

Sunil Kadam
(Email: PD)

0/1
29/9

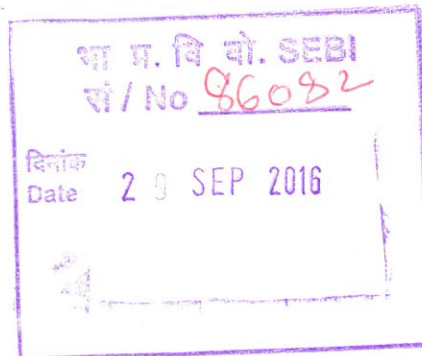


**SBI
Capital
Markets
Limited**

No. : C&RM/2016-17/26

Date : September 27, 2016

Securities & Exchange Board of India,
Integrated Surveillance Department
SEBI Bhavan, Plot No. C4-A, "G" Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051



Dear Sir,

Subject: Request for Informal Guidance by way of an Interpretive Letter under SEBI Informal Guidance Scheme, 2003 in connection with SEBI (Prohibition of Insider Trading) Regulations, 2015.

We refer to you for the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") which were notified on January 15, 2015 and implemented with effect from May 15, 2015. We, SBI Capital Markets Limited ("SBICAP"), being a Category – I Merchant Banker, are facing some interpretation issues with regards to the applicability of the said Regulations.

As per our understanding, the Regulations will become applicable to an Intermediary when they are an insider i.e. either they are in possession of Unpublished Price Sensitive Information ("UPSI") or they are a connected person in respect of a company whose shares are being traded by the intermediary. Therefore, all the provisions stated in the Regulations would be applicable only when an Intermediary is in possession of UPSI or when they come under the definition of connected persons (as defined in Regulation 2(1)(d)) in relation to the company whose shares are being traded by the intermediary.

In compliance with the Regulations, being an Intermediary, SBICAP is maintaining Restricted List. All the companies in which SBICAP is handling any assignment and is privy to any UPSI are put in this Restricted List. Neither SBICAP nor any of its employees are allowed to trade in the shares of the companies which are in the Restricted List. Hence, trading is only allowed in the shares of the companies with which SBICAP is not connected in any way and about which it does not have any UPSI. Since we are not trading in shares of the companies which are in our Restricted List, we are always abiding by Regulation 4, which restricts trade in securities when in possession of UPSI.



SEBI/IW/P/20160929/0000086082

Registered Office : 202, Maker Tower 'E', Cuffe Parade, Mumbai - 400 005. Tel. : 22178300 Fax : 22188332
Email : corporate.office@sbicaps.com Web : www.sbicaps.com CIN : U99999MH1986PLC040298

A Subsidiary of State Bank of India

A
31/10/16
AGM(LC)

As per the Sub-Regulation (g) of Regulation 2, "insider" means any person who is:

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

We are not a 'connected person' and do not have any unpublished price sensitive information of the companies which are not in our Restricted List. Hence, we are not an "insider" as defined in the Regulations in respect of the company.

Since we are not a connected person for such company, neither SBICAP nor any of its employees are "designated persons" as per Clause 3 of Schedule B (Code of Conduct) of the Regulations.

Further, Clause 10 of Schedule B (Code of Conduct) requires the designated persons not to execute any contra trade within a period of six months. Since, as stated earlier, we are not designated persons as per the definition provided, the contra trade restriction should not be applicable to us.

According to our understanding, the contra trade restriction is only applicable for trading in the shares of the companies in which SBICAP has UPSI, i.e the companies which are in the Restricted List and not any other company. The same rule is applicable to SBICAP and all its employees.

We request you to confirm that the contra trade restriction is not applicable either on SBICAP or any of its employees for trading in shares of the companies which are not in our Restricted List.

In the view of above, we request to seek your interpretative letter for the same under the SEBI (Informal Guidance) Scheme, 2003.

We are enclosing herewith a demand draft no. 811108 dated September 27, 2016 drawn on State Bank of India, Cuffe Parade Branch for Rs. 25,000/- in favour of Securities Exchange Board of India payable at Mumbai as fees for informal guidance and request for your opinion.

Yours faithfully



Managing Director & CEO