





BLOOM INDUSTRIES LIMITED

INSIDER TRADING PROHIBITION CODE

-  **Code of Conduct to Regulate, Monitor and Report Trading in Securities of the Company;**
-  **Policy & Procedures for Inquiry in case of leak of Unpublished Price Sensitive Information;**
-  **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**
-  **Policy for determination of “Legitimate Purpose”**

Effective September 01, 2020

[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and as approved by the Board of Directors in their meeting held on September 01, 2020]

Bloom Industries limited

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CIN: L25199MH1984PLC034632

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BLOOM INDUSTRIES LIMITED

Code of Conduct to Regulate, Monitor and Report Trading in Securities of the Company

Background

Preventing insider trading is necessary to comply with securities law and to preserve the reputation and integrity of BLOOM INDUSTRIES LIMITED (the “**Company**”) and all persons associated with it. “Insider Trading” may occur when any person subscribes, buys, sells, deals, or agrees to subscribe, buy, sell, deal in any securities and trades while in possession of inside information relating to the Securities of the Company or securities that are listed or proposed to be listed. As explained later in the Code, “Inside Information” is information relating to a company that is listed or proposed to be listed or its securities which is considered to be both “price sensitive” and “not generally available”. Insider Trading is an offence punishable under extant laws in India. Insider Trading is prohibited and could result in serious sanctions, including dismissal from the employment of the Company of the concerned persons.

This Code has been formulated to regulate, monitor and report trading by the Designated Persons to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. The Code is prescribed to ensure that the Designated Persons do not trade in the Securities of the Company when in possession of UPSI, and to prevent any speculative dealings, knowingly or unknowingly, by the Designated Persons.

The Company has no tolerance for any form of Insider Trading or similar unlawful security related trade practices.

References

This Code should be referred to in conjunction, amongst others, with the following:

- SEBI (Prohibition of Insider Trading) Regulations 2015, as amended from time to time;
- Applicable provisions of Companies Act, 2013 as amended from time to time;
- Company’s Code of Business Conduct & Ethics;

Interpretation

Words and expressions not defined in this Policy shall have the same meaning as contained in the SEBI (Prohibition of Insider Trading) Regulations, 2015 (SEBI PIT Regulations), Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder.

Scope & Applicability

This Code is applicable to all Insiders. Every Insider must review this code. Questions regarding this Code should be directed to the Compliance Officer at email bloom1989@ymail.com



Definitions

- a. **“Board”** means Board of Directors of the Company.
- b. **“Code”** means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.
- c. **“Compliance Officer”** means any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company;

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

- d. **“Connected Person”** shall have the meaning given to it under Regulation 2(d) of the Regulations and shall also include the promoters and their directors and key managerial

personnel.

- e. **“Designated Persons”** shall mean persons designated by the Board as such in consultation with the Compliance Officer, who are covered under the Code on the basis of their role and function in the Company and the access that role and function provides to UPSI) in addition to seniority and professional designation and shall include: -
 - 1) Employees of the Company, designated on the basis of their functional role or access to UPSI;
 - 2) Employees of material subsidiaries of the Company designated on the basis of functional role or access to UPSI;
 - 3) All promoters of the Company;
 - 4) Chief Executive Officer and employees upto two-levels below the Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the Company or their ability to have access to UPSI;
 - 5) all Directors;
 - 6) Any support staff of the Company, such as IT staff or secretarial staff who have access to UPSI.

- f. **“Director”** means a member of the Board of Directors of the Company.

- g. **“Employee”** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.

- h. **“Fiduciaries”** means professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company.

- i. **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis, such as information published on websites of stock exchanges.

- j. **“Intermediary”** means an intermediary registered with SEBI.

- k. **“Immediate Relative”** means the spouse of the Designated Person, and includes parent,

sibling and child of such Designated Person or of the spouse, who are either financially dependent on the Designated Person or consults the Designated Person in taking decisions relating to trading in securities.

- l. **“Insider”** means any person who is a Connected Person or in possession of or having access to Unpublished Price Sensitive Information.
- m. **“Promoter” and “Promoter Group”** shall have the respective meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- n. **“Proposed to be listed” shall** include securities of an unlisted company:
 - 1) if such unlisted company has filed offer documents or other documents, as the case may be, with the SEBI, stock exchange(s) or registrar of companies in connection with the listing; or
 - 2) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;
- o. **“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.
- p. **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- q. **“Trading in Securities”** means and includes an act of subscribing to, buying, selling, dealing or agreeing to subscribe to, buy, sell or deal in any Securities of the Company and “trade” shall be construed accordingly.
- r. **“Unpublished Price Sensitive Information (“UPSI”)** means any information, relating to a Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of Securities of the Company and shall, ordinarily include but not be restricted to, information relating to

the following:

- 1) financial results;
- 2) dividends;
- 3) change in capital structure;
- 4) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- 5) changes in key managerial personnel;

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



ROLE & DUTIES OF THE COMPLIANCE OFFICER:

The Compliance Officer shall be responsible for:

- setting forth policies in relation to the implementation of the Code and the Regulations in consultation with the Board/Audit Committee, as the case may be.
- prescribing procedures for various activities referred to in the Code.
- compliance with the policies and procedures referred hereinabove.
- monitoring adherence to the provision for preservation of UPSI.
- identify the persons who shall be regarded as Designated Persons to be covered by the Code, including those mentioned under Regulation 9(4), on the basis of their role and function in the organization including access to UPSI by virtue of that role and function in

- addition to seniority and professional designation.
- grant of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading.
 - implementation of this Code under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.

The Board shall ensure and authorize the Compliance Officer to maintain a structured digital database containing the names of such persons or entities as the case may be with whom UPSI is shared under Regulation 3 along with the :-

Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. This database shall be maintained (see Annexure 1A for data to be collected from Designated Person) with adequate internal controls and checks such as time stamping and audit trails to ensure non- tampering of the database.

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

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

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



HANDLING OF UPSI

Preservation and Sharing of Unpublished Price Sensitive Information:

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

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

- (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 areas, or
 - (iii) disclose UPSI to any Employee who does not need to know the information except for the furtherance of legitimate purpose, performance of duties or for discharging of legal obligations, 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.

 **Need to know:**

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

 **Legitimate Purpose:**

The term “legitimate purpose” shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

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

 **Limited access to confidential information:**

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

- files containing confidential information shall be kept secure.

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

List of Employees-

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

CHINESE WALL

To prevent the misuse of UPSI, the Company has adopted a “Chinese Wall” policy which separates those departments which routinely have access to UPSI, considered “inside areas” from those departments which deal with sale/marketing / the investment /finance/ treasury / etc. and or other departments providing services, considered “public areas”.

As per the said policy:

- The Employees in the inside areas are not allowed to communicate any
- UPSI to anyone in the public areas.
- The Employees in the inside area may be physically separated from the
- Employees in public area.
- The demarcation of various departments as inside area shall be decided by the Board in consultation with Compliance Officer.
- Only in exceptional circumstances, Employees from the public areas are brought “over the wall” and given UPSI for the furtherance of legitimate purposes and on the basis of “need to know” criteria, after providing prior written intimation to the Compliance Officer.

