

JORABAT SHILLONG EXPRESSWAY LIMITED

Code of Conduct for Prevention of Insider Trading

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (“**1992 Regulations**”) have been repealed and have been replaced by the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the “**Regulations**”).

The Regulations have made it mandatory for the Board of Directors of every listed company and market intermediary to formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with the said Regulations.

Jorabat Shillong Expressway Limited (the “Company”/”JSEL”), being debt listed entity in terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 requires to formulate Code of Conduct to regulate, monitor and report trading by its Designated Persons and Connected Persons towards achieving compliance with these regulations. This Code of Conduct shall be applicable to Designated Persons and Connected Persons of the Company, as defined herein.

- (1) **Definitions**: Terms not defined herein, will have the same meaning ascribed to them in the 2015 Regulations
 - (a) “Board” means the Securities and Exchange Board of India
 - (b) “Compliance Officer” (CO) 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

(c) "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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 :
 - an immediate relative of connected persons specified in clause (i) above,
 - a holding company or associate company or subsidiary company; or
 - an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - an investment company, trustee company, asset management company or an employee or director thereof; or
 - an official of a stock exchange or of clearing house or corporation; or
 - 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
 - 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
 - an official or an employee of a self-regulatory organisation recognised or authorised by the Board; or
 - a banker of the company;

- 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; or
 - such other person as may be notified by SEBI under the Regulations
- (d) “Designated Person” means and includes the following persons :
- (i) all directors of the Company, in respect of JSEL Securities;
 - (ii) such directors as may be identified by the CO from time to time, in respect of any Third Party Securities; and
 - (iii) employees of the Company, in respect of JSEL Securities, and such employees of the Company in respect of Third Party Securities as may be notified by the CO from time to time. For the avoidance of doubt, it is clarified that such employees who are below the grade of “Manager” and those in departments which are not expected to have access to price sensitive information in the ordinary course, i.e. Administration, Human Resources, Social Inclusion Group, Corporate Sustainability Cell, Technology, Internal Audit, Insurance and any other departments notified by the CO from time to time, would not be considered to be ‘Designated Persons’.
- (e) “Generally Available Information” means information that is accessible to the public on a non-discriminatory basis;
- (f) “JSEL Securities” means Debt Securities of JSEL
- (g) “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;
- (h) “Insider” means any person who is :
- (i) a Connected Person; or
 - (ii) in possession of or having access to Unpublished Price Sensitive

Information;

(i) “Securities”: for the purpose of the Code of Conduct “Securities” means all instruments defined as such in the Securities Contracts (Regulations) Act, 1956 (42 of 1956) or any modification thereof with the exception of :

(i) Units of mutual fund schemes

(ii) NSCs, Kisan Vikas Patras or other post office savings schemes

(j) “Trading” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly. However, “Trading” shall not include trading by Designated Persons under the following circumstances :

(i) Exercise of ESOPs;

For the avoidance of doubt, it is clarified that ‘Trading’ includes pledging of securities

(k) “Third Party Securities” means Securities of companies outside the Company as identified by the CO from time to time and notified by the CO to the Designated Persons, in accordance with paragraph 8 below

(l) “Trading Day” means a day on which the recognized stock exchanges are open for trading;

(m) "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 ordinarily includes, but not restricted to, Information relating to the following :

(i) financial results;

(ii) dividends;

(iii) change in capital structure;

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

(2) **Compliance Officer (CO) :**

- (a) The CO shall be responsible for compliance with policies and procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of Trades and the implementation of the Code of Conduct.
- (b) The CO shall also assist all the Designated Persons in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 2015 and this Code of Conduct
- (c) The CO shall maintain a record of the Designated Persons and any changes made in the list of Designated Persons
- (d) The Restrictions in the Code of Conduct apply to Designated Persons vis a vis their Trading in JSEL Securities. The Designated Persons will also be required to ensure compliance with this Code of Conduct in connection with trading in Third Party Securities, as and when such Designated Person is specifically notified by the CO.

