

STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED

REGD. OFFICE :
6TH FLOOR,
"POPULAR HOUSE",
ASHRAM ROAD,
AHMEDABAD-380 009.

CIN - L65910GJ1980PLC003731

PHONE : 079-26580067-96, 66310887, 66311067
FAX : 079-26589557
WEBSITE : www.stanroseinvest.com
E-MAIL : info@stanroseinvest.com
investorcare@stanroseinvest.com (For Invest

SD/139/J

June 8, 2015

Bombay Stock Exchange Ltd.,
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai 400 001.

Dear Sirs,

Ref: Code No. 506105

Sub: Formulation of

- (i) Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- (ii) Code of Conduct to Regulate, Monitor and Report Trading by Insiders

As required under Regulation 8 and 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015 read with SEBI Circular No. CIR/ISD/01/2015 dated May 11, 2015, we confirm that the Company has formulated:

- i) Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)
- ii) Code of Conduct to Regulate, Monitor and Report Trading by Insiders

A copy of the Code of Practice and Procedures for Fair Disclosure of UPSI is sent herewith, for your records.

Thanking you, we remain,

Yours faithfully,
For STANROSE MAFATLAL INVESTMENTS
AND FINANCE LIMITED



(G. R. SHAH)
VICE PRESIDENT (LEGAL) &
COMPANY SECRETARY

Encl: a/a.

STANROSE MAFATLAL
INVESTMENTS AND FINANCE LIMITED

CODE OF PRACTICES AND PROCEDURES

FOR

***FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE
INFORMATION***

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STANROSE MAFATLAL INVESTMENTS AND FINANCE LIMITED - CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Corporate Disclosure Policy:

- 1.1. The Board of Directors of the Company shall ensure prompt public disclosure of Unpublished Price Sensitive Information (UPSI) pursuant to this Code as required under the Regulations with an objective to make such information generally available in public domain.
- 1.2. The term “Unpublished Price Sensitive Information” is defined under Regulation 2(1) (n) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which is reproduced as under:
- "unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon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 including but not restricted to, information relating to the following: –*
- (i) financial results;*
 - (ii) dividends;*
 - (iii) change in capital structure;*
 - (iv) mergers, de-mergers, acquisitions, delistings, 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.*
- 1.3. The disclosure of Unpublished Price Sensitive Information shall be in a uniform manner and shall not be on selective basis.
- 1.4. In order to do this, Company Secretary of the Company shall act and designated as a Chief Investor Relations Officer (CIRO) of the Company and shall deal with:

- 1.4.1. dissemination and disclosure of UPSI in an uniform manner,
- 1.4.2. ensuring that the Company complies with principle of fair disclosure of Unpublished Price Sensitive Information, such as
 - 1.4.2.1. prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently, or otherwise to make such information generally available;
 - 1.4.2.2. appropriate and fair response to queries on news reports and clarification/ verification of market rumours by regulatory authorities;
 - 1.4.2.3. ensuring information shared with analysts and research personnel is not unpublished price sensitive information;
 - 1.4.2.4. developing best practices for recording of proceedings of meeting with analysts and other investor relations forum and getting it promptly posted at official website of the Company and
 - 1.4.2.5. handling of all unpublished price sensitive information on a need to know basis.
- 1.5. Company Secretary shall obtain prior approval of Chief Executive Officer (CEO) before releasing any price sensitive information to the media and analysts.
- 1.6. In case of any doubt regarding release of information or understanding the nature of materiality of information, Company Secretary shall consult and seek approval of CEO or such other person who are experts in the domain.
- 1.7. If any Unpublished Price Sensitive Information is accidentally disclosed or disclosed selectively without prior approval, the person responsible for disclosing such information, shall inform the CEO and Company Secretary immediately. On receipt of such information Company Secretary in consultation with CEO shall disclose the same to the stock exchanges and also get the same be posted at website of the Company so as to make such information generally available.

2. **Responding to Market Rumours:**

- 2.1 The Directors and Employees of the Company shall promptly direct any queries or requests for verification of market rumours received from the stock exchanges or from the press or media or from any other source to the Company Secretary.
- 2.2 It is the general policy of the company not to respond to market rumours or speculations unless required by the regulatory authorities. The standard response shall be “it is the Company’s policy *not to comment rumours or speculation*”. However, any rumours that has had or is likely to have a substantial effect on the price of the Company’s securities will be clarified or confirmed in accordance with securities regulations.
- 2.3 The Company Secretary shall on receipt of requests as aforesaid, consult the CEO and respond to the same without any delay.
- 2.4 The Company Secretary, in consultation with the CEO shall decide as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.
- 2.5 All the requests/ queries received shall be documented and as far as practicable, the Company Secretary, shall request for such queries / request in writing.

3. **Disclosure / Dissemination of Unpublished Price Sensitive Information with special reference to Analysts, Research Personnel and Institutional Investors.**

3.1 **Sharing of Public Information:**

- 3.1.1 The Directors, Officers, and Employees of the Company shall provide only public information to the analysts / research personnel/ large investors like financial institutions, private equity investors, etc.