TRADING WINDOW:

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

Unless otherwise specified by the Compliance Officer, the Trading Window for Trading in Securities of the Company shall be closed for the Designated Persons and their Immediate

Relatives when the Compliance Officer determines that a Designated Person or class of Designated Persons are reasonably expected to have possession of UPSI, including but not limited to the following purposes-

- (a) declaration of financial results, (b) declaration of dividends, (c) change in capital structure,
- Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions, and
- changes in key managerial personnel.

In respect of declaration of financial results, the Trading Window shall remain closed from a date that is 7 days prior to the end of the respective quarter, half-year, or financial year, as the case may be, till 48 hours after the declaration of the financial results.

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

The Trading Window shall be opened 48 (Forty-Eight) hours after the information referred to above becomes generally available. The gap between clearance of accounts by audit committee and the Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

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

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

- a. transactions specified in clauses (i) to (iv) and (vi) of the proviso to Regulation 4(1) of the Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with the Regulations;
- b. transactions which are undertaken in accordance with SEBI Regulations such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer.

PRE-CLEARANCE OF DEALS IN SECURITIES:

Applicability:

Every Designated Person shall obtain a pre-trading approval as per the procedure prescribed hereunder for any Trading in the Securities of the Company proposed to be undertaken by such Designated Person / his / her Immediate Relatives. Such pre-trading approval would be necessary, only if the cumulative trading (including trading in derivatives of Securities, if permitted by law) whether in one transaction or a series of transactions in any financial year exceeds Rs. 10 lakhs (market value).

Pre-trading Procedure:

For the purpose of obtaining a pre-trading approval, the concerned Designated Person shall make an application in the prescribed form (see Annexure 2) to the Compliance Officer. (The Compliance Officer should submit his/her application for pre-trading approval to the Managing Director/Chief Executive Officer.) Such application should be complete and correct in all respects and should be accompanied by such undertakings and declaration (see Annexure 3) indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. Such application for pre-trading approval with enclosures may preferably be sent through electronic mail followed by hard copies of all

the documents.

No Designated Person shall apply for pre-trading approval if such person is in possession of UPSI, even if the Trading Window is not closed.

Approval:

- a) The Compliance Officer shall consider the application made as above and shall approve it forthwith preferably on the same Trading Day but not later than the next Trading Day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the Regulations. Such approval/rejection may preferably be conveyed through electronic mail and if no such approval/intimation of rejection is received within a period of 2 (two) Trading Days, the applicant can presume that the approval is deemed to be given. While considering the application, the Compliance Officer shall have due regard to whether the declaration provided in Annexure 3 is reasonably capable of being rendered inaccurate.
- b) Every approval letter shall be issued in such format (see Annexure 4) as may be prescribed by the Company from time-to-time. Every approval shall be dated and shall be valid for a period of 7 (seven) Trading Days from the date of approval.
- c) In the absence of the Compliance Officer due to leave etc., the Employee designated by him/her from time-to-time, not being below - one level below the CFO and part of the Finance or Compliance Department shall discharge the function referred to in (a) above.

Completion of Pre- cleared Trading:

- a) All the Designated Persons shall ensure that they / their Immediate Relatives complete execution of every pre-cleared deal in the Company's Securities as prescribed above no later than 7 (seven) Trading Days from the date of the approval. The Designated Person shall file within 2 (two) Trading Days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form (see Annexure 5). In case the transaction is not undertaken, a report to that effect shall be filed (see Annexure 5).

- b) If a deal is not executed by the concerned Designated Person / Immediate Relatives pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, the Designated Person shall make a fresh application, once again to the Compliance Officer for pre- clearance of the transaction covered under the said approval.

Trading Plans:

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

Opposite transactions / Contra trade in the Securities:

The Designated Persons shall not, within six months of buying or selling any number of Securities of the Company, enter into an opposite transaction or contra trade i.e. sell or buy, as the case may be, any number of the Securities of the Company.

The Compliance Officer can grant relaxation from strict application of the above restriction after recording the reasons in writing in this regard provided that such relaxation does not violate the Regulations. It may however, be noted that in terms of the Regulations, no such purchase/ sale will be permitted when the Trading Window is closed.

Notwithstanding the above, should the Designated Persons execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act, 1992.

Provided that this restriction will not be applicable for trades conducted, pursuant to the exercise of stock options.

Advice regarding Pre-Clearance:

In case of doubt, the Designated Person shall check with the Compliance Officer or the Officer designated by him/her from time-to-time whether the provisions relating to pre-clearance are applicable to any proposed transaction in the Company's Securities.

REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:

- a) Every Promoter or Member of the Promoter Group, Key Managerial Personnel (KMP), Director and Designated Person (as and when identified by the Board) of the Company shall disclose their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) to the Compliance Officer within 30 (thirty) days of the Regulations taking effect or forthwith on being identified as a Designated Person, as the case may be, in prescribed format (see Annexure 6).
- b) Every person on appointment as a KMP or a Director of the Company or upon becoming a Promoter or Member of the Promoter Group of the Company or on being identified as a Designated Person, shall disclose their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) as on the date of appointment as a KMP or a Director or becoming a Promoter or Member of the Promoter Group or identification as a Designated Person, to the Company within 7 (seven) days of such appointment as a KMP or a Director or becoming a Promoter or Member of the Promoter Group or on being identified as a Designated Person, as the case may be, in prescribed format (see Annexure 6).
- c) Every Promoter, Member of the Promoter Group, KMP, Director and Designated Person of the Company shall disclose annual statements of their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) to the Compliance Officer as on 31st March every year in such form and manner (see Annexure 7) as may be prescribed by the Compliance Officer from time-to-time. Such statement shall be submitted by 15th April every year.
- d) Every Promoter, Member of the Promoter Group, Director and Designated Person of the Company shall disclose in prescribed format (see Annexure 8) to the Compliance Officer the number of such Securities (including derivatives) of the Company acquired or disposed by them or their Immediate Relatives and by any other person for whom such person takes trading decisions, within 2 (two) Trading Days of such transaction if

the value of the Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakhs or such other value as may be specified. The Company shall notify the particulars of such trading to the stock exchange on which its Securities are listed within 2 (two) Trading Days of receipt of disclosure or from becoming aware of such information.

The Compliance Officer shall maintain records of all the above declarations in an appropriate form for a minimum period of 5 (five) years from the date of the filing thereof. The Company may, at its discretion, prescribe additional obligations for any other Connected Persons or a class of Connected Persons to make disclosures of holdings and trading in Securities (including the form and frequency).

PENALTY FOR CONTRAVENTION:

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

The persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action, which in respect of an Employee of the Company may include wage freeze, suspension, recovery, clawback or termination of employment.

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

Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty which shall not be less than Rs. 10 lakhs but which may extend to Rs.25 crores or three times the amount of profits made out of insider trading, whichever is higher.

Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine, which may extend to twenty- five crore rupees or with both. Further, in case any person fails to pay the penalty

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

In case it is observed by the Compliance Officer that there has been a violation of the Regulations by any person, he/she shall forthwith inform the Audit Committee of the Company about the violation. The penal action will be initiated on obtaining suitable directions from the Audit Committee in consultation with Board. The Compliance Officer, on behalf of the Company, shall simultaneously inform SEBI about such violation in standardized format as prescribed by SEBI from time to time. The person, against whom information has been furnished by the Company/Compliance Officer to SEBI for violations of the Regulations/Code, shall provide all information and render necessary co-operation as may be required by the Company/Compliance Officer or SEBI in this connection.

