

Code of Conduct to Regulate, Monitor and Report Trading by Insiders NPR Finance Limited

The Board of Directors of NPR Finance Ltd. (the “Company”) are expected to manage the affairs of the Company in a fair, transparent and ethical manner keeping in view the needs and interest of all the stakeholders. The Company has since time immemorial, been committed to transparency and fairness in dealing with all stakeholders.

1. Preface

1.1 SEBI vide its Circular No. LD-NRO / GN / 2014-15 / 21 /85 , dated 15th January, 2015, has introduced SEBI (Prohibition of Insider Trading) Regulations, 2015, to be effective from 15th May, 2015.

1.2 Chapter – IV of SEBI (Prohibition of Insider Trading) Regulation , 2015 , Regulation 9 , provides for the formulation of a “Code of Conduct to Regulate, Monitor and Report Trading by Insiders” (hereinafter referred to as the “Code”).

1.3 By virtue of the aforesaid provision, the market regulator, SEBI ,intends to institute the formulation of a code of conduct by every company whose securities are listed on stock exchanges and every market intermediary registered with SEBI, for governing trading by their employees .To achieve these objectives, and in compliance with the aforesaid SEBI regulations, NPR Finance Ltd. hereby notifies this Code.

1.4 This Code shall be applicable upon all Designated Employees of the Company and connected persons designated on the basis of their functional role (hereinafter referred to as “designated persons”) with effect from 15th May, 2015.

1.5 Once this Code comes into effect, the existing “Code of Conduct for Prevention of Insider Trading “ of the Company framed in accordance with SEBI (Prohibition of Insider Trading) Regulation 1992, shall stand repealed.

1.6 Any subsequent modification and / or amendments brought about by SEBI in the SEBI (Prohibition of Insider Trading) Regulation, 2015 shall automatically apply to this Code.

2. Definitions

2.1 “Act” means the Securities and Exchange Board of India Act, 1992 including any statutory modifications or re-enactment thereof.

2.2 “Code” means this Code of Conduct for Prevention of Insider Trading, as modified from time to time.

2.3 “Company” means NPR Finance Limited inclusive of its Registered Office and all Branch Offices.

2.4 'Compliance Officer' means any senior officer, designated so and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the Company. In this connection, unless provided otherwise by the Board of Directors, the Company Secretary of the Company shall be the Compliance Officer.

2.5 “Connected Person” means :-

(i) any person who is or has during the six months prior to the concerned act been associated with the company, directly or indirectly, in any capacity including by reason of frequent communication with its officers 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 and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- a. an immediate relative of connected persons specified in clause (i); or
- b. a holding company or associate company or subsidiary company; or
- c. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- d. an investment company, trustee company, asset management company or an employee or director thereof; or
- e. an official of a stock exchange or of clearing house or corporation; or
- f. 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
- g. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- i. a banker of the company; or
- j. 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 ten per cent. of the holding or interest;

[Explanation: — *It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information]*

2.6 “dealing in securities” shall be construed to derive its meaning from Section 12A(e) and Section 15G of the Act.

2.7 “Designated Employee” shall include :—

(i) officers comprising the top three tiers of the company management ;

(ii) the employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

2.8 "generally available information" means information that is accessible to the public on a non - discriminatory basis;

[Explanation: — *It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what unpublished price sensitive information is. Information published on the website of a stock exchange, would ordinarily be considered generally available.*]

2.9 "immediate relative" means a 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. This term shall also be deemed to include persons falling in the definition of "Relative" as defined in Section 2(77) of the Companies Act, 2013, read with the Companies (Specification of definitions details) Rules, 2014 (including any statutory modification or re-enactment made thereof);

[Explanation: —*It is intended that the immediate relatives of a "connected person" too become connected persons for purposes of these regulations.*]

2.10 "insider" means any person who is:

(i) a connected person; or

(ii) in possession of or having access to unpublished price sensitive information;

[Explanation: —*Since "generally available information" is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an "insider" regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.*]

2.11 "promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

2.12 "Regulation" means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 including any statutory modifications or re-enactment thereof.

2.13 "SEBI" means the Securities and Exchange Board of India.

2.14 "securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;

2.15 "specified" means specified by the Board in writing;

2.16 "stock exchange" means a stock exchange which is recognised by the Central Government or Securities and Exchange Board of India under section 4 of Securities Contracts (Regulation) Act, 1956.

