



SHETHIA ERECTOR'S AND MATERIAL HANDLERS LTD

*Code of Practice and Procedures for Fair Disclosure
of Unpublished Price Sensitive Information ("UPSI")*

(Approved at the meeting of the Board of Directors held on 31st July, 2020)

Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“UPSI”)

[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time]

I. PREAMBLE

This Code has been framed in pursuance to the SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time (“Regulations”) and the purpose of this code is to ensure timely and adequate disclosure of Unpublished Price Sensitive Information.

II. CODE OF FAIR DISCLOSURE AND APPLICABILITY

Shethia Erectors and Material Handlers Ltd (“ SEMHL” or “Company”) has formulated this Code called ‘SEMHL's Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information’ (the “ Fair Disclosure Code”) to ensure timely and adequate disclosure of unpublished price sensitive information which would impact the price of the Company's securities and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information.

The Code is applicable to the following persons:

- (i) Promoters including member(s) of Promoter group
- (ii) Directors and KMPs
- (iii) Designated Persons
- (iv) Concerned Advisers/Consultants/Retainers of the Company
- (v) Connected Persons as defined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and as per clause 3.7 of the this Code of Conduct

III. DEFINITIONS

“**Board**” means the Board of Directors of the Company.

“**Company**” means ‘Shethia Erectors and Material Handlers Ltd ’.

“**Compliance Officer**” for the purpose of these regulations means the Company Secretary of the Company. In absence of the Company Secretary the Board of Directors may authorize such other officer of the Company to discharge the duties of Compliance Officer under the regulations.

“**Unpublished Price Sensitive Information**” or “UPSI” any information, relating to the Company or its securities, directly or indirectly, that is not generally available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 including but not restricted to, information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de -mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- changes in key managerial personnel;
- changes in terms of issue of Debentures or further issue of debentures; and

- such other events as described in Regulation 51 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with schedule III part B as **material event** as detailed below:

A. listed entity shall promptly inform to the stock exchange(s) of all information which shall have bearing on performance/operation of the listed entity or is price sensitive or shall affect payment of interest or dividend of non-convertible preference shares or redemption of non- convertible debt securities or redeemable preference shares including:

(1) expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the non-convertible debt securities and non-convertible redeemable preference shares and also default in creation of security for debentures as soon as the same becomes apparent;

(2) any attachment or prohibitory orders restraining the listed entity from transferring non-convertible debt securities or non-convertible redeemable preference shares from the account of the registered holders along-with the particulars of the numbers of securities so affected , the names of the registered holders and their demat account details;

(3) any action which shall result in the redemption, conversion, cancellation, retirement in whole or in part of any non-convertible debt securities or reduction, redemption, cancellation, retirement in whole or in part of any non-convertible redeemable preference shares;

(4) any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;

(5) any change in the form or nature of any of its non-convertible debt securities or non-convertible redeemable preference shares that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;

(6) any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations;

(7) any events such as strikes and lock outs. which have a bearing on the interest payment/ dividend payment / principal repayment capacity;

(8) details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, listed entity and /or the assets along with its comments thereon, if any;

(9) delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;

(10) failure to create charge on the assets within the stipulated time period;

(11) any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the listed entity with any investor(s)/lender(s).

Explanation.- For the purpose of this sub-para, 'default' shall mean Non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.

(12) any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(13) any revision in the rating;

(14) the following approvals by board of directors in their meeting:-

(a) the decision to pass any interest payment;

(b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the debenture holders, or in any other way;

(15) all the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non convertible debt securities;

(16) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities / non-convertible redeemable preference shares, any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

Words not defined in this Fair Disclosure Code shall have the meaning ascribed to them in the Regulations.

IV. SHARING OF UPSI FOR LEGITIMATE PURPOSE

The UPSI shall be shared by any person(s) authorized by the Board of Directors or Chief Investor Relation Officer of the Company in this behalf, only in furtherance of legitimate purpose(s) on need-to-know basis, which shall include the following;

- (i) Sharing of UPSI in the ordinary course of business by any Insider, Employee, Designated Person or by any authorized person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
- (ii) The information shall be shared with any person on 'need to know' basis.
- (iii) Sharing of UPSI where such communication is in furtherance of performance of duty(ies) and in discharge of legal obligation(s);

Provided that such sharing should not be carried out to evade or circumvent the prohibitions of the SEBI Insider Trading Regulations.