The Compliance Officer shall also maintain a database of the violation of the Code by Designated Persons and immediate relatives of Designated Persons that would entail initiation of appropriate action against them.

The Compliance Officer shall always abide by the provisions of the Regulations and the Code.

Where there is a violation by the Compliance Officer, the Chief Executive Officer or the Managing Director of the Company shall perform the functions of the Compliance Officer.

IMPORTANT FORMS

ANNEXURE 1A

BLOOM INDUSTRIES LIMITED

FORMAT FOR DIGITAL DATABASE

[To be filled in by Designated Person &

To be maintained by the Compliance Officer]

Sr. No	Name of the Person with whom UPSI is shared	PAN / Other Identification No.	Designation #Emp. No., Dept., Div., Location & Phone/ Mobile No.	Names of Immediate Relatives & Persons with material financial relationships, their PAN & mobile no. as disclosed by DP	Names of educational institutions attended & Past Employer(s) of DP	DP. BEN ID. or Folio No.	Date of identification	Date of cessation

to be filled in only in case of Employees

ANNEXURE 1B

FORMAT OF CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY AGREEMENT

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

BY AND BETWEEN:

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

AND

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

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

RECITALS

- A. The Disclosing Party is a limited company whose securities are listed.
- B. The Recipient is [•]. [*Note to Draft: Please indicate the relationship of the Recipient with the Disclosing Party. For instance, if the Recipient is an independent director of the Disclosing Party, please indicate so.*]
- C. In connection with [•] [*Note to Draft: Please indicate the legitimate purpose*

for which the UPSI is being provided.] (“Purpose”), the Disclosing Party may be required to disclose Confidential Information (as defined below) to the Recipient, which in accordance with the Disclosing Party’s policy in this regard is a legitimate purpose.

D. Pursuant to the Purpose, the Parties are entering into this Agreement in order to record the terms and conditions on the basis of which the Disclosing Party will provide the Confidential Information to the Recipient for ensuring the confidentiality thereof.

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

1. Confidential Information. “**Confidential Information**” shall mean all confidential and proprietary, technical, financial, business information, and processes or methodologies of the Disclosing Party or of [•] [*Note to Draft: If information is being shared in respect of a party other than the Disclosing Party, please specify the name of such entity.*], disclosed by the Disclosing Party to the Recipient on or after the date of this Agreement in connection with the Purpose in whether verbal, written, graphics, visual, or electronic which is or may be either applicable to or related in any way to the business of the Disclosing Party or [•], including such information that may relate to projects (existing and under development), assets, technical data, data flow, knowledge of any relevant matters, business plans and methodology, validations, trade secrets, processes, methods, business systems, formulae, plans, research and development, prototypes, inventions, designs, drawings, sketches, records (of any type or media), test results, information, process, technique, algorithm, computer program (source and object code), pricing, customer lists, employee data, supplier lists, distributor lists, costs, materials, patents (issued or pending), copyrights, trade-marks, trade names, industrial designs, licenses, contracts, contract opportunity, software, hardware, business and marketing plans, financing plans, profit margins and other

financial information, manuals, corporate objectives or activities, mergers, acquisitions, sale, private placements, its present or future products or business, sales, subscribers, suppliers, clients, customers, employees, investors or business or any material or non-material fact not publicly released, whether marked as confidential or not.

2. Disclosure of Proprietary Information. The Recipient shall hold in strict confidence and shall not disclose any Confidential Information to any person whatsoever. The Recipient shall use such Confidential Information only for the evaluation and/or consummation of the Purpose and shall not use or exploit such Confidential Information solely for its own benefit or the benefit of another without the prior written consent of the Disclosing Party.
3. Obligations of the Recipient.
 - (a) The Recipient and the spouse, parents, siblings and children of such of the Recipient or of the spouse, who are either financially dependent on the Recipient or consult the Recipient in taking decisions relating to trading in securities its (“**Immediate Relatives**”) shall take all measures to protect the confidentiality and avoid the unauthorized use, disclosure, publication, or dissemination of Confidential Information. Provided, however, that such measures shall be no less stringent than measures taken to protect his or her own confidential and proprietary information but in no event less than reasonable degree of care
 - (b) At any time upon the Disclosing Party’s written request, the Recipient shall promptly destroy all documents (or copies thereof) containing Confidential Information provided to it or created by it during the term of this Agreement without retaining any copies thereof. The Recipient shall, upon request by the Disclosing Party, promptly provide written confirmation that such destruction has occurred in accordance with this provision.
 - (c) The Recipient agree not to (without obtaining the Disclosing Party’s

prior written consent) disclose the Disclosing Party's (or where applicable Disclosing Party's representatives, affiliates or associates or group companies') interest, participation or involvement in the evaluation of, discussions or negotiations undertaken in connection with the Purpose in any manner whatsoever, including but not limited to disclosing the name of the Disclosing Party to the press wherever and of whatever nationality in any statements made in connection with the Disclosing Party. [*Note to Draft: Depending on the Purpose, specific limitations may be inserted herein.*] The execution of this Agreement and the evaluation of the Purpose shall also be deemed to be "Confidential Information".

- (d) The Recipient agrees not to disclose any Confidential Information to its Immediate Relatives unless such relative has also executed a similar agreement with the Company.

4. Limitation on Obligations. The obligations of the Recipient specified in Section 2 and 3 above shall not apply, and the Recipient shall have no further obligations, with respect to any Confidential Information to the extent that such Confidential Information:

- (a) is already in the public domain at the time of the Disclosing Party's communication thereof to the Recipient; or
- (b) has entered the public domain through no fault of or breach by the Recipient, of any contractual obligation, subsequent to the time of the Disclosing Party's communication thereof to the Recipient; or
- (c) is required to be disclosed by the Recipient to comply with applicable laws or governmental regulations, order of a court or government agency or regulatory authority; or in response to any summons or in connection with any judicial proceeding, provided that the Recipient seeks the consent of the Disclosing Party for such disclosure and takes reasonable and lawful actions to avoid and/or minimize the extent of such disclosure.

5. Disclaimer.
 - (a) Any Confidential Information as delivered by the Disclosing Party is on an “as is” basis and all representations and warranties express or implied, including fitness for the Purpose, merchantability, and non-infringement, are hereby disclaimed. The Recipient is not entitled to rely on the accuracy or completeness of any Confidential Information.
 - (b) The Parties agree and acknowledge that neither the execution of this Agreement nor the disclosure of Confidential Information pursuant hereto shall obligate either Party to enter into any transactions with one another or any other Party for the Purpose or otherwise.
6. Ownership of Confidential Information. The Recipient agrees that the Disclosing Party are and shall remain the exclusive owner of the Confidential Information.
7. Equitable Remedies. The Recipient acknowledge that monetary damages may not be a sufficient remedy for unauthorized use or disclosure of the Confidential Information and the Disclosing Party shall be entitled, without waiving any other rights or remedies, to seek such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.
8. No Insider Trading. The Recipient acknowledges that some or all of the Confidential Information disclosed under this Agreement may constitute “unpublished price sensitive information” under applicable law. Consequently, each of the Recipient and its representatives that have had access to the Confidential Information (“**Representatives**”) may be deemed to be an “Insider” under applicable law. The Recipient agrees and acknowledges that it is obligated to and shall ensure that its Representatives are compliant with applicable law in respect of the Confidential Information disclosed by the Disclosing Party to the Recipient.
9. Indemnity. The Recipient shall indemnify and hold harmless the Disclosing

Party for and against any and all claims, actions, demands, proceedings, damages, losses, fees, penalties, expenses, costs (including attorneys' and advisors costs) and liabilities arising out of or in connection with any breach of this Agreement by the Recipient.

