on the guidance of my investment advisor during the open window period. Do I have to take prior approval of the Compliance officer?"

Ans: Yes, Designated person have to take prior approval of the Compliance officer. Please find below extract of Code of Conduct [pt. 9- Pre Clearance of Trade, sub clause 9.1 and 9.2.](#)

(10) "I am a designated employee and have engaged a 'Portfolio Manager 'to manage my corpus of funds towards investments in securities. What precautions do I have to take?"

Ans: Specific Instructions in writing need to be given to Portfolio Manager forbidding him to deal in company shares. Similar clauses can also be found in the **typical contract document for engagement of Portfolio Manager, in terms of applicable SEBI Regulations**

(11) What is the validity of Pre-Clearance?

Ans: Pre-clearance will be valid for period of 7 days, post which fresh approval is required.

Please find hyperlink of extract of Code of Conduct 9(iv) - [Pre Clearance of Trade](#) for your reference

(12) On resignation/superannuation/termination of a designated person from the organization, does he continue to be covered by the Code as a Designated Person / Connected Person, if yes then till what period?

Ans: Yes, such a person shall be subject to the rigors of the Code for a period of six months after his cessation till he is possession of UPSI. Kindly refer 2(iii)(a) [connected person](#) definition mentioned in the Code.

(13) What is trading plan?

Ans: Please find hyperlink of pt.no.8 [Trading](#) plan mentioned in code.

(14) Do employees require to obtain Pre-Clearance trade?

Ans: Employees other than designated person are required to obtain Pre-Clearance trade if it exceeds the limit. Please find below hyper link of pt no.10.[Disclosure of Trading](#) by insiders & other employees, kindly refer 10.4.