

## **ANNEXURE - 2**

### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

#### **THE POLICY & OBLIGATIONS**

The Company intends to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every director, officer, designated employee of the Company and their dependents has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the company. No director, officer, designated employee and their dependents may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, IRB Infrastructure Developers Ltd. and its subsidiary companies (herein after referred to as "the Company") hereby notifies that this code of conduct is to be followed by all directors, officers, designated employees, their dependents and connected persons.

#### **PART A : DEFINATIONS**

'Insider Trading': When insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as insider trading;

'Insider' means any person who, (i) is or was connected with the company or is deemed to have been connected with the company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company, or (ii) has received or has had access to such unpublished price sensitive information

'Company' means IRB Infrastructure Developers Ltd & its subsidiaries;

'Compliance Officer' means the Company Secretary of IRB Infrastructure Developers Ltd;

'Connected Persons' means any person who:

1. is a director of the company; or
2. an officer or employee of the company; or
3. has a professional or business relationship with the company

'Deemed Connected Persons' means and includes:

Any group company, company under the same management or subsidiary of the Company;

1. Relatives of a director of the company
2. Dependent Family Members of Connected Persons;
3. Bankers of the Company;
4. Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker, Portfolio Manager, Investment Advisor, Sub-broker or any employee thereof having a fiduciary relationship with the Company;
5. Trustees of any trust the beneficiaries of which include any of the Connected Persons;
6. Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company;
7. Any person who was a connected person, whether temporary or permanent six months prior to an act of insider trading;
8. Persons having professional or business relationship between themselves and the company, whether temporary or permanent and by virtue of such relationship are expected to be in possession of price-sensitive information;
9. Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992;

'Dealing in Securities' means buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent and includes exercising of options;

'Officer' means and includes any employee of the Company in the rank of General Manager and above; 'Designated Employee' shall mean:

Designated Employee shall mean:

1. Managing and Whole-time/ Executive Directors of the Company or its subsidiary;
2. All Presidents / Vice Presidents of the Company or its subsidiary;
3. Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.”

'Dependents' shall mean the Director's or designated employee's spouse, dependent parents and dependent children;

'Price Sensitive Information' any information which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of Company.

Explanation: The following shall be deemed to be price sensitive information:-

1. periodical financial results of the company;
2. intended declaration of dividends (both interim and final);
3. issue of securities or buy-back of securities;
4. any major expansion plans or winning of bid or execution of new projects;
5. amalgamation, mergers or takeovers;
6. disposal of the whole or substantial part of the undertaking;
7. any significant changes in policies, plans or operations of the company.
8. disruption of operations due to natural calamities;
9. Litigation/dispute with a material impact;
10. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

'Prohibited Period' means;

1. Period beginning with 15 days prior to the meeting of the Board of Directors is proposed to be held or the date of circulation of agenda papers pertaining to any unpublished price sensitive information, whichever is earlier, upto 24 hours after the information is submitted to the Stock Exchange.
2. Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman & Managing Director.

'Free Period' means any Period other than the prohibited Period.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992 & the Companies Act, 1956.

'Working day' shall mean the working day when the regular trading is permitted on the concerned stock exchange where securities of the company are listed.

## **PART B**

1. Compliance Officer

The Company has appointed the Compliance officer who shall report to the Chairman and Managing Director of the Company.

#### 1.1 Duties of Compliance Officer

1. He shall maintain a record of designated employees and any changes made to the list of Connected Persons.
2. He may in consultation with the Chairman & Managing Director and shall as directed by the Board, specifies Prohibited Period from time to time and immediately make an announcement thereof.
3. He shall maintain a record of Prohibited Period specified from time to time.
4. He shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of 'Price-Sensitive Information', 'pre-clearing of Designated Employees' and their dependents' trades, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.
5. He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers and Designated Employees for a minimum period of three years.
6. He shall place before the Chairman & Managing Director, on a monthly basis all the details of the dealing in the securities by Designated Employees, Directors, Officers of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.
7. He shall from time to time inform the Stock Exchanges of any price sensitive information on immediate basis.
8. He shall intimate to all Stock Exchanges on which the securities of the company are listed the information received under clause 5 of Part II.
9. He shall be responsible for overseeing and coordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the Chairman & Managing Director.
10. He shall ensure that prohibited period is intimated to all concerned at least 48 hours before the commencement of the said period.
11. He shall inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 within 7 days of knowledge of violation.

#### 2. Preservation of "Price Sensitive Information"

Designated Employees and their dependents, Directors, Officers shall maintain the confidentiality of all Price Sensitive Information. Employees/ directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities. Following

practices should be followed in this regard.

#### 2.1 Need to Know

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

#### 2.2. Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

#### 3. Prohibition On Dealing, Communicating Or Counseling On Matters Relating To Insider Trading

No Insider shall -

1. either on his own behalf, or on behalf of any other person, deal in securities of the company when in the possession of any unpublished price sensitive information;
2. communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

#### 4. Trading Restrictions

All directors / officers, and designated employees of the company and their dependents shall be subject to trading restrictions as enumerated below:-

##### 4.1 Trading Window

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished price sensitive information.

During such sensitive times, the Directors, Officers, Designated Employees of the company and their dependents will have to forego the opportunity of trading in the Company's securities.