V. ISSUE OF NOTICE TO THE RECIPIENT OF UPSI

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons;

- (i) To make such person aware that the information shared is or would be UPSI.
- (ii) To make such person aware of the duties and responsibilities attached to the receipt of such UPSI and the liability attached to misuse or unwarranted use of such UPSI.
- (iii) To instruct such person to maintain confidentiality of such UPSI in compliance with these regulations.

VI. DIGITAL DATA BASE OF RECIPIENT OF UPSI

The Chief Investor Relation Officer shall be responsible to maintain a structured digital database of

such persons or entities as the case may be with whom the information is shared, which shall contain the following information;

- (i) Name of such recipient of UPSI;
- (ii) Name of the Organization or entity to whom the recipient represent
- (iii) Postal Address and E -mail ID of such recipient
- (iv) Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available.

The Chief Investor Relation Officer shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non -tampering of such database.

VII. PRINCIPLES OF FAIR DISCLOSURE WITH RESPECT TO UNPUBLISHED PRICE SENSITIVE INFORMATION

- The Chairman, the Chief Executive Officer, the Chief Financial officer, the Company Secretary of the Company or any person, which the Board may deem fit, are entitled to deal with dissemination of information and disclosure of unpublished price sensitive information.
- The Company to make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- The Company would ensure uniform and universal dissemination of unpublished price sensitive information like publication of policy(s) related to dividend, if any, inorganic growth pursuits, etc. to avoid selective disclosure, thereby providing equality of access to such price sensitive information to all concerned.
- Once the Unpublished Price Sensitive Information made public i.e. post dissemination to the stock Exchange(s), such information may be shared with media, analysts, investors etc.
- The Company shall promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- The Chairman & Managing Director, The Director (Designated), Chief Executive Officer, Chief Financial Officer, compliance officer and head corporate communications, (if any) shall jointly and/or severally give appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- The above said personnel of the Company to ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- The compliance officer shall ensure that the best practices are developed to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences and to host such transcripts, etc. on the official website of the Company to ensure official confirmation and documentation of disclosures made, within 15 working days of the event.
- The Company to ensure that all Unpublished Price Sensitive Information to be handled and shared only on a need-to-know basis.

VIII. DEALING IN CASE OF SUSPECTED LEAK OR LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

(a) Inquiry for Leakage of UPSI

All UPSI shall be handled on a need to know basis only. In case of any UPSI is proposed to be provided, the person proposing to provide the information shall consult Chief Executive Officer/Company Secretary / Chairman in advance.

In case any UPSI is leaked or is suspected to be leaked by any insider Chief Investor Relation Officer will investigate the matter and collect / gather the evidences and will report to the Chairman of Audit Committee. The Chairman of the Audit Committee will thereafter convene meeting of Audit Committee depending on severity of the matter.

(b) Process for inquiry

All the matters concerning leak of UPSI or suspected leak of UPSI, will be thoroughly investigated by Chief Executive Officer. Chief Executive Officer may at their discretion, consider involving external investigators for the purpose of the investigation.

The Chief Executive Officer/ Chief Investor Relation Officer may ask the concerned insider to remain present for investigation, discussion etc. and for such investigation and may ask for personal bank account statement or such other details or documents as it deems fit.

(c) Powers of Chief Executive Officer

The powers of Chief Executive Officer for inquiry under this clause are as under.

- To investigate the matter.
- To ask concerned insider for personal presence, examination, cross examination etc.
- To call for personal information/documents from insider.
- To file complaint, if required, before police authority / Designated cell under Information Technology Act, 2000.
- To retain the documents gathered during investigation
- To report to Audit Committee

(d) Report to Audit Committee for appropriate action

The Chief Executive Officer will report to the Chairman of the Audit Committee and upon receipt of report by the Chairman, he will convene meeting of the Audit Committee, depending on severity of the matter. The Audit Committee based on such report decide the suitable action including but not limited to withholding of salary termination of employment / monetary penalty.

IX. DISSEMINATION OF THE POLICY

A copy of the Policy shall be put up on the website of the Company.

X. AMENDMENT

Any amendment(s) made in SEBI (Prohibition of Insider Trading) Regulations, 2015 and other related Regulations shall apply mutatis mutandis to the Code of Practices & Procedures for Fair Disclosure of UPSI. Board shall have power to alter contents of this Policy.