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

differences/ disputes that may arise from or under this Agreement.

- (f) Counterparts. This Agreement may be executed in one or more counterparts which shall together constitute one and the same instrument.

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

**Signed Sealed and Delivered For and on behalf of
Bloom Industries Limited**

Name:

Authorised Signatory

In presence of

Signed Sealed and Delivered By

] Name:

Internal use

Recd. date and
time:

Sign :

ANNEXURE 2

SPECIMEN OF APPLICATION FOR PRE-TRADING APPROVAL

Date: _ To,

The Compliance Officer

Bloom Industries Limited

Dear Sir/Madam,

**APPLICATION FOR PRE-TRADING APPROVAL IN SECURITIES OF THE
COMPANY**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Bloom Code of Conduct for Prevention of Insider Trading, I seek approval for purchase/sale/subscription of Securities (including derivatives) (*Give Description*) of the Company as per the details given below

NAME OF APPLICANT:

State whether, the person on behalf of whom the application is being made is:

- Director
- Designated Person
- Immediate Relative

DESIGNATION _____

#EMPLOYEE NO. _____

#DEPARTMENT _____

LOCATION _____

to be filled only by Employees

Nature of transaction	*Name of Proposed Buyer/Seller	No. of Securities	** Previous approval no. and date of purchase /allotment	***Previous approval no. and date for sale/allotment)	DP/BEN ID of the account / folio no. where the securities will be credited/debited	No. of Securities held in such Account /Folio No.
					DP ID	
					BEN ID	
					FOLIO	
					NO.	

* applicable for off market transaction

** applicable only if the application is in respect of sale of Securities (including derivatives)

*** applicable only if the application is in respect of sale of Securities (including derivatives) for which an earlier purchase sanction was granted by the Compliance Officer.

I enclose herewith the form of Undertaking signed by me. Yours faithfully,

(Signature of Applicant)

Note: This application has to be preferably submitted through electronic mail at the dedicated e-mail id. bloom1989@ymail.com

ANNEXURE 3

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

UNDERTAKING/DECLARATION

To,

Compliance Officer

Bloom Industries Limited

I, _____, resident of _____ hereby declare, that I am a Designated Person of Bloom Industries Limited. I further declare that I am not in possession of or otherwise privy to any Unpublished Price Sensitive Information [as defined in the Bloom Industries Code of Conduct for Prevention of Insider Trading (the Code)] and that this transaction is not linked to any unpublished price sensitive information with respect to the Securities of the Company up to and at the time of signing this Undertaking/Declaration.

In case I have access to or I receive any Unpublished Price Sensitive Information after signing this Undertaking/Declaration but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and refrain myself and shall also ensure that my Immediate Relatives would completely refrain from Trading in the Securities (including derivatives) of the Company till the time such Unpublished Price Sensitive Information becomes generally available.

I declare that I have not contravened the Code as adopted by the Company from time to time.

I undertake to submit the necessary post-trading report within two Trading Days of execution of the transaction/a 'Nil' report if the transaction is not undertaken.

I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.

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

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

(Signature of the Applicant)

Date:

ANNEXURE 4

FORMAT FOR PRE-TRADING APPROVAL LETTER

Date: __

Approval No: _of____To,

Mr. /Mrs. _____ #Emp. No.: _____ #Designation: _____

PRE-TRADING APPROVAL/DISAPPROVAL - Your application dated_____

Dear Mr. /Mrs. _____

With reference to your above application (copy enclosed) seeking approval for undertaking certain transactions in Securities (including derivatives) of the Company detailed therein, please be informed that you are / your Immediate Relative _____ is hereby authorised/ not authorised to undertake the transaction(s) as detailed in your said application.

[This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till _____ (i.e. for {7} trading days from date hereof). If you / your Immediate Relative _do (es) not execute the approved transaction /trade on or before this date you would have to seek fresh pre-trading approval before executing any transaction/deal in the Securities (including derivatives) of the Company. Further, you are required to file the details of the executed transactions in the attached format within two {2} Trading Days from the date of transaction/deal. In case the transaction is not undertaken a —Nil report shall be necessary.]

Yours truly,

Compliance Officer

Encl: Format for submission of details of transaction (Annexure 5)

to be filled only by Employees

\$ applicable only in case of approval

ANNEXURE 5

FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS

[To be submitted within 2 Trading Days of transaction/Trading in Securities (including derivatives) of the Company]

Date:

To,

**The Compliance Officer
Bloom Industries Limited**

Dear Sir,

DETAILS OF PRE-APPROVED TRANSACTION

Ref: Your Approval letter No. _____ dated _

I hereby inform you that I / my _____

- **have not bought/sold/subscribed any Securities (including derivatives) of the Company**

OR

- **have bought / sold /subscribed to _____ Securities (including derivatives)**
(Give Description) as mentioned below on (Insert Date)

(To strikeout whichever is not applicable)

Name of holder	** First or joint holder	No. of Securities (including derivatives) dealt with	Bought / Sold/ Subscribed	DP ID/CLIENT ID (electronic form) or Folio no. (for physical) where the Sec. will be debited	Price or (Rs)

** "F" first holder "J" joint holder

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 (Five) years and produce to the Compliance Officer/SEBI any of the following documents:

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

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

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

I agree not to enter into any contra trade for a period of [six months] from the date of the aforesaid transaction

In case there is any urgent need to sell these Securities (including derivatives) within the said period, I shall approach the Company (Compliance Officer) for necessary approval

Yours truly,

Signature: _____ Name: _____ #Emp. No: _____
#Dept./ Div. _____

to be filled in only by Employees

ANNEXURE 6

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

PART A- Details required for making entry into the Register of Designated Persons

Date: _ To,

The Compliance Officer,

Internal use

Recd. date and time:

Sign:

Bloom Industries Limited

Dear Sir,

My personal details are as under:

NAME OF PROMOTER/MEMBER OF PROMOTER GROUP / KEY MANAGERIAL PERSONNEL (KMP) /DIRECTOR /DESIGNATED PERSON: _____				#EMPL NO.: _____		#GRADE	
#DEPARTMENT: _____		FOLIO NO.: _____		DP ID. & CLIENT ID.: _____			
#MOBILE NO.: _____			PAN/OTHER ID. NO. _____		DATE OF APPOINTMENT: _____		

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

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

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

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Chronologically List the Names of Educational Institutions attended:

Chronologically List the Names of past Employers:

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

Signature:

Name:

Notes:

1. “immediate relative” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
2. “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

To be filled in only by Employees

PART B - Initial Disclosure under Regulation 7 (1) (a) read with Regulation 6 (2)

Name of the company: Bloom Industries Limited ISIN of the company: Ordinary Shares –**Details of Securities held by Promoter, Member of Promoter Group, Key Managerial Personnel (KMP), Director, Designated Person and other such persons as mentioned in Regulation 6(2)**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ Promoter Group / KMP / Directors / immediate relatives / others, etc.)	Securities held as on the date of regulation coming into force		% Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force		Open Interest of the Option Contracts held as on the date of regulation coming into force	
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures, etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms	Number of units (contracts * lot size)	Notional value in Rupee terms

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

Date:

Signature:

Place:

Designation:

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

Signature:

Designation:

Date:

Place:

**Parts A & B have to be submitted by____or forthwith on being identified as Designated Person on adoption of the Code.
Parts A & C have to be submitted within 7 days on appointment as Director / KMP or on becoming Promoter or Member of
the Promoter Group or being identified as Designated Person going forward.**

ANNEXURE 7

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

Date:

To,

**The Compliance Officer
Bloom Industries Limited**

Dear Sir,

STATEMENT OF SHAREHOLDINGS IN THE COMPANY (BLOOM INDUSTRIES LTD.)