The Directors, Officers, Designated Employees of the company and their dependents shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

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

1. Declaration of Financial results (quarterly, half-yearly and annual)
2. Declaration of dividends (interim and final)
3. Issue of securities by way of public/ rights/bonus, etc.
4. Any major expansion plans or winning of bid or execution of new projects
5. Amalgamation, mergers, takeovers and buy-back
6. Disposal of whole or substantially whole of the undertaking
7. Any changes in policies, plans or operations of the Company
8. disruption of operations due to natural calamities;
9. Litigation/dispute with a material impact;
10. Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

4.3 The period of closure shall be effective from 15 days prior to the meeting of the Board of Directors is proposed to be held or the date of circulation of agenda papers pertaining to the subject referred above, whichever is earlier, upto 24 hours after the information is submitted to the Stock Exchange.

4.4 The trading window shall be opened 24 hours after the information referred in para 4.2 is made public.

4.5 All Directors, Officers, Designated Employees of the company and their dependents shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.

## 5. Pre-clearance of trades

All Directors, Officers, Designated Employees of the company and their dependents who intend to deal in the securities of the company in excess of 1000 equity shares in number shall pre-clear the transactions as per the pre-dealing procedure as described hereunder.

### 5.1 Pre-dealing Procedure

An application for pre-clearance of trade may be made in Form 'I' to the Compliance Officer.

An undertaking shall be executed in favour of the company by such Designated Employee, Director, Officer incorporating, inter-alia, the following clauses, as may be applicable:

1. That the employee/ director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
2. That in case the Directors, Officers & Designated Employee of the company and their dependents has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance officer of the change in his position and that he or she would completely refrain from dealing in the securities of the company till the time such information becomes public.
3. That he or she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
4. That he or she has made a full and true disclosure in the matter.

The Compliance Officer shall on receiving an application provide the Director, Officer, and Designated Employee with an acknowledgement on the duplicate of the application.

The Compliance Officer shall grant approval within 2 days from the date of acknowledgement.

The Compliance Officer shall retain copies of all applications and acknowledgements.

In exceptional circumstances consent may not be given if the Compliance officer is of the opinion that the proposed deal is on the basis of possession of any unpublished Price sensitive information. There shall be no obligation to give reasons for any withholding of consent.

If so requested by the Compliance Officer, Director, Officer, Designated Employee must ensure that his stockbroker is authorized to disclose to the Company all matters relevant to his share dealings.

## 5.2 Other restrictions

All Directors, Officers and Designated Employees and their dependents shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the Directors, Officers and Designated Employees must pre clear the transaction again.

All Directors, Officers and Designated Employees and their dependents shall hold their investments in securities for a minimum period of 6 months irrespective of mode of acquisition in order to be considered as being held for investment purposes.

In case such directors, Officers & Designated Employees & their dependents who

has sold/ bought shares of the company in accordance with the provisions of this code, shall not engage into the reverse transaction ie. Buying/ selling of shares, within 6 months of such selling/ buying resp.

## 6. Reporting Requirements for transactions in securities

### 6.1 Initial Disclosures

Every Director, Officer, Designated Employees of the company and their dependents on being appointed as such shall disclose to the Company, in Form 'B', the number of shares or voting rights in the Company and position taken in derivatives held by him and their dependent members within 2 working days of becoming a Director or Officer or Designated Employee of the Company.

### 6.2 Continual Disclosures

1. Director/Designated Employee holding more than 5% shares in the Company needs to disclose the same to the Company in Form 'A' in duplicate within two working days from the date of holding such threshold limit.

Any person who hold more than 5% shares or voting rights in the Company shall disclose to the Company in Form 'C' in duplicate the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%

Every Director and Officer of the Company shall disclose to the Company, in Form 'D', the number of shares or voting rights in the Company held by him and change in his shareholding or voting rights from the last disclosure made under this Clause or under Clause 6.1, if such change exceeds Rupees Five Lakh in value or 25,000 shares or 1 % of the total shareholding or voting rights, whichever is lower or any revised limits notified by SEBI from time to time.

"Change" means a net change arrived at after netting off purchases and sale of securities.

2. The aforesaid disclosure has to be made within 2 working days of :-

- I. the receipt of intimation of allotment of shares; or
- II. the acquisition or sale of shares or voting rights as the case may be.

3. The disclosures under this Clause shall be sent to the Compliance Officer of the Company.

### 6.3 Quarterly/Annual Disclosures

All Directors, Officers, Designated Employees and their dependent family members dealing in the Securities of the Company shall be required to forward following details of their Securities transactions including the holdings of dependent family members to the Compliance officer:

1. All holdings in securities of the Company by Directors, Officers, Designated Employees at the time of joining the Company;
2. In respect of existing Directors, Officers, Designated Employees, all holdings in securities of the Company as on (date of approval of the Code by the Board) ;
3. Statement of any transactions in securities of the Company, whether pre-clearance of trade was obtained or not, in Form 'III' on a quarterly basis within 15 days from the end of each quarter; and
4. Annual statement of all holdings in securities of the Company in Form 'IV' as on March 31 of each year, before April 30 of that year.

#### 6.4 Disclosure by the Company to Stock Exchanges

Within 2 days of the receipt of the information under Clause 5.1 and 5.2, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

#### 6.5 Records of disclosures received by the Company

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers and Designated Employees for a minimum period of three years.

The Compliance officer shall place before the Managing Director, on a monthly basis all the details of the dealing in the securities by the Designated Employees, Directors, Officers of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

#### 7. Penalty for contravention of Code of Conduct

Any Director, Officer, Designated Employee who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.

Directors, Officers, Designated Employees of the Company who violate this Code of Conduct shall also be subject to disciplinary action by the company, which may include wage, salary freeze, suspension, withholding of promotions, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

8. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