2.17 "takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

2.18 "trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly

[Explanation: —*Under the parliamentary mandate, since the Section 12A (e) and Section 15G of the Act employs the term 'dealing in securities', it is intended to widely define the term "trading" to include dealing. Such a construction is intended to curb the activities based on unpublished price sensitive information which are strictly not buying, selling or subscribing, such as pledging etc when in possession of unpublished price sensitive information.*]

2.19 "trading day" means a day on which the recognized stock exchanges are open for trading;

2.20 "unpublished price sensitive information" 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, 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.
- (vii) any major expansion plans or execution of new projects.
- (viii) 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.

[Explanation: —*It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.*]

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India Act, 1992, including any statutory modification(s) or re-enactment(s) made thereon from time to time.

3. Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders

This Code intends to formulate principles of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations, adopting the minimum standards set out in Schedule B of the Regulation without diluting any of the provisions thereto.

To achieve this objective, the Board of Directors have formulated the following Standards/Principles of Conduct for all designated persons:

3.1 Compliance Officer

- a. Unless otherwise resolved by the Board of Directors, the Company Secretary of the Company shall be the Compliance Officer to administer this code of conduct and other requirements under the Regulation.
- b. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board of Directors on an annual basis, regarding the compliance to the Code.
- c. Functions, Duties and Responsibilities of the Compliance Officer
 - i. The compliance officer shall assist all the employees in addressing any clarifications regarding the Regulations and the company's code of conduct.
 - ii. She shall from time to time inform the Stock Exchanges of any price sensitive information on immediate basis.
 - iii. She shall intimate to all Stock Exchanges on which the securities of the Company are listed the relevant information received.
 - iv. She shall be responsible for overseeing and co-ordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the CEO / Board of Directors.

3.2 Handling of unpublished price sensitive information

a. *Need to know basis*

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/her legal obligations. Thus it shall be disclosed to only those within the organisation who need the information to discharge their duty and whose possession of such information shall not give rise to a conflict of interest or appearance of misuse of the information.

b. *Chinese Wall procedures*

i. To prevent the misuse of confidential information, a "Chinese Wall" policy shall be followed whereby, those areas of the organization which routinely have access to confidential information, (hereinafter referred to as "insider areas"), shall be separated from those areas which deal with sale/marketing/investment advise or other departments providing support services (hereinafter referred to as "public areas").

ii. The Compliance Officer reserves the right to demarcate the insider areas, unless provided otherwise by the Board of Directors.

iii. The employees in the inside area shall not communicate any Price Sensitive Information to anyone in public area.

iv. Permission to cross "*over the wall*":

On the basis of “need to know” criteria and under the intimation to the Compliance Officer, the employees from the “public areas” may be brought “*over the wall*” in exceptional circumstances and given confidential information. The Compliance Officer shall determine the need to cross “*over the wall*”, based on the facts and circumstances.

3.3 Trading Window

- a. Designated persons may execute trades subject to compliance with the Regulation. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.
- b. Unless otherwise provided by the Compliance Officer with the approval of the Board of Directors, the trading Window shall remain open for Dealing in the Securities of the Company , except during the hereby prescribed period(s) /events during which the Trading Window shall be closed:
 - i. Declaration of Financial results (quarterly, half-yearly and annual) ;
 - ii. Declaration of dividends (interim and final) ;
 - 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.
 - vii. any major expansion plans or execution of new projects.
 - viii. 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.
- c. The date of intimation to the Stock Exchange regarding the date of Board Meeting/ Committee Meeting/ General Meeting for the aforesaid purpose(s) shall be the effective date of commencement of closure of the trading window.
- d. The trading window shall be opened 48 hours after the information referred in sub-clause b. of Clause 3.3 is made public.
- e. 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.
- f. All designated persons shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the closure of the trading window or during any other period as may be specified by the Company from time to time.
- g. In case of ESOPs (Employee Stock Option Plan), 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.

- h. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above such thresholds as stipulated in Clause 3.4. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.

3.4 Pre-Clearance of Trades

Every Designated Person intending to deal in the securities of the Company in excess of traded value of Rupees Ten Lakhs or such other modified threshold limit which may be provided by the Board of Directors, by the value as may whether in one transaction or a series of transactions over any calendar quarter should pre-clear the transactions as per the pre-dealing procedure as provided hereunder:

- a. Pre-clearance Procedure:

- i. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
- ii. An application for pre-clearance of trade shall be made to the Compliance Officer in **Form 'I' (as prescribed in "Annexure I")** indicating the estimated number of securities that he/she intends to deal in, the details as to the depository(ies) with which he/she maintains 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.
- ii. The applicant shall execute an undertaking in **Form 'I' (as prescribed in "Annexure I")** in favour of the Company, incorporating, therein, inter alia, the following clauses, as may be applicable :
 - A. That the said applicant does not have any access or has not received Price Sensitive Information upto the time of signing the undertaking ;
 - B. That in case the applicant 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/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public ;
 - C. That he/she has not contravened any provisions of this Code, as may be notified by the Company from time to time ;
 - D. That he/she has made a full and true disclosure in the said matter.
- iii. 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.
- iv. The Compliance Officer shall be at the sole discretion to determine whether any such declaration is reasonably capable of being rendered inaccurate.
- v. The trades that have been pre-cleared have to be executed by the Designated Person within seven trading days of pre-clearance, failing which fresh pre-clearance would be needed for the trades to be executed.
- vi. In case the applicant does not trade after securing pre-clearance, he/she will have to report the same along with the reasons thereto in **Form 'II' (as prescribed in "Annexure II")** within seven days of obtaining pre-clearance .

- vii. Subsequent to the pre-clearance, once the trading is accomplished, the applicant shall provide a report of trades executed, in **Form 'III' (as prescribed in "Annexure III")** within seven days of execution.

3.5 Contra Trade

- a. A designated person who is permitted to trade shall not execute a contra trade for at least six months.
- b. 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.
- c. If a 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 the SEBI under the Act.

3.6 Restrictions on Communication and Trading by Insiders

The Regulation provides that:

- a. *Communication or procurement of unpublished price sensitive information*
 - i. Disclosure of interest or holding by certain persons – No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be 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.

[Explanation- This provision is intended to cast an obligation on all insiders who are essentially persons in possession of unpublished price sensitive information 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. It is also intended to lead to organizations developing practices based on need-to-know principles for treatment of information in their possession.]

- ii. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

[Explanation- This provision is intended to impose a prohibition on unlawfully procuring possession of unpublished price sensitive information. Inducement and procurement of unpublished price sensitive information not in furtherance of one's legitimate duties and discharge of obligations would be illegal under this provision]

- iii. Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–
 - A. entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the company is of informed opinion that the proposed transaction is in the best interests of the company.

[Explanation- It is intended to acknowledge the necessity of communicating, providing, allowing access to or procuring UPSI for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control to assess a potential investment. In an open offer under the

takeover regulations, not only would the same price be made available to all shareholders of the company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under those regulations.]

- B. not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

[Explanation- It is intended to permit communicating, providing, allowing access to or procuring UPSI also in transactions that do not entail an open offer obligation under the takeover regulations if it is in the best interests of the company. The board of directors, however, would cause public disclosures of such unpublished price sensitive information well before the proposed transaction to rule out any information asymmetry in the market.]

- iv. For purposes of Regulation 3 (3), the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Regulation 3 (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

b. Trading when in possession of unpublished price sensitive information.

- i. No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

Provided that the insider may prove his innocence by demonstrating the circumstances including the following : –

- A. The transaction is an off-market inter-se transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;
- B. In case of non-individual insiders: –
 - 1. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
 - 2. appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information 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;
- C. The trades were pursuant to a trading plan set up in accordance with regulation 5.

[Explanation- When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He traded when in possession of unpublished price sensitive information is what would need to be demonstrated at the outset to bring a charge. Once this is

established, it would be open to the insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition]

- ii. In the case of connected persons, the onus of establishing , that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on SEBI.
- iii. SEBI may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

3.7 Trading Plans

Regulation 5 provides that :

- a. 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.

[Explanation- This provision intends to give an option to persons who may be perpetually in possession of unpublished price sensitive information and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he had pre-decided even before the unpublished price sensitive information came into being.]

- b. Such trading plan shall:–

- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;

[Explanation- It is intended that to get the benefit of a trading plan, a cool-off period of six months is necessary. Such a period is considered reasonably long for unpublished price sensitive information that is in possession of the insider when formulating the trading plan , to become generally available. It is also considered to be a reasonable period for a time lag in which new unpublished price sensitive information may come into being without adversely affecting the trading plan formulated earlier. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the insider were to be in possession of the same unpublished price sensitive information both at the time of formulation of the plan and implementation of the same.]

- ii. 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 by the issuer of the securities and the second trading day after the disclosure of such financial results;

[Explanation- Since the trading plan is envisaged to be an exception to the general rule prohibiting trading by insiders when in possession of unpublished price sensitive information, it is important that the trading plan does not entail trading for a reasonable period around the declaration of financial results as that would generate unpublished price sensitive information.]

- iii. entail trading for a period of not less than twelve months;

[Explanation- Since the trading plan is envisaged to be an exception to the general rule prohibiting trading by insiders when in possession of unpublished price sensitive information, it is important that the trading plan does not entail trading for a reasonable period around the declaration of financial results as that would generate unpublished price sensitive information.]

