



SREI EQUIPMENT FINANCE LIMITED

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING (SREI EQUIPMENT FINANCE LIMITED INSIDER CODE)

(A Code of Conduct to regulate, monitor and report trading by Insiders)

SCOPE AND PURPOSE

The Securities and Exchange Board of India has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015, on 15th January, 2015 (herein after referred to as the “Regulations”) in terms of which Srei Equipment Finance Limited (the “Company”) is required, inter alia, to frame a Code of Conduct for Prevention of Insider Trading (hereinafter referred to as “Srei Equipment Finance Limited Insider Code”) by employees of the Company, including the Directors and other connected persons, in relation to the listed debt securities viz. secured debentures since the same fall under the definition of ‘securities’ as defined under Regulation 2(i) therein.

In line with the said Regulations, the following “Srei Equipment Finance Limited Insider Code” has been ratified and adopted by the Board of Directors of the Company (hereinafter referred to as ‘Board’).

Compliance to the Srei Equipment Finance Limited Insider Code will be applicable from the day when the Regulations become effective i.e. 15th May, 2015.

1. APPLICABILITY

This Srei Equipment Finance Limited Insider Code is applicable to all Designated Employees and their immediate relatives, connected persons and Promoter of the Company.

2. DEFINITIONS

“Designated Employees” shall cover the following:

- All Directors, whether executive, non-executive or independent
- Key Managerial Personnel (KMP) i.e. Chief Executive Officer (CEO), Chairman and Managing Director (CMD), Vice Chairman (VC), Wholetime Director (WTD), Chief Financial Officer (CFO), Chief Internal Auditor (CIA);
- Company Secretary;

Srei Equipment Finance Limited

CIN U70101WB2006PLC109898

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Tel: +91 33 6639 4700 **Fax:** +91 33 6602 2600

Email: sefpl@srei.com **Website:** www.srei.com

Registered Office: ‘Vishwakarma’, 86C Topsia Road (South), Kolkata - 700 046

Corporate Office: Room no 12 & 13, 2nd Floor, 6A, Kiran Shankar Roy Road, Kolkata - 700 001



- Functional heads, Senior Vice Presidents, Vice Presidents and Associate Vice Presidents of the Company;
- Employees of Secretarial and Accounts departments;
- Executive Assistants to Key Managerial Personnel (KMPs); and
- Such other employees working in the inside areas as may be determined from time to time.

“Designated Persons” shall mean cover the Designated Employees and Connected Persons.

“Securities” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a Mutual Fund.

“Promoter” and “Promoter group” shall have the same meaning assigned to them in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“SEBI” means the Securities and Exchange Board of India.

“Trading day” means a day on which BSE Limited and/or National Stock Exchange of India Limited are open for trading.

All the other terms used in the Srei Equipment Finance Limited Insider Code shall have the same meaning as assigned to them under the Regulations.

3. COMPLIANCE OFFICER - AUTHORITY TO DELEGATE

Unless otherwise designated by the Board of Directors, the Company Secretary for the time being of the Company shall be deemed to be the Compliance Officer for the purpose of Srei Equipment Finance Limited Insider Code.

In case the Compliance Officer is not available either on account of his being on leave or on his being away from the registered office and/or head office of the Company for a period of 5 (five) days or more, he shall delegate his authority to any executive, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these Regulations, who shall act as Compliance Officer and be responsible for all duties and responsibilities of Compliance Officer, during the period of his absence.

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4. PROHIBITION TO TRADE IN SECURITIES OF THE COMPANY BY DESIGNATED PERSONS

- Designated Persons of the Company when in possession of any unpublished price sensitive information, as defined in the Regulations, pertaining to the Company, shall not:
 - Trade in securities of the Company, either on their own behalf or on behalf of any other person, except provided otherwise.
 - Communicate, counsel, procure or allow access to any unpublished price sensitive information to/ from any person, except in furtherance of a legitimate object or performance of duties.
- Designated Persons shall maintain the confidentiality of all unpublished price sensitive information. Designated Persons 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.
- All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

5. CHINESE WALL

- In order to prevent the misuse of confidential information, the Company shall adopt a “Chinese Wall” policy which separates those areas of the Company which routinely have access to confidential information, viz. Finance, Strategy, Secretarial, Investor Relations departments regarded as “insider areas” from those areas which deal with sale/marketing/investment advise or other departments providing support services, considered “public areas”.
- The employees in the inside area shall not communicate any Unpublished Price Sensitive Information to any one in public area.
- As far as practical, the employees in inside area may be physically segregated from employees in public area. Demarcation of the various departments as inside area may be implemented by the Company.
- In exceptional circumstances, employees from the public areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria, under intimation to the Compliance Officer. Exceptions permitted under the Regulations will also be applicable in the present case.