As on March 31, __, I hereby declare the following details to be true, correct and complete in all respects:

Name of Promoter / Member of Promoter Group/ Director/KMP/ Designated Person	Designation	PAN/ Other identification no.:	Folio No./DP Id. & Client Id.	Details of Security/(ies) Held	Address, Phone & Mobile No.

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

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

I hereby also undertake to promptly inform changes, if any, in the above details from time-to-time.

Yours truly,

Signature: _____

Name: _____ Designation: _____ #Emp. No.: _____ #Dep.

/Div.: _____

Notes:

1. "immediate relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;
2. "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

To be filled in only by Employees

ANNEXURE 8 “PART B”

Indicative format for reporting under Regulation 7(3) by other Connected Persons (if so desired by the Company)

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

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

Name:

Signature:

Date:

Place:

Schedule I

POLICY ON DETERMINATION OF LEGITIMATE PURPOSE

1. Purpose

This Policy is formulated and adopted pursuant to Regulations 3(2A) and 3(2B) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended (“**the Regulations**”).

In terms of the Regulations, the Board of Directors (“**Board**”) of Bloom Industries Limited (“**the Company**”) is required to adopt a “Policy for determination of Legitimate Purpose” (“**the Policy**”) as a part of the Code of Fair Disclosure and Conduct.

2. Background

Pursuant to the terms of the Regulations, the Board had adopted the Code of Corporate Disclosure Practices (“**the Code**”). This Policy is incorporated by reference and forms an integral part of the Code. Accordingly, this Policy should be read in conjunction with the Code.

3. Applicability

This Policy is applicable to the Company and all Insiders.

4. Policy

The Board, recognizes that the Company or any of its Insiders, may during the course of business, be required to share Unpublished Price Sensitive Information (“**UPSI**”) with various stakeholders, to enable the Company to carry out its ordinary business operations.

To comply with the Regulations and prevent any circumvention thereof while carrying its ordinary business, the Board requires the Company or such Insider(s):

- a) to always share the UPSI with stakeholders only for legitimate purpose(s), on a need to know basis and in the best interest of the Company; and

- b) Not to share UPSI or use Legitimate Purpose(s) to evade or circumvent the prohibitions of the Regulations.

For the purposes of this Policy, “Legitimate Purpose” or “Legitimate Business Purpose” shall mean and include sharing of UPSI, in the ordinary course of business by an Insider on a need to know basis and in the interest of the company, with promoters, business associates, partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or such other persons (both natural and juristic) by whatsoever name called.

The term “Ordinary course of business” shall mean the usual transactions, customs and practices undertaken by the Company to conduct its lawful business operations and activities and includes all such activities which the company can undertake as per its Memorandum & Articles of Association.

In following cases (which are illustrative in nature), sharing of UPSI will be considered as legitimate purpose:

- a) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law.

Example: Any call for information or query received from the Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.

- b) Under any proceedings or pursuant to any order of courts or tribunals.

Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.

- c) As part of compliance with applicable laws, regulations, rules and requirements.

Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.

- d) Arising out of any contractual obligations or arrangement entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking.

Example: Due-diligence for any kind of fund raising, restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, franchisee agreement, etc.

- e) Arising out of business requirements, including requirement for the purposes of promoting the business and strategies of business, which may require sharing of information with Promoters and Promoters in turn with their Promoters as well as by Promoters with their advisors, consultants, intermediaries, fiduciaries, etc.

Example: Some of the examples which are illustrative in nature are as mentioned below:

- Sharing the relevant UPSI by Company or Promoters for advice, consultation, valuation, fund raising or other intermediation and approvals in relation to the subject matter of a proposed deal/assignment/tie-up/venture/fund raising;
- Sharing the relevant UPSI by Company or Promoters with intermediaries, fiduciaries, merchant bankers, advisors, lawyers, bankers, consultants, valuers, auditors, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services from them;
- Sharing the relevant UPSI by Company or Promoters for advice, consultation, transaction support, intermediation and approvals on projects relating to enterprise transformation, strategy, change management, analytics, re-organization, operation improvement, technology and similar domains;
- Sharing the relevant UPSI by Company or Promoters with business partners essentially to fulfill the terms and conditions of a business contract

with a client, vendor, collaborator or lender;

- Sharing the relevant UPSI by Company or Promoters for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business;
- Sharing the relevant UPSI by Company or Promoters for statutory consolidation requirements or related customary disclosure obligations;
- Sharing the relevant UPSI by Company or Promoters with persons engaged or involved in the processes leading to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an insider for purposes of the Regulations and shall comply with the Code.

5. Definitions

- i. **“Connected Person”** means Connected Person as defined under Regulations and shall also include promoters and their Directors and Key Managerial Personnel. (Regulation 2(1)(d)).
- ii. **“Compliance Officer”** means the person as defined as such in the Bloom Industries Code of Conduct for Prevention of Insider Trading as amended from time to time.
- iii. **“Insider”** means any person who is
 - a) a Connected Person; or
 - b) in possession of or having access to Unpublished Price Sensitive Information. (Regulation 2(1)(g))
- iv. **“Unpublished price sensitive information or UPSI”** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect

the price of the securities and shall, ordinarily include but not restricted to, information relating to the following: –

- a) financial results;
- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- e) changes in key managerial personnel;
- f) Such other information as determined by the Board of Directors/Chief Executive Officer & Managing Director/Executive Director & Chief Financial Officer/ Compliance Officer, from time to time. (Regulation 2(1)(n))

6. Process for sharing UPSI.

The Insider(s) may follow the steps given below while sharing UPSI:

- a) Identify the stakeholders/person(s) with whom the UPSI is to be shared.
- b) Satisfy that UPSI shared with stakeholder(s)/person(s) is on a need to know basis and for legitimate purpose(s) only.
- c) Notify the recipient of the UPSI that the same is confidential, proprietary and accordingly execute a confidentiality/non-disclosure agreement.
- d) Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement or verbal exchange.
- e) Maintain a structured database capturing the details of stakeholder(s)/person(s) including name of the person(s)/organization(s), purpose for which UPSI is shared, PAN (or identical proof, when PAN is not available). The database shall be maintained with adequate internal controls and systemic checks so as to ensure integrity of the database so maintained and shall be kept confidential.

7. System Audit

There shall be a periodic audit (at least once in a year) to ensure the integrity of the system and the data maintained.

8. Policy Review

The Policy shall be reviewed periodically in accordance with review of internal controls and checks as well as changes or any regulatory requirements from time to time. In the events of inconsistency of this Policy with any legal provisions, the provisions of the law shall prevail.