- 3.1.2 In case non-public information is proposed to be provided, by the Directors, Officers, and Employees, the person proposing to so provide information shall consult CEO and the Company Secretary. The Company Secretary having consultation with CEO in such cases, shall ensure that the information provided to the analysts/ research personnel / investors as above is made public simultaneously with such disclosure.

3.2 Handling of unanticipated questions:

- 3.2.1 The Company shall take extreme care and caution when dealing with analysts' questions and raise issues outside the intended scope of discussion.
- 3.2.2 The CEO / Company Secretary should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later on. If answer to any question requires dissemination of Price Sensitive Information, the CEO / Company Secretary shall ensure that the same shall be disseminated to the Stock Exchanges and uploaded at the website of the Company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

3.2.3 Simultaneous Release of Information:

Whenever the Company proposes to organize meetings with investment analysts/ institutional investors, the Company shall make a press release or post relevant information on its website after every such meeting. The company may also consider live webcasting of analyst meets.

The Company Secretary in consultation with the CEO shall draft the press release or the text of the information to be posted on the Company's website.

4 **Medium of Disclosure / Dissemination of Price Sensitive Information:**

4.1 The Company shall disseminate all Price Sensitive Information promptly and on a continuous basis to stock exchanges where its securities are listed and thereafter to the electronic or print media so as to make generally available, as may be found expedient.

4.2 As a good corporate practice, the Price Sensitive Information disclosed to the Stock Exchanges and to the electronic and print media may also be supplemented by prompt updates on the Company's website. The Company may also consider other modes of public disclosure of Price Sensitive Information so as to improve investor access to the same.

4.3 The information filed by the Company with the Stock Exchanges under the Stock Exchange listing agreement shall also be posted on the Company's website.

5. **Process for Public Disclosure**

The Company shall comply with all applicable laws and regulations regarding the timely disclosure of UPSI. In order to decide that information is material or not, it must be discussed with the respective head of department and thereafter with the CEO of the Company. Once a decision is made that information is material, the Company will immediately initiate a process to ensure full, true, plain and timely disclosure of that information via recognized new services, in compliance with applicable SEBI laws, Insider Trading Regulations and Listing Agreement which require prompt disclosure, and broad dissemination to the public in a manner that is both accurate and complete.

The principal method of publicly disclosing Price Sensitive Information shall be through the stock exchanges and print and electronic media, as may be expedient at relevant time.

The Company will file material change reports when required in accordance with applicable SEBI laws, regulations, circulars and notification.

When a decision has been made that information is material and will be disclosed, the following steps will be taken:

- (a) A draft news release will be developed by individuals and departments knowledgeable about the subject matter.
- (b) The draft news release will be reviewed by the Company Secretary in consultation with CEO, to ensure it is in compliance with applicable securities laws and the Exchange's requirements.
- (c) The Chief Financial Officer shall have specific responsibility to review and validate all financial data contained in news releases and will ensure that disclosures are consistent with prevailing accounting standards and guidelines.
- (d) The Company Secretary will have specific responsibility to ensure that the content of the release clearly and effectively communicates the intended substance and meaning of the information to the public.
- (e) The Company Secretary shall ensure that a copy of the disseminated news release is promptly uploaded on the Company's Internet web site.

6. Sharing of Unpublished Price Sensitive Information on need to know

basis: Price Sensitive Information must be handled on a ‘need to know’ basis. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

Need to Know Principle

In certain circumstances, the Company Secretary may delay disclosure of Unpublished Price Sensitive Information where immediate or premature release of the information would be unduly detrimental to the interests of the Company. Such circumstances will be infrequent and in the necessary course of business, and justified by assessment that harm to the Company's business from immediate disclosure will outweigh the general benefit to the market of immediate disclosure. In such cases, Company may withhold public disclosure for a limited period of time but it must ensure the information remains confidential.

When Unpublished Price Sensitive Information is being temporarily withheld, Company will take the following precautions to keep the information confidential:

- (a) the information will only be disclosed to Company Personnel, the controlling shareholder (if any) and credit rating agencies in the necessary course of business and on a "need to know" basis;
- (b) if and when the information is disclosed in the necessary course of business, recipients of such information will be educated and regularly reminded of the need to keep it confidential inside and outside the Company;

- (c) confidentiality agreements will be used to ensure protection and confidentiality of the information by third parties;
- (d) Reasonable care will be taken to ensure appropriate security and protection of the information.
- (e) These responsibilities and procedures also apply during the period of time when news releases involving Unpublished Price Sensitive Information are being developed, until the information has been released and disseminated to the investing public.
- (f) If, at any time or in any circumstance, confidential Unpublished Price Sensitive Information is inadvertently divulged in a way that results in selective disclosure to any member of the investing public, the CEO / Company Secretary will initiate a process to ensure full public disclosure and dissemination.

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Approved by the Board of Directors at their meeting held on May 29, 2015.