

# SHUBHRA LEASING FINANCE AND INVESTMENT COMPANY LTD

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405A, Prabhatkiran Building-17, Rajendra Place, New Delhi-110 008.

E-mail: roc.shubhra@gmail.com

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

(As approved by the Board of Directors of the Company)

In line with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time, (hereinafter referred to as the "Regulations") the following Code of Conduct (hereinafter referred to as the "Code") is implemented for prevention of Insider Trading in the Securities of the Company:

### **Policy and Obligations**

The Company endeavors 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 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 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, **Shubhra Leasing Finance and Investment Company Limited** (hereinafter referred to as "the Company") notifies that this Code of Conduct is to be followed by all directors, officers, designated employees.

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## Part A

### Definitions

**'Insider Trading'**: When insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as insider trading;

**'Compliance Officer'** means the Company Secretary of the Company. In absence of the Company Secretary the Board of Directors may authorized any officer of the Company to discharge the duties of Compliance Officer under the regulations;

**'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;

**'Designated Employee'** shall mean:

1. Managing Director, Whole-time Directors and other Executive and Non-executive Directors
2. All employees of the Company at Manager Level and above
3. Every employee of Accounts, Finance, Internal Audit, Legal and Secretarial Departments, as well as in the Offices of the Chairman/Managing Director/Executive Director by whatever name designated
4. Relatives of the aforesaid persons
5. Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable;

**'Dependent Family Members'** shall mean the employee's spouse, dependent parents and dependent children;

**'Price Sensitive Information'** means 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 or final)

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3. Issue of securities or buy-back of securities
4. Any major expansion plans or execution of new projects
5. Amalgamation, mergers or takeovers
6. Disposal of the whole or substantial part of the undertaking
7. Any changes in policies, plans or operations of the Company
8. Revision of credit ratings assigned to any debt or equity instrument of the Company
9. Disruption of operations due to natural calamities;
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;

**'Unpublished'** means information which is not published by the Company or its agents and is not specific in nature.

**'Employee'** means a person who is in temporary or permanent employment of the Company and includes Designated

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## Part B

### 1. Compliance Officer

- 1.1. The listed Company has appointed Jigna Gosar (Company Secretary) as compliance officer who shall report to the Managing Director/Executive Director of the Company.
- 1.2. The Compliance Officer 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 (directly or through respective department heads as decided by the Company), monitoring of trades and implementation of the code of conduct under the overall supervision of the Board of the listed Company.
- 1.3. The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.
- 1.4. The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's code of conduct.

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

Designated Employees, 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 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.

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- 2.2. Limited access to confidential information Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc. Files containing confidential information should be deleted/destroyed after its use.

### **3. Prevention of misuse of "Price Sensitive Information"**

- 3.1. Trading Restrictions All directors/officers and designated employees of the Company shall be subject to trading restrictions as enumerated below.
- 3.2. Trading Window the Company shall specify a trading period to be called "Trading Window", for trading in the company's securities. The trading window shall be closed during the time the information referred to in Para 3.3 is unpublished.
- 3.3. The trading window shall be, inter alia, closed at the time of: -
  - Periodical financial results of the Company
  - Intended declaration of dividends (both interim or final)
  - Issue of securities or buy-back of securities
  - Any major expansion plans or execution of new projects
  - Amalgamation, mergers or takeovers
  - Disposal of the whole or substantial part of the undertaking
  - Any changes in policies, plans or operations of the Company
  - Revision of credit ratings assigned to any debt or equity instrument of the Company
  - Disruption of operations due to natural calamities;
  - 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;
- 3.4. The time for commencement of closing of trading window shall be effective from 1st day of the month in which the meeting of the Board of Directors is proposed to be held or from the date of circulation of notice & agenda pertaining to the above subject Para 3.2, which is longer, upto 24 hours after the information is made public.
- 3.5. All directors/officers/designated employees of the company shall conduct all their dealings in the securities of the company only in

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valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed or during any other period as may be specified by the company from time to time.

- 3.6. In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

## **4. Pre-clearance of Trades**

All directors/officers/designated employees of the company who intend to deal in the securities of the company (above a minimum threshold limit to be decided by the company) should pre-clear the transaction as per the pre-dealing procedure as described hereunder: -

- 4.1. An application may be made in such form as the company may notify in this regard, to the Compliance Officer indicating the estimated number of securities that the designated employee / officer / director intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- 4.2. 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:
  - a. 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.
  - b. That in case the employee/director/officer has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.

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- c. That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- d. That he/she has made a full and true disclosure in the matter.

## **5. Other Restrictions**

- 5.1. All directors/officers/designated employees 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 employee/director must pre-clear the transaction again.
- 5.2. All directors/ officers/ designated employees shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purpose.
- 5.3. In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard.