9. Effective Date of the Policy.

The Policy is effective from September 1, 2020.

10. Compliance Responsibility.

Compliance of this Policy shall be the responsibility of the Compliance Officer, who shall have the power to seek any information or clarification(s) from the Management and Insiders in this regard.

APPENDIX A

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

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CHAPTER I: PRELIMINARY

1. Short title and commencement
2. Definitions

CHAPTER II: RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

3. Communication or procurement of unpublished price sensitive information
4. Trading when in possession of unpublished price sensitive information
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CHAPTER III: DISCLOSURES OF TRADING BY INSIDERS

6. General Provisions
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CHAPTER IV: CODES OF FAIR DISCLOSURE AND CONDUCT

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9. Code of Conduct
- 9A. Institutional Mechanism for Prevention of Insider trading

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10. Sanction for violations
11. Power to remove difficulties
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SCHEDULE A

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

SCHEDULE B

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

SCHEDULE C

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

CHAPTER – I

PRELIMINARY

Short title and commencement.

- (1) These regulations may be called the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- (2) These regulations shall come into force on the one hundred and twentieth day from the date of its publication in the Official Gazette.

Definitions.

2. (1) In these regulations, unless the context otherwise requires, the following words,

expressions and derivations therefrom shall have the meanings assigned to them as under:—

- (a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (b) "Board" means the Securities and Exchange Board of India;
- (c) "compliance officer" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be;

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

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

- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
- (a). an immediate relative of connected persons specified in clause (i); or
 - (b). a holding company or associate company or subsidiary company; or
 - (c). an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - (d). an investment company, trustee company, asset management company or an employee or director thereof; or
 - (e). an official of a stock exchange or of clearing house or corporation; or
 - (f). a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - (g). a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - (h). an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - (i). a banker of the company; or
 - (j). a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

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

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

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

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

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

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

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

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

in such possession or that he has not traded or or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

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

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

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

(i) if such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchange(s) or registrar of companies in connection with the listing; or

(ii) if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013;

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

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

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

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

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

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

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

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) Such other information as determined by the Board of Directors/Chief Executive Officer & Managing Director/Executive Director & Chief Financial Officer/Compliance Officer, from time to time

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

(2) Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities

Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

CHAPTER – II

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

Communication or procurement of unpublished price sensitive information.

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

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

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

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

- (2A) The board of directors of a listed company shall make a policy for determination of

“legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct” formulated under regulation 8.

Explanation—For the purpose of illustration, the term “legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

(2B) Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

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

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

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

(ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the listed company is of informed opinion that the sharing of such information is in the best interests of the company and the

information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine to be adequate and fair to cover all relevant and material facts.

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

- (4) For purposes of sub-regulation (3), the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.
- (5) The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

Trading when in possession of unpublished price sensitive information.

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

Explanation- When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been

motivated by the knowledge and awareness of such information in his possession;

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

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

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

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

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

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

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

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

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

(b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

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

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

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

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

Trading Plans.

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

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

(2) Such trading plan shall:–

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

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

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

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

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

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

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

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

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

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

in the plan.

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

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

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

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

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

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

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

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

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

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

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

CHAPTER – III

DISCLOSURES OF TRADING BY INSIDERS

General provisions.

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

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

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

(2) 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.

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

Disclosures by certain persons.

7. (1) *Initial Disclosures*

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

(2) Continual Disclosures.

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

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

Disclosures by other connected persons

- (3) Any company whose securities are listed on a stock exchange may, at its

discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

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

Chapter IIIA Definitions.

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

- (a) 'Investor Protection and Education Fund' means the Investor Protection and Education Fund created by the Board under section 11 of the Act;
- (b) 'Informant' means an individual(s), who voluntarily submits to the Board a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward;
- (c) 'Informant Incentive Committee' means the High Powered Advisory Committee constituted by the Board in the manner as may be specified under regulation 11 of the Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018.
- (d) 'insider trading laws' means the following provisions of securities laws,-
 - i. Section 15G of the Act;
 - ii. regulation 3 of these regulations;
 - iii. regulation 4 of these regulations;
 - iv. regulation 5 of these regulations; and
 - v. regulation 9 or regulation 9A of these regulations, in so far as they pertain to trading or

communication of unpublished price sensitive information.

- (e) 'irrelevant, vexatious and frivolous information' includes, reporting of information which in the opinion of the Board, -
 - (i) Does not constitute a violation of insider trading laws; or
 - (ii) Is rendered solely for the purposes of malicious prosecution; or
 - (iii) Is rendered intentionally in an effort to waste the time and resource of the Board.
- (f) 'Legal Representative' means a duly authorised individual who is admitted to the practice of law in India;
- (g) 'Monetary Sanctions' shall mean any non-monetary settlement terms or any direction of the Board, in the nature of disgorgement under securities laws aggregating to at least Rupees one crore arising from the same operative facts contained in the original information.
- (h) 'Original Information' means any relevant information submitted in accordance with these regulations pertaining to any violation of insider trading laws that is:-
 - (i) derived from the independent knowledge and analysis of the Informant;
 - (ii) not known to the Board from any other source, except where the Informant is the original source of the information;
 - (iii) is sufficiently specific, credible and timely to - (1) commence an examination or inquiry or audit, (2) assist in an ongoing examination or investigation or inquiry or audit, (3) open or reopen an investigation or inquiry, or (4) inquire into a different conduct as part of an ongoing examination or investigation or inquiry or audit directed by the Board;
 - (iv) not exclusively derived from an allegation made in a judicial or administrative hearing, in a Governmental report, hearing, audit, or investigation, or from the news media, except where the Informant is the original source of the information; and
 - (v) not irrelevant or frivolous or vexatious.

Explanation. –Information which does not in the opinion of the Board add to the information

already possessed by the Board is not original information.

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

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

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

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

- (k) 'Reward' means any gratuitous monetary amount for which an Informant is declared eligible as per the provisions of these regulations;
- (l) 'securities laws' means the Act, the Securities Contract (Regulations) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996), the relevant provisions of any other law to the extent it is administered by the Board and the relevant rules and regulations made thereunder;
- (m) 'voluntarily providing information' means providing the Board with information before receiving any request, inquiry, or demand from the Board, any other Central or State authorities or other statutory authority about a matter, to which the information is relevant;

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

Submission of Original Information to the Board

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

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

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

(2) The legal representative shall,-

i. Verify the identity and contact details of the Informant;

- ii. Unless otherwise required by the Board, maintain confidentiality of the identity and existence of the Informant, including the original Voluntary Information Disclosure Form;
- iii. Undertake and certify that he/she, -
 - (a) Has reviewed the completed and signed Voluntary Information Disclosure Form for completeness and accuracy and that the information contained therein is true, correct and complete to the best of his/her knowledge;
 - (b) Has obtained a irrevocable consent from the Informant to provide to the Board with original Voluntary Information Disclosure Form whenever required by the Board; and
 - (c) Agrees to be legally obligated to provide the original Voluntary Information Disclosure Form within seven (7) calendar days of receiving such requests from the Board.
- iv. Submits to the Board, the copy of the Voluntary Information Disclosure Form in the manner provided in Schedule D of these regulations along with a signed certificate as required under clause (iii) of this sub-regulation (2).
- (3) An Informant shall while submitting the Voluntary Information Disclosure Form shall expunge such information from the content of the information which could reasonably be expected to reveal his or her identity and in case where such information cannot be expunged, the Informant may identify such part of information or any document that the Informant believes could reasonably be expected to reveal his or her identity.

