

## SRS FINANCE LIMITED

### CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 1) The Company shall promptly disclose to the public all unpublished price sensitive information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 2) The Company shall follow uniform and universal dissemination of UPSI to avoid selective disclosure.
- 3) The Board of Directors has designated Ms. Rakhi Mehta, Company Secretary & Compliance Officer as the Chief Investor Relations Officer of the Company to deal with dissemination of information and disclosure of UPSI.
- 4) In the event of any UPSI getting disclosed selectively either inadvertently or otherwise, the Company shall ensure prompt dissemination of UPSI as generally available.
- 5) The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- 6) The Company shall ensure that information shared with analysts and research personnel is not UPSI.
- 7) The Company shall develop best practices to make transcripts or record of proceedings of meetings with analyst and conference call with investors/analysts are promptly published on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- 8) The Company shall handle all UPSI on a need-to-know basis.
- 9) Any amendment in the Code of Disclosure, upon approval of the Board of the Company shall be intimated to the Stock Exchange and shall also be updated in the company's official website.

Place: Faridabad

Date: 17<sup>th</sup> May, 2016



**SRS FINANCE LIMITED**  
**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY**  
**INSIDERS**

*(Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015)*

**1. PRELIMINARY**

- 1.1 Securities and Exchange Board of India has prescribed the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations) to put in place a framework for prohibition of Insider Trading in securities and to strengthen the legal framework thereof.
- 1.2 Accordingly, the Board of Directors of SRS Finance Limited (SRSFIN) has approved and adopted the following code of internal procedures and conduct in dealing with the securities of SRSFIN. This code shall be called "The Code to regulate, monitor and report trading by insider in the securities of SRS FIN (Insider Trading Code).
- 1.3 It shall come into force with effect from 17<sup>th</sup> May 2016 and the amendments to the code, if any, shall be effective from the date on which the same are notified from time to time.
- 1.4 The existing code for prevention of insider trading in dealing with the securities of SRSFIN, which came into effect on 15<sup>th</sup> May, 2015 is being amended with the implementation of this Amended Code.

**2. OBJECTIVE OF THE CODE**

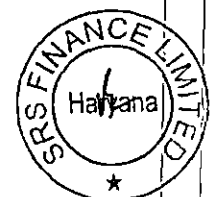
The Code aims to ensure monitoring, timely reporting and adequate disclosure of price sensitive information by the promoters, directors, key managerial personnel and connected persons of SRSFIN. Further, it also aims to bring transparency and fairness in dealing with the stakeholders and also ensuring the adherence to all applicable laws and regulations.

**3. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- 3.1 To ensure fair disclosure of events and occurrences that could impact price discovery for its securities in the market, the Promoter(s), Director(s), Key Managerial personnel and designated employees of SRSFIN shall abide by the principles stated in the "Code of practices and procedure for fair disclosure of unpublished price sensitive information" provided at Appendix - 1.

**4. DEFINITIONS**

- a) "Act" means the Securities and Exchange Board of India Act, 1992.
- b) "Board" means the Board of Directors of the Company.
- c) "Company" means 'SRS Finance Limited'
- d) "Compliance Officer or Chief Investor Relations Officer" means the Company Secretary of the Company, who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and implementation of the code under the overall supervision of the Board.



- e) **“Connected Person”** means,-
- i) any person who is or has during the 6 months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with office/employees 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/herself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI or is reasonably expected to allow such access.
  - ii) In addition to the above, the following category of persons shall be deemed to be connected persons unless the contrary is established:
    - 1) an immediate relative of connected persons specified in clause (i); or
    - 2) a holding company or associate company or subsidiary company; or
    - 3) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
    - 4) an investment company, trustee company, asset management company or an employee or director thereof; or
    - 5) an official of a stock exchange or of clearing house or corporation; or
    - 6) 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
    - 7) a member of the board or an employee, of a public financial institution as defined in section 2 (72) of the Act; or
    - 8) an official or an employee of a self-regulatory organization recognized or authorized by the board; or
    - 9) a banker of the company; or
    - 10) 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 10% of the holding or interest.
- f) **“Employee”** means every employee of the Company (whether working in India or abroad), including directors in the employment of the Company.
- g) **“Designated Person”** of the Company shall mean and include
- i) all the Executive Directors of the Company;
  - ii) every employee in the grade of General Manager and above in the Company;
  - iii) every employee in finance, accounts, audit, secretarial and legal departments of the Company;
  - iv) Any other person as may be determined and identified by the Compliance Officer from time to time for this purpose.
- h) **“Director”** means and includes every director on the Board of the Company.
- i) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis. Information published on the website of a stock exchange, would ordinarily be considered generally available.



j) **“Immediate Relative”** means:

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.

k) **“Insider”** means any person who is:

- i. a connected person; or
- ii. in possession of or having access to UPSI.

l) **“Key Managerial Personnel”** shall include the following personnel:

- Managing Director, Chief Executive Officer;
- Company Secretary
- Whole-time Director; and
- Chief Financial Officer.

m) **“Listing Agreement”** means the Agreement entered into between the Company and stock exchanges as amended from time to time as per directions of SEBI.

n) **“Non- Trading Period”** means:

(i) the period, i.e., the number of working days, before and after the date of a meeting of the Board or shareholders of the Company where ‘UPSI’ (as defined in point (x) below) is to be considered as provided under Clause 5.3 of the Code; or

(ii) Such other period(s) as may be decided and notified by the Compliance Officer.

o) **“Promoter”** means a person defined as a Promoter under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

p) **“Securities and Exchange Board of India” (“SEBI”)** means the regulatory body established under section 3 of the Act.

q) **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.

r) **“Stock Exchanges”** shall include BSE Limited (BSE) where the securities of the Company are currently listed.

s) **“Takeover Regulations”** means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

t) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and “trade” shall be construed accordingly.

u) **“Trading Day”** means a day on which the recognized stock exchanges are open for Trading.

v) **“Trading Plan”** shall mean a plan for trades to be executed in the future by persons who have perpetual access to the UPSI.



- w) **"Trading Window"** shall mean the window available for Trading in the securities of the Company.
- x) **"Unpublished Price Sensitive Information"**("UPSI") means any information, relating to the 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 shall, ordinarily include but not restricted to, information relating to the following: –
- (i) Financial results;
  - (ii) Dividends;
  - (iii) Change in capital structure;
  - (iv) Mergers, de-mergers, acquisitions, de-listings, 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.

## 5. **TRADING BY INSIDERS – COMMUNICATION/RESTRICTIONS/EXEMPTIONS**

- 5.1 No Insider shall communicate, provide or allow access to UPSI, relating to the Company or its Securities listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 5.2 No person shall procure from or cause the communication by any Insider of UPSI, relating to the Company or its Securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 5.3 The Insiders who are in possession of UPSI are required to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis.

## 6. **COMPLIANCE OFFICER**

- 6.1 The Company Secretary is the Compliance Officer who shall report to the Board and shall provide reports to the Chairman of the Audit Committee on quarterly basis.
- 6.2 The Compliance Officer shall prior to approving any trade, be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

## 7. **Trading Plan:**

- 7.1.1 An insider shall be entitled to formulate a Trading Plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- 7.1.2 Trading shall be commenced only after six months from the public disclosure of the Trading Plan.



- 7.1.3 Trading plan shall 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 and the second trading day after the disclosure of such financial result. E.g. suppose if financial results for the quarter ended 30<sup>th</sup> June, 2015 are being taken on record on 14<sup>th</sup> August, 2015 then the Trading can't be done by an insider from 2<sup>nd</sup> June, 2015 till 18<sup>th</sup> August, 2015.
- 7.1.4 Trading plan shall be for atleast twelve months period to avoid frequent disclosure of trading plans.
- 7.1.5 The trading plan shall not overlap any period for which another trading plan is already in execution.
- 7.1.6 The trading plan shall state the following:  
Value of trade/ number of securities;  
Nature of trade;  
Intervals/dates of effecting such trades.
- 7.1.7 The trading plan shall not entail trading in securities for market abuse.
- 7.1.8 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the Regulation.
- 7.1.9 The Compliance Officer shall have the right to seek specific information and/or undertakings to enable assessment of the trading plan and approve the same.
- 7.1.10 The trading plan once approved shall be irrevocable and the Insider shall mandatorily implement without any deviation.
- 7.1.11 The Securities outside the scope of trading plan shall not be dealt with by the Insiders.
- 7.1.12 The implementation of the trading plan shall not be commenced, if the Insider is in possession of UPSI at the time of formulation of the plan and such UPSI has not become generally available at the time of the commencement of implementation. In such event, the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information.
- 7.2 Disclosure of Trading Plan:**
- 7.2.1 Upon approval of the trading plan, the Compliance Officer shall notify the trading plan to the Stock Exchange.
- 7.3 Pre-Clearance of Trade:**
- 7.3.1 All Designated Persons shall when the Trading Window is open, trade only subject to pre-clearance by the Compliance Officer, by sending the request for approval in the format enclosed as Annexure I, if the proposed trading involves more than 25000 equity shares or Rs.5, 00,000/- or 1% of the total share capital of the Company, whichever is lower.



No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of UPSI even if the trading window is not closed.