## **6. Reporting Requirements for Transactions in Securities**

- 6.1. All directors/officers/designated employees of the listed company shall be required to forward following details of their securities transactions including the statement of dependent family members (as defined by the Company) to the Compliance Officer:
  - a. all holding in securities of that company by directors/officers/ designated employees at the time of joining the Company
  - b. Periodic statement of any transactions in securities (the periodicity of reporting may be defined by the company. The company may also free to decide whether reporting is required for trades where preclearance is also required); and
  - c. Annual statement of all holdings in securities

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6.2. The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors/officers/designated employees for a minimum period of three years.

6.3. The Compliance Officer shall place before the Managing Director/Chief Executive Officer or a committee specified by the company, on a monthly basis all the details of the dealing in the securities by employees/ director/officer 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**

7.1. Any Director/officer/employee who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and the company may take appropriate action.

7.2. Directors/officers/employees of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension for future participation in employee stock option plan etc.

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

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

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

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## Part – C

### Code of Corporate Disclosure Practices for prevention of Insider Trading

#### 1. Corporate Disclosure Policy

- 1.1. To ensure timely and adequate disclosure of price sensitive information, the following norms shall be followed by listed companies:

#### 2. Prompt disclosure of price sensitive information

- 2.1. Price sensitive information shall be given by listed companies to stock exchanges and disseminated on a continuous and immediate basis.
- 2.2. Listed companies may also consider ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.

#### 3. Overseeing and co-ordinating disclosure

- 3.1. Listed companies shall designate a senior official (such as compliance officer) to oversee corporate disclosure.
- 3.2. This official shall be responsible for ensuring that the company complies with continuous disclosure requirements. Overseeing and co-ordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.
- 3.3. Information disclosure/dissemination may normally be approved in advance by the official designated for the purpose.
- 3.4. If information is accidentally disclosed without prior approval, the person responsible may inform the designated officer immediately, even if the information is not considered price sensitive.

#### 4. Responding to market rumors

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Listed companies shall have clearly laid down procedures for responding to any queries or requests for verification of market rumors by exchanges.

The official designated for corporate disclosure shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the disclosure.

## **5. Timely Reporting of shareholdings/ownership and changes in ownership**

- 5.1. Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.
- 5.2. Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors.

## **6. Listed companies should follow the guidelines given hereunder while dealing with analysts and institutional investors:**

- i. Only Public information to be provided - Listed companies shall provide only public information to the analyst/ research persons/large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.
- ii. Recording of discussion - In order to avoid misquoting or misrepresentation, it is desirable that at least two companies representative be present at meetings with Analysts, Brokers or Institutional Investors and discussion should preferably be recorded.
- iii. Handling of unanticipated questions - A listed company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.

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- iv. Simultaneous release of Information - When a company organizes meetings with analysts, the company shall make a press release or post relevant information on its website after every such meet. The company may also consider live web-casting of analyst meets.

## **7. Medium of disclosure/dissemination**

- i. Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- ii. Corporate shall ensure that disclosure to stock exchanges is made promptly.
- iii. Corporate may also facilitate disclosure through the use of their dedicated Internet website.
- iv. Company websites may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.
- v. The information filed by corporate with exchanges under continuous disclosure requirement may be made available on the company website.

## **8. Dissemination by stock exchanges**

- i. The disclosures made to stock exchanges may be disseminated by the exchanges to investors in a quick and efficient manner through the stock exchange network as well as through stock exchange websites.
- ii. Information furnished by the companies under continuous disclosure requirements, should be published on the website of the exchange instantly.
- iii. Stock exchanges should make immediate arrangement for display of the information furnished by the companies instantly on the stock exchange website.









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## Form - E

The Compliance Officer Date:

\_\_\_\_\_ (Name of the Company)

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Sub: Application for Pre-Clearance of trade in the securities of the Company

Dear Sir,

I \_\_\_\_\_ S/D/W/o  
\_\_\_\_\_, being a Director / Officer / Designated  
Employee of the Company hereby seek your approval for:

a. buying \_\_\_\_\_ (number)  
of \_\_\_\_\_ (type of security) of the  
Company in my / dependent family members' name,

b. selling \_\_\_\_\_ (number) of  
\_\_\_\_\_ (type of security) of the Company  
in my / dependent family members' name,

Through Stock Exchange/private arrangement with M/s / Mr./ Mrs.- having folio no.  
/ DP & Client ID No. \_\_\_\_\_.

As on date, I/my dependent family members hold the under mentioned securities of  
the Company:

Name of the holder	Folio No/DP Id & Client ID	Type of Securities	No of Securities

I further undertake and confirm that:

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a. I do not have any access to or in receipt of any "Price Sensitive Information" up to the time of signing this undertaking.

b. In case, I get access to or receive any "Price Sensitive Information" subsequent to the signing of this undertaking but prior to the execution of the transaction, I shall inform you of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.

c. I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.

d. I have made a full and true disclosure in the matter.

e. I / my dependent family shall execute the transaction in respect of the proposed securities of the Company within one week after the approval of pre-clearance is obtained. In the event of the transaction not being executed within one week from the said approval, I shall again apply for pre-clearance approval for the transaction.

f. I / my dependent family members undertake to hold the said securities for a minimum period of 30 days in order to be considered as being held for investment purpose.

Yours Faithfully,

Name

Designation

Signature