Receipt of Original Information by the Board

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

- (2) The Office of Informant Protection shall perform such functions as may be specified by the Board, including,-
 - i. Receiving and registering the Voluntary Information Disclosure Form;
 - ii. Making all necessary communications with the Informant;
 - iii. Maintaining a hotline for the benefit of potential Informant;
 - iv. Maintaining confidentiality of the legal representative of the Informant and act as

- an interface between the Informant and the officers of the Board;
- v. Interacting with the Informant Incentive Committee;
 - vi. Issuing press releases and rewards relating to Informant; and
 - vii. Submitting an annual report to the Board relating to the functioning of the Office of Informant Protection.
- (3) On receipt of the Voluntary Information Disclosure Form, the Office of Informant Protection shall communicate the substance of the information along with the evidence submitted by the informant to the relevant department or division of the Board for examination and initiation of necessary action, if any.
- (4) The Board shall not be required to send any intimation or acknowledgement to the Informant or any other person, of the examination or action initiated by the Board, if any, pursuant to receipt of the Voluntary Information Disclosure Form or information under these regulations, including rejection thereof.

Informant Reward.

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

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

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

- (2) In case of more than one Informant jointly providing the Original Information, the Reward, as specified in the intimation under sub-regulation (1), shall be divided equally amongst the total number of Informants.
- (3) The Reward under these regulations shall be paid from the Investor Protection and Education Fund.

Determination of amount of Reward.

- 7E.** (1) The amount of the Reward, if payable, shall be determined by the Board.
- (2) While determining the amount of Reward under sub-regulation (1), the Board may specify the factors that may be taken into consideration by the Informant Incentive Committee.
- (3) An Informant may be eligible for a Reward whether or not he reported the matter to his organization as per its internal legal and compliance procedures and irrespective of such organization's compliance officer subsequently providing the same Information to the Board.

Application for Reward.

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

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

Rejection of claim for Reward.

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

- (1) who does not submit original information;
- (2) who has acquired the Original Information, through or as a member, officer, or an employee of:-
 - (i) any regulatory agency constituted by or under any law in India or outside India, including the Board;
 - (ii) any self-regulatory organization;
 - (iii) the surveillance or investigation wings of any recognised stock exchange or clearing corporation; or
 - (iv) any law enforcement organization including the police or any central or state revenue authorities.
- (3) against whom the Board may initiate or has initiated criminal proceedings under

securities laws;

(4) who wilfully refused to cooperate with the Board during its course of investigation, inquiry, audit, examination or other proceedings under securities laws;

(5) who:

- (i) knowingly makes any false, fictitious, or fraudulent statement or representation; or
- (ii) uses any false writing or document knowing that the writing or document contains any false, fictitious, or fraudulent statement or entry; or
- (iii) fails to furnish the complete information available with him or accessible by him in relation to the alleged violation.

(6) who is obligated, under any law or otherwise, to report such Original Information to the Board, including a compliance officer under securities laws.

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

Informant confidentiality.

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

- (a) when it is required to be disclosed in connection with any legal proceedings in furtherance of the Board's legal position;
 - (b) as permitted by these regulations; or
 - (c) as may be otherwise required or permitted by law.
- (2) Original Information may, at the discretion of the Board, be made available to -
- (i) any regulatory agency constituted by or under any law in India or outside India;
 - (ii) any self-regulatory organization;
 - (iii) the surveillance or investigation wings of any recognised stock exchange or clearing corporation; or
 - (iv) any law enforcement organization including the police or any central or state revenue authorities; or
 - (v) a public prosecutor in connection with any criminal proceedings.

Provided that sharing of information shall be in accordance with such assurances of

confidentiality as the Board determines appropriate.

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

- (3) The Original Information and identity provided by an Informant shall be held in confidence and exempted from disclosure under clauses (g) and (h) of sub-section (1) of section 8 of the Right to Information Act, 2005 (No. 22 of 2005).
- (4) Subject to the law of evidence for the time being in force, nothing in these regulations shall prejudice the right of the Board to use or to rely on information received otherwise.

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

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

(7) working days prior to the date of the scheduled hearing for evidence.

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

Protection against retaliation and victimisation

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

- (i) filing a Voluntary Information Disclosure Form under these regulations;
- (ii) testifying in, participating in, or otherwise assisting or aiding the Board in any

investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or

- (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

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

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

- (i) the Board has taken up any enforcement action in furtherance of information provided by such person; or
 - (ii) the information provided fulfils the criteria of being considered as an Original Information under these regulations.
- (2) Nothing in these regulations shall prohibit any Informant who believes that he or she has been subject to retaliation or victimisation by his or her employer, from approaching the competent court or tribunal for appropriate relief.
- (3) Notwithstanding anything contained in sub-regulation (2), any employer who violates this Chapter may be liable for penalty, debarment, suspension, and/or criminal prosecution by the Board, as the case may be:

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

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

Void Agreements

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

(2) No person shall by way of any threat or act impede an individual from communicating

with the Board, including enforcing or threatening to enforce, a confidentiality agreement (other than agreements related to legal representations of a client and communications there under) with respect to such communications.

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

No Amnesty

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

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

(3) Where an action against an Informant is deemed appropriate, the Board while determining the value of monetary sanctions shall not take into account the monetary sanctions that the Informant is ordered to pay or that which any other

person is ordered to pay if the liability of such other person is based substantially on the conduct that the Informant directed, planned, or initiated.

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

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

Functions of Informant Incentive Committee

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

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

- i. Eligibility of Informant for reward;
- ii. Determination under regulations 7E and 7G; and
- iii. Such other issues relating to Informant as the Board may require from time to time.

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

Public dissemination and incentivisation of Informant. 7M. (1) The Board shall upload on its website the following, -

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

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

(II) existing regulation 11 shall be re-numbered as sub-regulation (1) thereof, and after the sub-regulation so re-numbered the following sub-regulation shall be inserted, namely, –

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

i. by circular, specify procedures and processes for carrying out the purposes of these regulations;

ii remove any difficulty in the interpretation or application or implementation of the provisions of these regulations, by issuing clarifications and specifying procedures through circulars or guidelines.”

(III) after Schedule C, the following Schedule shall be inserted, namely, –

CHAPTER – IV

CODES OF FAIR DISCLOSURE AND CONDUCT

Code of Fair Disclosure.

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

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

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

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

Code of Conduct

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

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

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

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

Explanation - Professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising listed companies shall be collectively referred to as fiduciaries for the purpose of these regulations.

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

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

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

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

information in the organization by their board of directors;

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

Institutional Mechanism for Prevention of Insider trading.

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

(2) The internal controls shall include the following:

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

(3) The board of directors of every listed company and the board of directors or

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

- (4) The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- (5) Every listed company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.
- (6) The listed company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
- (7) If an inquiry has been initiated by a listed company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co- operate with the listed company in connection with such inquiry conducted by listed company.

CHAPTER – V MISCELLANEOUS

Sanction for violations.

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

Power to remove difficulties.