(3) **Preservation of Unpublished Price Sensitive Information :**

- (a) Prohibition of communication or procurement of Unpublished Price Sensitive Information (UPSI):
 - (i) Designated Persons shall maintain the confidentiality of all UPSI
 - (ii) No Insider shall communicate, provide or allow access to any UPSI relating to JSEL Securities (or when applicable, Third Party Securities) to any person except as required in the performance of duties or furtherance of legitimate purposes or discharge of legal obligations

(iii) No person shall procure from or cause the communication by any Insider of UPSI, relating to JSEL Securities (or when applicable, Third Party Securities), except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations

(b) Need to Know :

UPSI is to be handled on a “need to know” basis. No UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations

(c) Limited Access :

Files containing UPSI shall be kept secure. Computer files must have adequate security of login and password etc. All reasonable measures, including segregation of work areas wherever necessary shall be taken to prevent unauthorised access to UPSI

(d) All reasonable measures must be taken to ensure that UPSI is adequately secured while held by users and in course of communication. The following shall be observed as minimum prudent practice :

(i) Departmental heads shall ensure availability of locked storage space to each employee for storage of confidential documents and media

(ii) Documents containing UPSI shall not be left unattended in a manner permitting access, reading or copying by unauthorised persons; persons working outside secure areas shall replace such documents in closed storage whenever these are left unattended

(iii) Access to personal computers and laptops shall be restricted by use of personalised password and other measures to prevent unauthorised access. Every file containing confidential information must be password secured

(iv) Server storage area holding confidential documents and data must be effectively partitioned and access restricted to duly authorised users

(v) Electronic media containing confidential information shall be in encrypted form wherever possible and shall be subject to the same standards of custodial care as printed material

- (vi) Documents containing confidential information shall only be conveyed :
- To persons who need such information in the ordinary course of business or for discharge of legal obligations
 - In closed cover reasonably secured against tampering
 - With a record of the name, department and other relevant particulars of the addressee
 - With a request for acknowledgement of receipt and an appropriate warning addressed to any unauthorised recipient
- (vii) Confidential information may only be conveyed by electronic transmission :
- To the unique address of the addressee
 - With a warning to all unintended recipients against misuse of the same
 - In an encrypted form wherever suitable technology is available
 - Through the official address and using the official communication facilities provided by the Company
 - Preserving a copy with full particulars of the addressee and date and time of transmission
- (viii) Copies or prints of documents containing confidential information shall be taken only in the presence of the responsible employee

(e) Chinese Walls :

- (i) “Chinese Walls” refer to arrangements that localise UPSI in a geographically isolated area within the office with specific mechanisms for accessing such area, effectively prevent the use of UPSI in the possession of those in such area, i.e. on one side of the Wall, from influencing the decisions or conduct of those on the other side of the Wall
- (ii) “Inside Areas” shall be those in which Designated Persons are likely to get access to UPSI during the course of their work assignments
- (iii) “Public Areas” shall be the areas other than the Inside Areas wherein there is a possibility of misuse of UPSI
- (iv) However, Designated Persons in these areas are subject to the general principles governing confidentiality and the handling and use of UPSI

- (v) Identification of Inside Areas and Public Areas : To prevent the misuse of confidential information the Company has established procedures and processes which separate/demarcate those areas of the Company which routinely have access to confidential information/UPSI, considered “Inside Areas” from other departments providing support services, considered “Public Areas”
- (vi) The Designated Persons in an Inside Area shall not communicate any UPSI to any one in Public Area
- (vii) Even on a particular side of the Chinese Wall, material UPSI may not be shared among Designated Persons or any other recipient of such information, except on a need-to-know basis
- (viii) In exceptional circumstances persons from Public Areas may be brought “over the wall” and given confidential information strictly on “need-to-know basis”. Upon the transmission of UPSI in the foregoing manner, the relevant person from the public area, if not already a Designated Person, will be deemed to be a Designated Person and shall become bound by this Code of Conduct
- (ix) Crossing the Chinese Wall: To complete or assist in a particular mandate or assignment of an Inside Area of the Chinese Wall, assistance of Designated Persons in the Public Area may be required for discussion on or as a part of a team for such mandate or assignment. In such an instance, the Designated Persons in the Public Area would be considered as having “Crossed the Chinese Wall” and have come on the Inside Area of the Chinese Wall, only during the duration of the mandate/assignment. Approval of the Head of the concerned business must be obtained to Cross the Chinese Wall and such precautions taken, as may be stipulated.
- (x) Responsibilities post Crossing of the Wall : While any Designated Persons from the Public Area is in the Inside Area after having crossed the Chinese Wall, he shall strictly maintain the confidentiality of the transaction or UPSI as per paragraph (e)(iv) above
- (xi) Persons crossing the Chinese Wall shall be provided with only such information as is reasonably necessary and appropriate for him to accomplish the purpose for which the Chinese Wall is crossed from the Public Area to the Inside Area