7.3.2 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

7.3.3 The Compliance Officer shall have the authority to ask for further information, and it shall be obligatory for the designated person to immediately furnish such information to the satisfaction of the Compliance Officer.

7.3.4 Prior to approving any trade, the Compliance Officer shall be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any UPSI. He/she shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

7.3.5 The trades that have been pre-cleared shall be executed in not more than seven trading days by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.

7.3.5 Designated persons who have obtained the pre-clearance are required to submit a report of the transactions done (including a NIL report, if no transaction is done within 7 trading days) within seven trading days from the expiry of the specified time period to Compliance Officer in form and manner as specified in **Annexure II** of the Code.

#### 7.4 **Other Restrictions:**

7.4.1 All Designated Persons who buy or sell Securities of the Company shall not enter into an opposite transaction (contra trade) i.e. sell or buy Securities during the six months period post the previous buy/sell.

7.4.2 The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing, provided that such relaxation does not violate the Regulation.

7.4.3 If an opposite transaction (contra trade) is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act as per the applicable SEBI Regulations.

### 8. **TRADING OF SECURITIES OF THE COMPANY**

#### **Trading while in possession of UPSI:**

8.1 No Insider shall trade in securities of the Company when in possession of UPSI, provided that the Insider may prove his/her innocence by demonstrating the circumstances including the following:



- i) The transaction is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of restrictions imposed on communication and trading by Insiders and both the parties had made a conscious and informed trade decision.
- ii) In case of non- individual Insiders :
  - a) The individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and
  - b) Appropriate and adequate arrangements were in place to ensure that the Regulation is not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached.
- iii) The trades were pursuant to a trading plan set up in accordance with the Regulations/Code.

8.2 In the case of Connected Persons the onus of establishing, that they were not in possession of UPSI, shall be on such Connected Persons and in other cases, the onus would be on SEBI.

## 9. CLOSURE OF TRADING WINDOW

9.1 The Company shall specify a period, to be called 'Non-Trading Period' and close the window for trading in the Company's Securities. Any other period shall be trading period for the purpose of this Code. Designated persons and their immediate relatives shall not trade in Company's securities during the closure of window.

9.2 The Compliance Officer shall by way of e-mail or through generally accepted means of communication communicate the period of trading window closure to the designated persons. It shall be the onus of the designated persons to communicate the non- trading period to their immediate relatives.

*"Non-Trading Period" may either be pre-determined in advance or may be determined from time to time on the occurrence or likelihood of occurrence of any special event, which may include any of the aforesaid events as specified under the definition of 'Unpublished Price Sensitive Information'.*

9.3 The following period is hereby notified as Pre-determined Non-Trading period:

The closure of Trading Window for which a specific notice/intimation is required to be given to stock exchange shall commence from the date on which intimation of the date of Board meeting for consideration of any such Price Sensitive Information is given to Stock Exchange upto 48 hours after the price sensitive information is submitted to the Stock Exchange.

9.4 Apart from the pre-determined non-trading period as defined in Clause 9.3 above, if the Company takes up for consideration any of the items pertaining to any item mentioned in the definition of 'Unpublished Price Sensitive Information' that has material impact on the price of the securities of the Company, the same shall be intimated to the Designated Persons and Insiders (as applicable) that such event(s) shall be considered for the ascertainment of non - trading period.





## 10. DISCLOSURE OF TRADING BY INSIDERS

### 10.1 General provisions:

10.1.1 Every public disclosure under this Clause shall be made in such form as may be specified by SEBI from time to time.

10.1.2 The disclosures to be made by any person shall include those relating to trading by such persons, immediate relatives, and by any other person for whom such person takes trading decisions.

10.1.3 The 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 purposes of arriving at the value of trade, subject to trading of such Derivatives is permitted by any law for the time being in force.

### 10.2 Disclosure by certain persons:

10.2.1 Every promoter, key managerial personnel, and director of the Company shall disclose his/her holding of Securities of the Company as on the date of the Regulation taking effect i.e. May 15, 2015 or such other date(s) as may be notified by SEBI, to the Company within 30 days of the Regulation taking effect.

10.2.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his/her holding of securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 days of such appointment or becoming a Promoter.

10.2.3 Company, at its discretion shall require any other Connected Person or class of Connected Persons to make disclosures of holdings and Trading in Securities of the Company in such form and at such frequency as may be determined by the Company in order to monitor compliance with the Regulations.

### 10.3 Continual Disclosure:

Every promoter, employee and director of the Company shall disclose to the Company the number of securities acquired or disposed 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 Rs. 10,00,000/- or such other value as may be specified.

### 10.4 Disclosure by the Company:

Company shall notify the particulars of Trading specified in Clause 10.3 above to the Stock Exchanges within two trading days of receipt of the disclosure or from becoming aware of such information.