- iv. not entail overlap of any period for which another trading plan is already in existence;

[Explanation- *It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an insider to time the publication of the unpublished price sensitive information to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.*]

- v. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and

[Explanation- *It is intended that while regulations should not be too prescriptive and rigid about what a trading plan should entail, they should stipulate certain basic parameters that a trading plan should conform to and within which, the plan may be formulated with full flexibility. The nature of the trades entailed in the trading plan i.e. acquisition or disposal should be set out. The trading plan may set out the value of securities or the number of securities to be invested or divested. Specific dates or specific time intervals may be set out in the plan.*]

- vi. not entail trading in securities for market abuse.

[Explanation- *Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse. For instance, in the event of manipulative timing of the release of unpublished price sensitive information to ensure that trading under a trading plan becomes lucrative in circumvention of regulation 4 being detected, it would be open to initiate proceedings for alleged breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.*]

- c. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

[Explanation- *It is intended that the compliance officer would have to review and approve the plan. For doing so, he may need the insider to declare that he is not in possession of unpublished price sensitive information or that he would ensure that any unpublished price sensitive information in his possession becomes generally available before he commences executing his trades. Once satisfied, he may approve the trading plan, which would then have to be implemented in accordance with these regulations.*]

- d. The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4.

[Explanation- *It is intended that since the trading plan is an exception to the general rule that an insider should not trade when in possession of unpublished price sensitive information, changing the plan or trading outside the same would negate the intent behind the exception. Other investors in the market, too, would factor the impact of the trading plan on their own trading decisions and in price discovery. Therefore, it is not fair or desirable to permit the insider to deviate from the trading plan based on which others in the market have assessed their views on the securities.*

The proviso is intended to address the prospect that despite the six-month gap between the formulation of the trading plan and its commencement, the unpublished price sensitive information in possession of

the insider is still not generally available. In such a situation, commencement of the plan would conflict with the over-riding principle that trades should not be executed when in possession of such information. If the very same unpublished price sensitive information is still in the insider's possession, the commencement of execution of the trading plan ought to be deferred.]

- e. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

[Explanation- It is intended that given the material exception to the prohibitory rule in regulation 4, a trading plan is required to be publicly disseminated. Investors in the market at large would also factor the potential pointers in the trading plan in their own assessment of the securities and price discovery for them on the premise of how the insiders perceive the prospects or approach the securities in their trading plan.]

3.8 Reporting Requirements For Transactions In Securities

- i. All Designated Persons of the Company shall be required to forward a statement in **Form 'IV'(as prescribed in "Annexure IV")** to be submitted by the 30th day of April every year giving details of all dealings in Securities of the Company during the preceding financial year , including the statement of dependent family members to the Compliance Officer .
- ii. Disclosure of interest or holding by certain persons –

1. Initial Disclosures

- A. Every promoter, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect; i.e. within 14th June, 2015;
- B. Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

2. Continual Disclosures

- A. Every promoter, employee and director of every company shall disclose to the company the number of such 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 ten lakh rupees or such other value as may be specified by SEBI in this regard.
- B. Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

[Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation by SEBI, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2) of the Regulation.]

3. Disclosures by other connected persons.

Any company whose securities are listed on a stock exchange may, at its discretion 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 these regulations.

[Explanation. — *This is an enabling provision for listed companies to seek information from those to whom it has to provide unpublished price sensitive information. This provision confers discretion on any company to seek such information. For example, a listed company may ask that a management consultant who would advise it on corporate strategy and would need to review unpublished price sensitive information, should make disclosures of his trades to the company.*]

Any subsequent amendment and/or modification made by SEBI in this regard shall automatically apply to this Code.

3.9 Penalty for Contravention of the Code

- a. Every Specified person who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by the Company.
- b. Every Specified person who violates this Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage /salary freeze, suspension, and/or any other disciplinary action which the management of the Company may decide from time to time.
- c. The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

4. Power of the Board of Directors of the Company

The Compliance Officer, subject to the approval of the Board of Directors , reserves the right to amend or modify this Code in whole or in part, at any time without assigning any reason whatsoever . The same should , however be, notified in writing to the specified persons.

Whilst best efforts have been made to define detailed procedures for implementation of this Code, there may be occasions when certain matters are not addressed or there may be ambiguity in the procedures. Such difficulties or ambiguities will be resolved in line with the broad intent of the policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Code and further the objective of good corporate governance.

The decision of the Board of Directors of the Company with regard to any or all matters relating to this Code shall be final and binding on all concerned.

5. CLARIFICATIONS

For all queries concerning this Code, the Compliance Officer may please be contacted.

ANNEXURE-I

Form I Application for Pre-clearance of Trade

Date: _____

The Compliance Officer
NPR Finance Limited
Todi Mansion, 9th Floor,
1, Lu-Shun Sarani
Kolkata 700 073.

Internal use
Recd date and time :

Signature:

Dear Sir/Madam,

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 for purchase/ sale/subscription of the _____ Securities (give description) of the Company as per the details given below:

Serial No.	Particulars	Disclosure
1.	Name of the applicant	
2.	Designation	
3.	Number and value of securities in the Company held as on date (with folio/DP ID/Client ID No.)	
4.	Nature of securities held	*Equity Shares/Debentures/Other Securities
5.	Mode in which the securities are held	
6.	The Proposal is for	a) Acquisition in the open market (b) Subscription to the securities (c) Sale of securities
7.	Proposed date of dealing in securities	
8.	Nature of proposed dealing	Purchase / Sale of Securities
9.	Estimated number of securities proposed to be acquired / subscribed / sold	
10.	Price at which the transaction is proposed	

11.	Current market price (as on the date of application)	
12.	Whether the proposed transaction will be through stock exchange or off market deal	
13.	Proposed mode of dealing in securities	Physical / Dematerialised
14.	If securities are held/proposed to be dealt in dematerialised form	
15.	Name of the Depository DP ID Number Client ID number	

In relation to the above Dealing, I undertake that:

- a. I have no access to nor do I have any information that could be construed as “Price Sensitive Information” as define in the Code upto the time of signing this undertaking;
- b. 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 signing the 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;
- c. I have not contravened the provisions of the Code of conduct for prevention of insider trading as notified by the Company from time to time;
- d. I have made full and true disclosure in the matter;
- e. I hereby declare that I shall execute my 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, I undertake to obtain pre-clearance for the transaction again.

Signature

Place: _____

Date: _____

**strike whichever is not applicable*

ANNEXURE-II

Form II
FORMAT OF DISCLOSURE OF NON-TRADING PURSUANT TO THE PRE-CLEARANCE PROVIDED BY THE COMPANY

Date: _____

The Compliance Officer
NPR Finance Limited
Todi Mansion, 9th Floor,
1, Lu-Shun Sarani
Kolkata 700 073.

Internal use Recd date and time : Signature:

Dear Sir/Madam,

INTIMATION OF NON-TRADING IN SECURITIES ON OBTAINING PRE-CLEARANCE

This is to inform that pursuant to my application submitted to you on _____ for obtaining Pre-clearance of trade, to trade in securities to the extent of Rupees _____, _____ number of securities, the Company granted me Pre-clearance for the same on _____. However, I did not execute the trading within seven days of obtaining the Pre-clearance, due to the reasons as accounted below:-

Reasons for non-execution of trade on having obtained pre-clearance:

Yours truly,

Signature: _____

Name: _____

Department/Division: _____

ANNEXURE-III

Form III
FORMAT OF DISCLOSURE OF TRADE EXECUTED PURSUANT TO THE PRE-CLEARANCE
PROVIDED BY THE COMPANY

Date: _____

The Compliance Officer
NPR Finance Limited
Todi Mansion, 9th Floor,
1, Lu-Shun Sarani
Kolkata 700 073.

Internal use Recd date and time : Signature:

Dear Sir/Madam,

STATEMENT OF DEALINGS IN SECURITIES OF NPR FINANCE LTD.

Pursuant to the Pre-clearance obtained from you on _____, I along with my Dependents have undertaken the following transactions in the Securities of the Company:

Description of Security:

Name of Holder(s) with folio number / DP ID & Client ID	Nature of Transaction	Date of the Transaction	Number of Securities	Price at which Transaction undertaken	Holding post the Transaction

Yours truly,

Signature: _____

Name: _____

Department/Division: _____

ANNEXURE-IV

**Form IV
FORMAT OF ANNUAL STATEMENT OF HOLDINGS BY
DESIGNATED PERSONS AND THEIR
DEPENDANTS**

Date: _____

The Compliance Officer
NPR Finance Limited
Todi Mansion, 9th Floor,
1, Lu-Shun Sarani
Kolkata 700 073.

Internal use Recd date and time : Signature:

Dear Sir/Madam,

Dear Sir,

STATEMENT OF SHAREHOLDING IN NPR FINANCE LTD.

As on _____, I along with my Dependents hold the Securities of the Company, details whereof are as under:

Description of Security:

Name of Holder	Physical Holdings		Electronic Holdings		
	Folio No.	Total holdings	DP ID	Client ID	Total holdings

Yours truly,

Signature: _____

Name: _____

Department/Division: _____