(4) **Trading Plan:**

- (a) An Insider shall be entitled to formulate a Trading Plan (“TP”) for dealing in Securities of JSEL. With respect to other JSEL Securities, the Insider shall formulate a trading plan in accordance with the code of conduct that is applicable to the relevant company that such JSEL Security relates to
- (b) A Trading Plan shall :
 - (i) not entail commencement of trading on behalf of the Insider earlier than six months from the public disclosure of the TP;
 - (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;
 - (iii) entail trading for a period of not less than twelve months;
 - (iv) not entail overlap of any period for which another trading plan is already in existence;
 - (v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected
- (c) The TP should be presented to the CO for approval. The TP once approved shall be irrevocable and the Insider shall mandatorily have to implement the TP, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the TP
- (d) Before providing approval, the CO shall review the TP to assess whether the plan would have any potential for violation of the Regulations
- (e) Implementation of the TP shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation. In such circumstances the Insider shall make a disclosure to that effect to the CO at least three days ahead of the commencement of the TP, and the CO shall confirm commencement of the TP to be deferred until such UPSI

becomes generally available information.

- (f) Upon approval of the TP, the CO shall notify the plan to the stock exchanges on which the JSEL Securities are listed

(5) **Disclosures** :

(a) **Initial Disclosure**:

- (i) Every key managerial personnel and director of the Company shall provide a disclosure of holding in Securities of JSEL as on the date of the Regulations taking effect i.e. May 15, 2015, within thirty days of such date in Form A as prescribed by SEBI in the Regulations
- (ii) Every person on appointment as a key managerial personnel or a director of the Company shall disclose his holding in Securities of JSEL as on the date of appointment to the Company within seven days of such appointment in Form B as prescribed by SEBI in the Regulations

(b) **Continual Disclosure** :

- (i) Every employee and director of the Company shall disclose to the Company in Form C the number of Securities of JSEL that are Traded by such person 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 rupees ten lakhs. Where Securities traded includes derivatives of securities, the traded value of such derivatives shall be taken into account
- (ii) Disclosures to be made shall include those relating to trading by such person's Immediate Relatives and by any other person for whom such person takes trading decisions. 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 the avoidance of doubt, it is clarified that exercise of ESOPs would also be required to be disclosed in accordance with the above provisions of this Code of Conduct.

(6) **Trading Window** :

- (a) A notional trading window shall be used as an instrument of monitoring trading by the Designated Persons in JSEL Securities
- (b) The trading window shall be closed when the CO determines that a Designated Persons can reasonably be expected to have possession of UPSI
- (c) Designated Persons and their Immediate Relatives shall not trade in JSEL Securities when the trading window is closed
- (d) The timing for re-opening of the trading window shall be determined by the CO taking into account various factors including the UPSI 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
- (e) In the case of any suspicious trades by Connected Persons which the Company becomes aware of, it will have the right to reach out to the relevant Designated Person who is associated with such Connected Person, in order to obtain necessary information in relation to the transaction and assess the violations, if any and the onus of providing such information would vest on the said Designated Person.

(7) **Preclearance of Trades** :

- (a) All trades in JSEL Securities by Designated Persons of the Company or their Immediate Relatives (wherever the aggregate value of the trade and purchase or sale over the last seven days - including the date of proposal - in the same security exceeds Rupees Twenty lakhs), shall be required to be pre-cleared as per the pre-dealing procedure as described hereunder
- (b) An application may be made in the format enclosed in **Appendix 1** to the CO indicating the estimated number of JSEL Securities that the Designated Person (or their Immediate Relative) intends to trade in, the details as to the depository participant with which he has a security account and such other details as may be required by any rule made by the Company in this behalf
- (c) An undertaking shall be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable :
 - (i) That the Designated Person does not have any access or has not received any UPSI upto the time of signing the undertaking