10.5 All designated employees should report their level of holdings in securities on an annual basis as per the format prescribed by the Company.



## **11. PENALTY FOR CONTRAVENTION OF THE CODE**

- 11.1 Any insider who trades in Securities or communicates any information for trading in Securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- 11.2 Any insider of the Company who violate this Code shall also be subject to disciplinary action by the Company, which may include monetary fine, wage freeze, suspension, ineligibility for future participation in ESOP, etc. at the sole discretion of the Company.
- 11.3 Further, as per the provision of the Sec 195 of the Companies Act, 2013, the insider shall be punishable with imprisonment for a term which may extend to five years or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher, or with both. .

## **12. INFORMATION TO SEBI IN CASE OF VIOLATION AND CONSEQUENCES OF DEFAULT UNDER SEBI REGULATIONS**

- 12.1 In case it is observed by the Compliance Officer that there has been a violation of this Code by any person, then the violation shall be informed by the Compliance Officer to SEBI promptly.
- 12.2 Under Section 15G of the SEBI Act, 1992, any Insider who indulges in Insider Trading in contravention of regulation 3 of the Regulation, is liable to a penalty that may be imposed by SEBI, from time to time.

## **13. REPORTING**

The Compliance Officer will submit a report to the Chairman of Audit Committee, instances of violation of the Code or the Regulation by any person and on the disclosures, Trading Plans and pre-clearances approved and rejected on the basis of information furnished on quarterly basis.

## **14. AMENDMENT**

The Board of the Company reserves its right to amend or modify this Code in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the concerned unless the same is notified in writing.

## **15. CONCLUSION**

All Designated Persons are advised to familiarize themselves with the SEBI Regulations and comply with the same, as well as with this Code; both in letter and in spirit. Designated Persons are also advised to ensure compliance by their Immediate Relatives.





For any assistance or clarifications, kindly contact the Compliance Officer of the Company at [rakhimehta@srsparivar.com](mailto:rakhimehta@srsparivar.com) or at the following address M/s SRS Finance Limited, Secretarial Department, SRS Tower, 3<sup>rd</sup> Floor, Near Metro Station Mewla Maharajpur, G.T. Road, Faridabad.

Place: Faridabad  
Date: 17<sup>th</sup> May, 2016



ANNEXURE I

FORMAT OF APPLICATION FOR PRE-CLEARANCE

Date:

To,  
The Compliance Officer,  
SRS Finance Limited  
Faridabad

Dear Sir/Madam,

**Application for Pre-clearance for trading in securities of the Company**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval to purchase/sale/subscription of..... Equity shares of the Company as per details given below

S. No.	Particulars	Details
1.	Name of the Applicant	
2.	Employee Code	
3.	Designation	
4.	Number of Securities held as on date	
5.	Folio No./DP ID/ Client ID	
6.	The Proposal is for- a) Purchase of Securities b) Subscription to Securities c) Sale of Securities	
7.	Proposed date of trading in securities	
8.	Estimated number of securities proposed to be acquired	
9.	Price at which the transaction is proposed	
10.	Current market price (as on date of application)	
11.	Whether the proposed transaction will be through stock exchange or off-market deal	
12.	Folio No./DP ID/Client ID No. where the securities will be credited/debited	

I hereby confirm and declare that:

- a. I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) upto the time of signing this Undertaking. In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.



- b. I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.
- c. If approval is granted, I shall execute the trade within 7 trading days of the receipt of approval failing which I shall seek pre-clearance again, if necessary.
- d. I undertake to submit the necessary report within two days of execution of the transaction/ a 'Nil' report if the transaction is not undertaken (within 7 days from the date of pre-clearance).
- e. I have made full and true disclosure in the matter.

Yours faithfully,

(Signature of Employee)

**For the use of Compliance Officer:**

Date of receipt of application	Approval Date	Approval Number	Compliance Officer's Signature



**ANNEXURE II**

**FORMAT FOR DISCLOSURE OF TRANSACTIONS**

*(To be submitted within 7 trading days of transaction/dealing in securities of the Company)*

To,

The Compliance Officer,  
**SRS Finance Limited.**  
Faridabad

Ref.: Pre-clearance request dated: .....

I hereby inform that I

- have not bought/sold/subscribed/purchased any security of the Company due to the following reason

\_\_\_\_\_

- Have bought/sold/purchased/subscribed securities as mentioned below on .....

Name of holder	No. of securities dealt with	Bought/sold/subscribed	DPID/Client ID/Folio No.	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 years and produce to the Compliance officer/SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/ from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval (applicable in case of purchase/subscription) subject to the provisions of SEBI Regulations.



I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

Signature:

Name:

Designation:

Place:

Date:

