

National Stock Exchange of India

Circular

Department: Investigation

Download Ref No: NSE/CML/22

Date: April 21, 2025

To All Listed Companies,

Sub: Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 - Extension of automated implementation of trading window closure to Immediate Relatives of Designated Persons, on account of declaration of financial results

This has reference to NSE Circular no. NSE/CML/2024/08 dated March 28, 2024, NSE Circular no. NSE/CML/2024/03 dated January 30, 2024, NSE/CML/2023/79 dated November 17, 2023, NSE/CML/2022/40 dated August 05, 2022, NSE/CML/2023/49 dated June 28, 2023 and NSE/CML/2023/59 dated July 31, 2023 and in accordance with Securities and Exchange Board of India (SEBI) circular no. SEBI/HO/ISD/ISD-SEC-4/P/CIR/2022/107 dated August 5, 2022 and SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124 dated July 19, 2023, regarding Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") – Framework for restricting trading by Designated Persons ("DPs") by freezing PAN at security level.

The Securities and Exchange Board of India (SEBI) has issued circular No. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2025/55 dated April 21, 2025, regarding Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") Extension of automated implementation of trading window closure to Immediate Relatives of Designated Persons, on account of declaration of financial results.

In order to ease the compliance with Clause 4 of Schedule B read with Regulation 9 of PIT Regulations and to prevent inadvertent non-compliances of provisions of PIT Regulations by designated persons ("DPs"), as mandated by SEBI Master Circular on Surveillance of Securities Market dated September 23, 2024.

Considering the above, the implementation of the framework is hereby extended to immediate relatives of DPs for listed companies.

Phase wise implementation is being prescribed as below:

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Table 1: Timelines for phase wise implementation of the framework

Phase	Companies to be covered	PAN-ISIN freeze start date
Phase -1	Top 500 companies based on BSE market capitalization as of March 31, 2025, listed on BSE, NSE and MSEI.	July 01, 2025
Phase -2	All the remaining companies listed on BSE, NSE, and MSEI, as well as companies that get listed on stock exchanges after the issuance of this circular.	October 01, 2025

The aforesaid circular is attached for reference.

All Listed companies are requested to take note and comply accordingly.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Senior Manager



CIRCULAR

SEBI/HO/ISD/ISD-PoD-2/P/CIR/2025/55

April 21, 2025

To

All Recognized Stock Exchanges

All Depositories

All Listed Companies

Dear Sir/Madam,

Sub: Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) – Extension of automated implementation of trading window closure to Immediate Relatives of Designated Persons, on account of declaration of financial results.

1. Clause 4 (1) of Schedule B read with Regulation 9 of PIT Regulations, *inter alia*, states that “*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 the 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 UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed*”.
2. One of the instances of closure of trading window is provided in clause 4 (2) of Schedule B read with regulation 9 of PIT Regulations, which *inter alia* states that “*trading restriction period shall be made applicable from the end of every quarter till 48 hours after the declaration of financial results.....*”.

3. In order to ease the compliance with Clause 4 of Schedule B read with Regulation 9 of PIT Regulations and to prevent inadvertent non-compliances of provisions of PIT Regulations by designated persons (“**DPs**”), clause 3.4.2 of the *Master Circular on Surveillance of Securities Market*¹ dated September 23, 2024 requires the Stock Exchanges and Depositories to develop a system to restrict trading by DPs of listed companies during trading window closure period by freezing of PAN of DPs at security level. The Circular provides the procedure for implementation of the system and flow chart depicting the process to be followed by the listed companies, Depositories and the Stock Exchanges.
4. Considering the effective implementation of the framework to DPs of listed companies and the consultations held with the Stock Exchanges and Depositories, the above framework is hereby extended to immediate relatives of DPs for listed companies.
5. The procedure for implementation of the system is enclosed at **Annexure- A**. The flowchart for the same is enclosed at **Annexure- B**.
6. To ensure ease of implementation of the framework, phase wise implementation is being prescribed as under:

Table 1: Timelines for phase wise implementation of the framework

Phase	Companies to be covered	PAN-ISIN freeze start date
Phase -1	Top 500 companies based on BSE market capitalization as of March 31, 2025, listed on BSE, NSE and MSEI.	July 01, 2025
Phase -2	All the remaining companies listed on BSE, NSE, and MSEI, as well as companies that get listed on stock exchanges after the issuance of this circular.	October 01, 2025

¹ SEBI/HO/ISD/ISD-PoD-2/P/CIR/2024/126

7. The Depositories and Stock Exchanges are directed to:
 - a. take necessary steps to implement this circular;
 - b. bring the provisions of this circular to the notice of all listed companies and also disseminate the same on their websites.
8. The Depositories shall submit the quarterly report to SEBI in the format placed at **Annexure- C**.
9. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992, read with Regulations 4(3) and 11 of the PIT Regulations, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.
10. A copy of this circular is available on SEBI website at www.sebi.gov.in under the Category "Legal→Circulars".