- (ii) That in case the Designated Person has access to or receives UPSI after the signing of the undertaking but before the execution of the transaction he shall inform the CO of the change in his position and that he would completely refrain from dealing in the Securities till the time such information becomes public
 - (iii) That he has not contravened the Code of Conduct for Prevention of Insider Trading as specified by the Company from time to time
 - (iv) That he has made a full and true disclosure in the matter
- (d) All Designated Persons shall execute their order within seven trading days after the preclearance is given. If the order is not executed within seven trading days of approval, the Designated Person must seek fresh preclearance for the transaction
- (e) No Designated Person shall apply for preclearance of any proposed Trade in JSEL Securities if such Designated Person is in possession of UPSI even if the trading window is not closed. Preclearance will *inter alia* be declined if the CO is of the view that the Designated Person, seeking preclearance may be/may have access to UPSI. In this case, any trade by such Designated Person can only take place in accordance with a “Trading Plan” as detailed above, if such Designated Person has prepared a TP in accordance with this Code of Conduct
- (f) A Designated Person who has taken preclearance shall report to the CO a decision not to trade after securing preclearance, and reasons for such decision in the format specified in **Appendix 2** within fifteen days of the expiry of the validity period of the preclearance
- (g) Trades of the CO which require preclearance in terms of the above shall be approved by any whole-time director of the Company
- (h) For the avoidance of doubt, any Trade conducted on behalf of a Designated Person by a portfolio manager registered with SEBI as such under a discretionary portfolio management scheme (PMS) will also need to comply with the provisions of this Code, to the extent of JSEL Securities or (if applicable) Third Party Securities. Any trading under a PMS in JSEL Securities or, where applicable, Third Party Securities, where such trading does not comply with this Code, will be entirely at the risk and responsibility of the relevant Designated Person for which the Company shall in no manner be responsible.

(8) **Restricted/Grey List** :

- (a) In order to monitor trading in certain Securities based on UPSI , the Company may restrict trading in certain Third Party Securities and designate such list as restricted/grey list
- (b) Typically the CO will include identified Third Party Securities in the restricted/grey list in instances such as : (i) if the Company is handling any assignment for the relevant company or is preparing appraisal report or is conducting credit assessment or is associated in any other manner in which it is expected to be privy to UPSI; or (ii) if any Third Party Security which is being purchased or sold or is being considered for purchase or sale by the Company either for itself or on behalf of its clients, etc.
- (c) As the restricted/grey list itself is highly confidential information, it shall not be communicated directly or indirectly to anyone outside the organisation. The restricted list shall be maintained by the CO and may only be shared with the Designated Persons on a need-to-know basis.
- (d) If a Designated Person is deemed by the CO to have UPSI relating to a Third Party Security that forms a part of the restricted/grey list, he/she shall be notified by the CO and shall not be permitted to Trade in any of the Third Party Securities that are included in the restricted/grey list.
- (e) Procedures for maintenance of the Grey List is enclosed in **Appendix 3**

(9) **Other Restrictions** :

- (a) Designated Persons shall not execute a contra trade in JSEL Securities within a period of six months.
- (b) The CO may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the Regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such 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.

- (c) The aforesaid restriction on contra-trade shall not apply in case of:
 - (i) Trading in index futures and such other derivatives where the relevant JSEL Security (or any Third Party Security, as applicable) is part of such derivatives; and
 - (ii) Any contra trade in JSEL Securities executed in pursuance of a buy- back offer, open offer, rights issue, FPO or bonus issuance or such other issuance as may be notified by SEBI from time to time.

(10) **Reporting Requirements for Holding and Transactions in JSEL Securities** :

- (a) Every Designated Person shall submit particulars of his Immediate Relatives in the specified format (**Appendix 4**) to the CO on commencement of his employment and shall also notify promptly any change therein
- (b) A Statement of Holdings in JSEL Securities (**Appendix 5**) as of the date of joining the Company shall be furnished within one month of the date of joining
- (c) Particulars of brokers and depository accounts shall be furnished in the specified format (**Appendix 6**) at the time of joining the Company. Any change shall be notified promptly to the CO
- (d) Particulars of transactions in JSEL Securities (**Appendix 7**) shall be submitted for the quarter to March within one month thereafter, and for every other calendar quarter within fifteen days from the end of the quarter
- (e) The Annual Statement of Holdings in JSEL Securities (**Appendix 5**) shall be prepared as of March 31st every year and shall be submitted within one month thereafter
- (f) In the event of separation from the services of the Company, Designated Persons shall submit particulars of transaction in JSEL Securities up to the date of separation and a statement of holding as of that date

- (g) Reporting requirements applicable to Designated Persons in respect of holding and transactions in JSEL Securities shall apply equally to Immediate Relatives and shall be the responsibility of the concerned employee
- (h) The CO shall maintain records of all disclosures given by the Designated Persons in the appropriate form for a minimum period of five years

(11) **Penalty for Contravention of Code of Conduct** :

- (a) Any Designated Person/director who trades in JSEL Securities or Third Party Securities or communicates any UPSI or counsels any person trading in JSEL Securities, in contravention of this Code of Conduct may be penalised and appropriate action may be taken by the Company
- (b) Any Designated Person /director of the Company who violates the Code of Conduct may also be subject to disciplinary action by the Company, which may include wage freeze, suspension etc.
- (c) Whenever a violation of the Regulations by a Designated Person or Director is identified, the Board of Directors shall inform the Board promptly

APPLICATION FOR PRECLEARANCE OF SECURITIES TRANSACTIONS

The Compliance Officer

Jorabat Shillong Expressway Limited

Sir,

I/my Immediate Relative Mr/Ms. _____ wish/es to buy/sell the following JSEL Securities as under :

Company	Nature of Security	Quantity	Estimated Value (Rs)	Broker	Delivering/Receiving DP	
					Name	Account No

I hereby confirm and undertake as under :

- (1) I do not have access to and have not received any Unpublished Price Sensitive Information in respect of the companies mentioned herein and the above transaction, if done by me, would not amount to insider trading
- (2) If, after making this application but prior to its execution, I gain access to or receive any Unpublished Price Sensitive Information relating to a company mentioned above, I shall forthwith advise you of the same and shall refrain from execution of any transaction in securities of such company till such time such information becomes public
- (3) I have not contravened the Code of Conduct for Prevention of Insider Trading of the Company
- (4) The proposed transactions will be completed within seven trading days from the date of approval, failing which a fresh application will be made for preclearance wherever required by the Code of Conduct
- (5) I have made a full and true disclosure of all facts and circumstances in respect of the proposed transaction which would have an influence on your decision on this application

Date :

Employee Name : _____ Signature

Employee Code :

Appendix 2

**APPLICATION FOR NON-EXECUTION OF SECURITIES TRANSACTIONS
FOR WHICH PRECLEARANCE WAS TAKEN**

The Compliance Officer

Jorabat Shillong Expressway Ltd

Sir,

I/my Immediate Relative Mr/Ms. _____/ had sought preclearance on
_____ to buy/sell JSEL securities as under :

Company	Nature of Security	Quantity	Estimated Value (Rs)	Broker	Delivering/Receiving DP	
					Name	Account No

This is inform that I have not executed the following trades :

Company	Nature of Security	Quantity	Estimated Value (Rs)	Broker	Delivering/Receiving DP	
					Name	Account No

Reasons for deciding not to execute the trades are as follows :

Date

Employee Name Employee Code :

Signature

Procedures for Maintenance of Grey List

(1) **Inclusion in Grey List** :

- (a) Any company in respect of which UPSI has been received or is likely to be received in course of credit or investment appraisal or any other assignment taken up or under active consideration, shall be included in the Grey List. Every business head, or other senior employee specifically authorised in this regard, shall be responsible for notifying the CO promptly of companies to be included in the Grey List.
- (b) The notification to the CO shall mention the nature of engagement together with the names, designations and locations of associated employees
- (c) Credit or investment approval memoranda, or other formal transaction approval or preapproval documentation shall state :
 - (i) The names of all listed companies belonging to the business Group of the client
 - (i) Names of companies notified for inclusion in the Grey List
 - (ii) Whenever listed Group companies are not to be included in the Grey List, brief reasons for the same
 - (iii) A declaration that no UPSI had been received in respect of group companies not included in the Grey List and that such names would be notified promptly to the CO whenever UPSI is received or is likely to be received

(2) **Effect of Grey Listing** :

The CO shall notify and prohibit trade by any Designated Persons who, on the basis of location and nature of duties, may have/ may have access to have any knowledge of the relationship between the Company and the Grey List Company.

(3) **Removal from Grey List** :

- (a) Business heads or other senior authorised employees may recommend removal of a company from the Grey List. The recommendation shall :
 - (i) Confirm that no further UPSI is likely to be received in respect of such company, providing reasons for such conclusion
 - (ii) Recommend a date for removal from the Grey List, based on a reasonable expectation of public disclosure of material UPSI received in course of the engagement, and continuing materiality of such information
- (b) The CO will have the discretion not to accept the recommendation or accept it with effect from a later date than recommended