11. 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) of regulation 9]

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

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors, but not less than once in a year.
2. All information shall be handled within the organisation on a need-to- know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to “cross the wall”.
3. Designated Persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.
4. (1) Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation

to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

- (2) Trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- (3) The trading window restrictions mentioned in sub-clause (1) shall not apply in respect of –
 - (a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board;
 - (b) transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer.
5. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.
6. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.
7. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of

any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

8. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.
9. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

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

10. The code of conduct shall stipulate such formats as the board of directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.
11. Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, clawback etc., that may be imposed, by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, for the contravention of the code of conduct.

12. The code of conduct shall specify that in case it is observed by the listed company required to formulate a code of conduct under sub-regulation (1) of regulation 9, that there has been a violation of these regulations, it shall inform the Board promptly.
13. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
- (a) immediate relatives
 - (b) persons with whom such designated person(s) shares a material financial relationship
 - (c) Phone, mobile and cell numbers which are used by them.

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

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

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

SCHEDULE C

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

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

1. The compliance officer shall report to the board of directors or head(s) of the organisation (or committee constituted in this regard) and in particular, shall provide reports to the Chairman of the Audit Committee or other analogous body, if any, or to the Chairman of the board of directors or head(s) of the organisation at such frequency as may be stipulated by the board of directors or head(s) of the organization but not less than once in a year.
2. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The code of conduct shall contain norms for appropriate Chinese Wall procedures, and processes for permitting any designated person to “cross the wall”.
3. Designated persons and immediate relatives of designated persons in the organisation shall be governed by an internal code of conduct governing dealing in securities.
4. Designated persons may execute trades subject to compliance with these regulations. Trading by designated persons shall be subject to pre-clearance by the compliance officer(s), if the value of the proposed trades is above such thresholds as the board of directors or head(s) of the organisation may stipulate.
5. The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

6. Prior to approving any trades, the compliance officer shall seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
7. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been precleared have to be executed by the designated person, failing which fresh preclearance would be needed for the trades to be executed.
8. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is a connected person of the listed company and is permitted to trade in the securities of such listed company, shall not execute a contra trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

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

9. The code of conduct shall stipulate such formats as the board of directors or head(s) of the organisation (or committee constituted in this regard) deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.
10. Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze,

suspension, recovery, clawback etc., that may be imposed, by the intermediary or fiduciary required to formulate a code of conduct under sub- regulation (1) and sub-regulation (2) of regulation 9, for the contravention of the code of conduct.

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

12. All designated persons shall be required to disclose name and Permanent Account Number or any other identifier authorized by law of the following to the intermediary or fiduciary on an annual basis and as and when the information changes:
 - a) immediate relatives
 - b) persons with whom such designated person(s) shares a material financial relationship
 - c) Phone, mobile, and cell numbers which are used by them

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

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

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

Appendix B

An extract of Sections 15G and 24 the SEBI Act, 1992 15G. Penalty for insider trading

If any insider who,—

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

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

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

24. Offences

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

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

CODE OF CONDUCT OF PRACTICES AND
PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE
INFORMATION (“CODE”) OF BLOOM
INDUSTRIES LIMITED

[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015]

1. PREFACE

As part of Company's commitment to transparency and good governance, this Code of practices and procedures for fair disclosure of unpublished price sensitive information has been framed with an objective to preserve the confidentiality of unpublished price sensitive information and to ensure fairness in dealing with all stakeholders. This Code is made pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015. Capitalised terms used but not defined in this Code, shall have the meaning as ascribed to such terms under the Company's Code of Conduct to regulate, monitor and report trading by Designated Persons in Securities of the Bloom Industries Limited, as amended from time to time ("**Insider Trading Code/Policy**").

2. OBJECTIVE

The objective of this Code is to formulate a framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

3. PRACTICES AND PROCEDURES

The following principles of fair disclosure for the purposes of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" shall be strictly followed by the Company with immediate effect:

- a) The Company shall promptly disclose to the public "unpublished price sensitive information" (UPSI) that would impact price discovery, no sooner than such credible & concrete information comes into being.
- b) The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- c) The Company shall uniformly & universally disseminate information (UPSI) and avoid selective disclosure.

- d) The Company shall promptly disseminate UPSI that gets disclosed selectively, inadvertently or otherwise, to make such information generally available to all/public.
- e) The Company shall render appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities, if any.
- f) The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on its official website, in order to ensure official confirmation and documentation of disclosures made.
- g) Improvements in investor access to public announcements in addition to release of information to Stock Exchanges.
- h) Company has designated the Compliance Officer to oversee corporate disclosure.
- i) Compliance Officer will ensure that the Company complies with continuous disclosure requirements. He will co-ordinate disclosure of price sensitive information to Stock Exchanges, Analysts, Shareholders and media which will be approved by him in advance.
- j) The Compliance Officer and / or the Chief Executive Officer shall be responsible for deciding whether a public announcement is necessary for verifying or denying any news for effectively responding to market gossips.
- k) The Company will make timely and adequate disclosure of shareholding/changes in ownership/ownership by major shareholders required under the Regulations/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the Stock Exchanges.
- l) The Company shall notify the stock exchanges within two trading days

from receipt of the disclosure or from becoming aware of an off-market trade between Insiders who are in possession of UPSI, such off-market trades shall be reported by the Insiders to the Company within two working days.

m) The Company shall handle all UPSI on a need-to-know basis.

4. LEGITIMATE PURPOSE

The UPSI can be shared as an exception for Legitimate Purposes (as per its "Policy for determination of Legitimate Purposes" (**Annexure A**), provided it is not shared to evade or circumvent the prohibition under the Regulation), performance of duties, or discharge of legal obligations.

5. CODE OF CONDUCT

The Company shall adhere to the prescribed standards, under the Insider Trading Policy.

6. DIGITAL DATABASE

The Board of Directors shall ensure that a structured digital database is maintained as per the regulatory requirements.

7. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

The Board of Directors of the Company 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, and shall not otherwise trade in securities of the company when in possession of UPSI.

8. CHIEF INVESTOR RELATIONS OFFICER

The Compliance Officer of the Company has been designated / called as "Chief Investor Relations Officer" to deal with dissemination of information and disclosure of UPSI.

9. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Code/Policy with a new Code/Policy.

In any circumstance where the terms of this Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment(s) or re-enactment thereto.

10. APPROVED AND ADOPTED

This Code has been approved and adopted by the Board of Directors on September 01, 2020.

Annexure-A

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

1. PREFACE

This Policy, as a part of “Code of practices and procedures for fair disclosure of unpublished price sensitive information”, formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy", and is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

2. OBJECTIVE

The objective of this Policy is to identify ‘Legitimate Purposes’ which will be considered as exception for the purpose of sharing / procuring Unpublished Price Sensitive Information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

3. LEGITIMATE PURPOSES

"**Legitimate Purposes**" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers

9. Legal Advisors
10. Insolvency Professionals
11. Consultants
12. Any other advisors/consultants/partners

It is hereby clarified that any person in receipt of UPSI pursuant to a "legitimate purpose" shall also be considered as an "insider" for the purpose of this Code, the Insider Trading Policy and the Regulations and thus such persons shall maintain confidentiality of such UPSI in compliance with this Code, the Insider Trading Policy and the Regulations.

4. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & regulations, may amend /substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment(s) or re-enactment thereto.