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6. TRADING WINDOW AND TRADING RESTRICTION

- Designated Persons and their immediate relatives shall not trade in securities of the Company during closure of the “Trading Window”, i.e. the period during which trading in the securities of the Company is prohibited.
- Trading Window shall be closed during the period starting from 7 (seven) days before the meeting of the Board of Directors and where there is no Board Meeting to be held, from the first available date at which any unpublished price sensitive information, including the following, take place or are proposed to take place:
 - Approval of any quarterly, half yearly or annual financial results
 - Issue of securities;
 - Change in capital structure;
 - Dividends;
 - Significant expansion plans or new projects;
 - Acquisition, amalgamation, merger, takeover of companies/ businesses, demerger, delistings;
 - Changes in Key Managerial Personnel (KMPs);
 - Material events in accordance with listing agreement.

The Trading Window shall open 48 (forty eight) hours after close of the Board meeting at which decisions in respect of the above events are taken or after the information in respect of the above events is made generally available, whichever is later.

7. PROCEDURE OF PRE-CLEARANCE

- Designated Persons shall require pre clearance from the Compliance Officer in respect of trading in securities of the Company, where value of the securities to be traded exceeds 10 lakh rupees in a calendar quarter (either in one transaction or in a series of transactions). Such trading in securities by the Compliance Officer shall require pre clearance from the Chairman & Managing Director or the Vice Chairman.
- Trades, for which pre-clearance has been obtained, shall be executed within 7 (seven) days after the approval of pre-clearance is given, failing which a fresh pre-clearance shall be required.
- Persons covered under the pre-clearance requirement shall file the details of the transactions in the prescribed format with the Compliance Officer within 30 (thirty) days of the exercise of the trade. Even in cases where the transaction has not been undertaken, the same should be reported in the above format.
- Designated Person in possession of unpublished price sensitive information shall not

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apply for any pre-clearance even if the trading window is not closed.

- The Compliance officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate. The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

8. MINIMUM HOLDING PERIOD

Designated Person who is permitted to trade shall not execute a contra trade during next 6 (six) months following prior trade.

In case the contra trade is necessitated by personal emergency, the Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra trade be 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.

9. THRESHOLD LIMIT AND DISCLOSURES

Designated Employees and their immediate relatives and any person who is a Promoter or part of Promoter group shall make the following disclosures of Securities held in the Company by them to the Compliance Officer.

- Disclosure of the holding shall be made by every Promoter, Promoter group and Designated Employees as on the date of these Regulations taking effect, to the Company within 30 (thirty) days of these Regulations taking effect in or such other format as may be specified by SEBI from time to time;
- Disclosure shall be made of the holding of securities of the Company by every person on appointment as a Designated Employee of the Company or upon becoming a Promoter as on the date of appointment or becoming a Promoter, or such other format as may be specified by SEBI from time to time, to the Company within 7 (seven) days of such appointment or becoming a promoter.
- Disclosure shall be made to the Company by every Promoter, Designated Employees of the Company about the number of such securities acquired or disposed of within 2 (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/- (Rupees Ten lakh) or such other value as may be specified in such format as may be specified by SEBI from time to time.

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10. RECORDS

The Compliance Officer shall maintain records of all the declarations made in the appropriate form for a minimum period of 5 (five) years.

The Compliance Officer shall also maintain a record of the Designated Employees and any changes made in the list of the Designated Employees.

11. REPORTING REQUIREMENTS

The Compliance Officer shall place before every meeting of Stakeholders Relationship Committee (SRC) all the details of any trading in the securities by any Designated Employee of the Company and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged in the Srei Equipment Finance Limited Insider Code.

Further, the Compliance officer shall provide reports to the Chairman of Audit Committee at regular intervals.

12. PENALTIES FOR CONTRAVENTION

- Persons governed by this Code who trade in securities or communicate any information for trading in securities in contravention of the provisions of this Code shall be penalized and appropriate action may be taken by the Company.
- Persons governed by this Code who violate the provisions of this Code shall be subject to disciplinary action by the Company which may include wage freeze, suspension etc.
- It is hereby clarified that notwithstanding any penal action taken by the Company, it shall not in any way preclude SEBI from taking any action in violation of the Regulations or any other applicable laws and enactments.
- Any material contravention of the Srei Equipment Finance Limited Insider Code shall be placed before the Stakeholder's Relationship Committee (SRC) and actions shall be initiated with due consultation with the Chairman and Managing Director (CMD) and/or Vice Chairman (VC) and/or Stakeholder's Relationship Committee (SRC) of the Company.
- In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, then the same shall be informed by the Company to SEBI.

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13. AUTHORITY TO MAKE ALTERATIONS

The Board of Directors (including any Committee authorized in this regard), are authorized to make such alterations to this Code as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

14. GENERAL

A copy of the Regulations is enclosed. Designated Persons are advised to peruse the Regulations carefully and acquaint themselves with all the provisions contained therein. The Compliance Officer will be available for clarification/assistance that may be necessary.

Place: Kolkata

By order of the Board

Date: 22nd July, 2015

**sd/-
Company Secretary**

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