Yours faithfully,

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Enclosures:

1. Procedure for implementation of the system – Annexure A.
2. Process flow chart – Annexure B.
3. Quarterly reporting format by the Depositories - Annexure C

Annexure – A

Trading Window closure period under Clause 4 of Schedule B read with Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“*PIT Regulations*”) – Extension of automated implementation of trading window closure to Immediate Relatives of Designated Persons.

Process for implementation of the system:

1. The Designated Depository (“**DD**”) appointed by the listed company pursuant to the SEBI Circular No. SEBI/HO/CFD/DCR1/CIR/P/2018/85 dated May 28, 2018 shall enable access to the respective listed company on the portal/ platform.
2. Upon login, DD shall auto-populate PAN and name of the DPs and their demat account number / DP ID and client ID (only in case of PAN exempt cases) as per the last updated or available information under system-driven disclosure uploaded by the listed company with DD in terms of SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/168² dated September 09, 2020. Listed company to provide details of Immediate Relatives of respective DPs as per format prescribed by DD.
3. The listed company shall confirm to the DD details with respect to listed ISIN of equity share of the company, Name, PAN, and confirm the demat account number viz. DP ID and client ID (in case of PAN exempted cases) of DPs and their immediate relatives. In the event any updation is required to the aforementioned details, the listed company shall take necessary steps as per para 10 below.
4. DD shall provide a facility to the listed company to specify the ‘Trading Window Closure Period’ i.e. ‘Commencement Date’ and ‘End Date’ on portal/platform.

² Circular was rescinded and superseded vide section 3.4.2 of Master Circular on Surveillance of Securities Market SEBI/HO/ISD/ISD-PoD-2/P/CIR/2024/126 dated September 23, 2024.

- 4.1. With respect to financial results, the listed company shall specify the 1st day (T- day) immediately after the end of every quarter for which results are to be announced, as 'Trading Window Closure commencement date' and the date on which 48 hours ends post disclosure of financial results, as 'Trading Window Closure End date' in the portal/platform.
5. The listed company shall provide the aforesaid details atleast 2 trading days prior to the commencement of trading window closure date (T-2 days). For example, for financial results for the quarter ending June 30, 2025, the listed company shall confirm the details by June 29, 2025.
6. DD shall provide the details received from the listed company (i.e. Commencement Date and End Date of the trading window closure period, Name and PAN of DPs and their immediate relatives, ISIN, etc.) to the Stock Exchanges and other Depository atleast 1 trading day prior to the commencement of trading window closure commencement date (T-1 day). For example, for financial results for the quarter ending June 30, 2025, the DD shall provide the details by June 29, 2025. Further, during the trading window closure period, DD shall also provide the aforesaid details and changes therein, if any, to the Stock Exchanges and other Depository on a daily basis.
7. The demat accounts shall be identified by the Depositories based on the PAN of the immediate relatives of DP as sole / joint holder.
8. Based on demat accounts identified as per para 7 above and instruction given by listed company as per paras 3 and 4 above, the off-market transactions and creation of pledge includes all types of encumbrances shall be restricted by the Depositories with reason code as "Trading Window Closure Period".
9. On the basis of data received from the Depositories, the Stock Exchanges shall restrict the on-market transactions of immediate relatives of DP in equity shares and equity derivatives contracts of the listed company from T day i.e. Com-

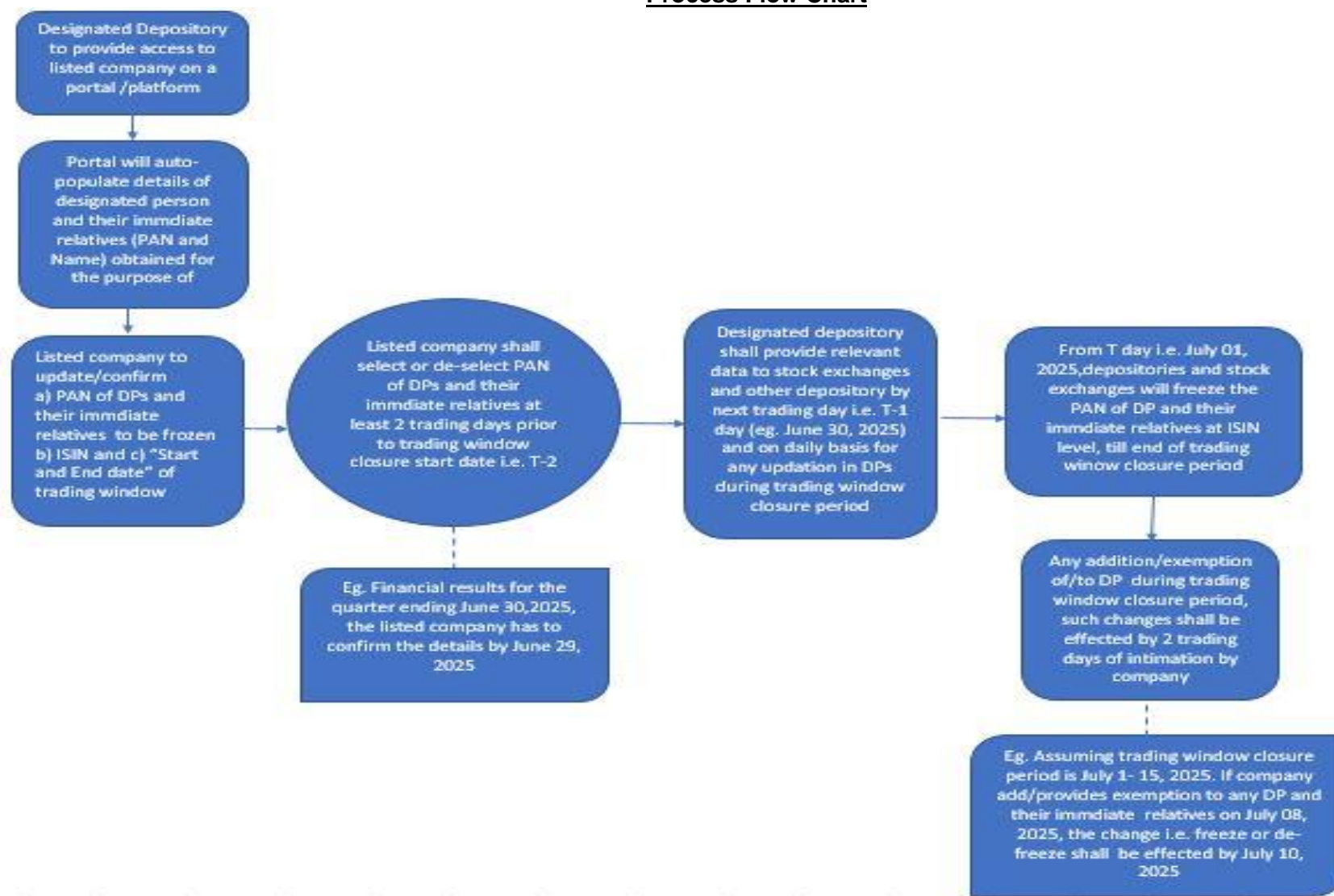
mencement Date of trading window closure period. As per the example mentioned above, Commencement Date of trading window closure period shall be July 01, 2025, for the quarter ending June 30, 2025.

10. In case of any addition/deletion/update pertaining to the details of DP and their immediate relatives, the listed company has to follow the procedure specified in terms of SEBI Circular No. SEBI/HO/ISD/ISD/CIR/P/2020/168³ dated September 09, 2020 and shall be required to separately provide the details as mentioned at paras 3 and 4 above. Such instances shall be effected within 2 trading days of receipt of intimation from the listed company. For example, assuming the trading window closure period is July 01-15, 2025 and if the listed company adds any DP and their immediate relatives on July 8, 2025, then the change, i.e. freeze shall be effected on or before July 10, 2025.
11. There shall be provision in the system to specify the details of DP and their immediate relatives to be exempted by listed company from Trading Window restriction in terms of Clause 4 (3) of Schedule B read with regulation 9 of PIT Regulations. In such cases, the restriction shall be removed within 2 trading days from the date of receipt of request from the listed company. As per the example given at para 10 above, if the listed company provides exemption to any DP and their immediate relatives on July 09, 2025, then the change i.e. de-freeze shall be effected on or before July 11, 2025. The restriction shall be re-introduced automatically post lapse of the exemption period or completion of the transaction by the DP and their immediate relatives.
12. The freezing/de-freezing of PAN at the security level on account of changes due to addition or deletion will be effected post market hours.
13. Pay-in and pay-out obligations in respect of transactions, if any, taken place prior to freezing the PAN of immediate relatives of DP at the security level, may be permitted to be settled, squared off or closed out, as the case may be.

³ Circular was rescinded and superseded vide section 3.4.2 of Master Circular on Surveillance of Securities Market SEBI/HO/ISD/ISD-PoD-2/P/CIR/2024/126 dated September 23, 2024.

14. The formats and timelines for sharing of data shall be standardized, as agreed upon by the Depositories and Stock Exchanges. Further, operational guidelines for listed companies shall be issued by the Depositories.
15. In case of any discrepancy, the issue shall be resolved by the Depositories, in coordination with Stock Exchanges and listed company.

Process Flow Chart



Annexure - C

Report by Depositories for implementation of framework for automated trading window closure to immediate relatives of Designated Persons.

Sr.No	Particulars	Count
1	Total number of listed companies which have appointed the Depository (NSDL/CDSL) as Designated Depository (DD).	
2	Total number of listed companies on which implementation of framework for automated trading window closure to immediate relatives of Designated Persons ("DP") was made applicable.	
3	Total number of unique and valid PAN's of immediate relatives of DP provided by listed companies for implementation of automated trading window closure, at the end of the quarter.	
4	Total number of demat accounts in which automated trading window closure of the immediate relatives of DP was carried out.	
5	Total number of exemptions given to immediate relatives of DP as per PIT Regulations from automated trading window closure.	

Depositories shall be required to separately provide the details as mentioned above in the quarterly report submitted to SEBI.
