

# Sheraton Properties and Finance Limited

CODE OF CONDUCT FOR PREVENTION  
OF INSIDER TRADING

Effective from 11<sup>th</sup> February, 2020

## 1. PREFACE:

Securities Exchange Board of India ('SEBI') with the objective of bringing the basic framework governing the Insider Trading Practices in line with the dynamic global scenario and to tighten the gaps of existing norms, had notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 on 15<sup>th</sup> January, 2015 and had become effective on 15<sup>th</sup> May, 2015. Accordingly, Sheraton Properties and Finance Limited ("**Sheraton**") had introduced a Code of Conduct for prohibition of insider trading in accordance with the said regulations.

SEBI with an intention to further strengthen the legal framework governing the prohibition of insider trading has amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**Regulations**") from time to time.

Accordingly, in supersession of the earlier Code of Conduct for prohibition of insider trading, the Board of Directors of the Company has approved the new Code of Conduct for prevention of insider trading ("**Code of Conduct**").

## 2. THE POLICY AND OBLIGATIONS:

The Company not only aims at meeting the requirements of the regulation but also intends to define and translate the norms and parameters to all the employees in easily understood terms. The Company has adopted the Code of Conduct for Prohibition of Insider Trading in order to preserve the confidentiality of Un-published Price Sensitive Information ("**UPS**I") and to prevent misuse of such information. The Company is committed towards transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every insider in relation to the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No insider may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, Sheraton Properties and Finance Limited (hereinafter referred to as "the Company") hereby notifies that this code of conduct is to be followed by all insiders.

## 3. IMPORTANT CONCEPT AND DEFINITION:

**3.1 "Analogous Body"** shall mean a Non-Executive Director (NED), Chief Financial Officer (CFO) and Compliance Officer (CO) of the Company.

**3.2 "Audit Committee"** shall mean the Audit Committee of the Board of Directors of Sheraton, duly constituted from time to time.

**3.3 "Board of Directors" or "Board"** means the Board of Directors of the Company.

**3.4 "Code" or "Code of Conduct"** shall mean the Code of Conduct for prohibition of insider trading of Sheraton Properties and Finance Limited, as amended from time to time.

**3.5 "Company"** means Sheraton Properties and Finance Limited.

**3.6 "Compliance Officer"** means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, 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 listed company or the head of an organization, as the case may be;

[**"financially literate"** shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows]

**3.7 "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);
- (b) a holding company or associate company or subsidiary company;

- (c) an intermediary as specified in Section 12 of the Securities and Exchange Board of India Act, 1992 or an employee or director thereof;
- (d) an investment company, trustee company, asset management company or an employee or director thereof;
- (e) an official of a stock exchange or of clearing house or corporation;
- (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;
- (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;
- (h) an official or an employee of a self-regulatory organization recognized or authorized by the Board;
- (i) a banker of the Company; or
- (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest;

**3.8 "Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

**3.9 "Designated Person(s)"** shall include the following persons:

- (i) Promoter and persons of Promoter Group
- (ii) Directors of the Company
- (iii) Invitees to the Board and Committee meetings
- (iv) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to Unpublished Price Sensitive Information;
- (v) Employees of material subsidiaries of the Companies designated on the basis of their functional role or access to UPSI in the organization by their board of directors;
- (vi) Such other employees of the Company or material subsidiaries designated on the basis of their functional role or access to Unpublished Price Sensitive Information as may be notified by the Compliance Officer;
- (vii) Any support staff of the Company, intermediary or fiduciary such as IT staff, finance staff or secretarial staff who have access to Unpublished Price Sensitive Information.

- 3.10 "Director"** means a person inducted on the Company's Board as a Director.
- 3.11 "Employee"** means an employee of the Company including the Directors in the employment of the Company.
- 3.12 "Generally available Information"** means information that is accessible to the public on a non-discriminatory basis.
- 3.13 "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.

Explanation: Even if a spouse is financially independent and does not consult an insider while taking trading decisions, that spouse shall not be exempted from the definition of "immediate relative" and is presumed to be an "immediate relative", unless rebutted so.

**3.14 "Insider"** means any person who is:-

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

- 3.15 "Material Subsidiary"** shall have the same meaning assigned under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any modification thereof.
- 3.16 "Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- 3.17 "Promoter group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 3.18 "Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 3.19 "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.

**3.20 "Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

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

**3.22 "Trading Day"** means a day on which the recognized stock exchanges are open for trading;

**3.23 "Unpublished Price Sensitive Information" or "UPSI"** 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; and
- (v) changes in key managerial personnel;

**Note:-**

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation(s).

#### **4. DUTIES AND RESPONSIBILITIES OF COMPLIANCE OFFICER:**

SEBI has enhanced the role and responsibilities of a Compliance Officer for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI and implementation of codes specified in the Regulations.

**4.1** In view of the foregoing, the Board of Directors of the Company have appointed the Company Secretary as the Compliance Officer to ensure compliance for effective implementation of these Regulations and also this Code across the Company. The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, every quarter or at such frequency, as may be stipulated by the Board of Directors.

**4.2** The Compliance Officer shall hold the position so long as he/she is in the employment of the Company. In his/her absence, or till such time a successor is appointed, the Non-Executive Director shall, in the interim period, act as the Compliance Officer.

**4.3** In order to discharge his/her functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure and also be authorised to seek necessary declarations for pre-clearance. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

**4.4** The Compliance Officer shall be responsible for all communications and filings with SEBI, in connection with all matters relating to the administration of the Code and other requirements under the Regulations.

**4.5** The Compliance Officer shall also be the Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI.

#### **4.6 DUTIES OF THE COMPLIANCE OFFICER:**

The Compliance Officer shall be responsible for:

- (i) Prescribing procedures for various activities referred to in the Code.
- (ii) Monitoring adherence to the regulations for the preservation of UPSI.

- (iii) Grant of pre-clearance approvals to the Designated Persons for dealings in the Company's Securities by them / their Immediate Relatives and monitoring of such dealings.
- (iv) Maintenance of structured digital database containing the names of designated persons or entities as the case may be with whom UPSI is shared under this regulation along with :-
  - (a) Name of such recipient of UPSI.
  - (b) Name of organization or entity to whom the recipient represents.
  - (c) Phone, Mobile numbers, if any used by them.
  - (d) Details of Immediate relatives of designated persons along with details of persons with whom such designated person(s) shares a material financial relationship.  
(Material financial relationship' shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which payment is based on arm's length transactions.)
  - (e) Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.
- (v) Determination of trading window closure and re-opening periods.
- (vi) The Compliance Officer shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- (vii) The Compliance Officer shall be responsible to administer the code and other requirements under this code.

## **5. RESPONDING TO MARKET RUMORS:**

The Compliance Officer shall give an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities. He shall also be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and making disclosures.

## **6. PRESERVATION OF PRICE SENSITIVE INFORMATION AND AVOIDANCE OF LEAKAGE:**

**6.1** All the designated persons shall maintain confidentiality of all UPSI coming into their possession or control.



**6.2** All information shall be handled within the Company on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

**["legitimate purpose"** shall include sharing of UPSI in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.]

**6.3** Any person in receipt of UPSI, pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations.

**6.4** The Company adopts a policy for determination of "legitimate purposes" which is attached as Annexure A to the Code.

**6.5** UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- 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 sharing of such information is in the best interests of the Company; or
- not attracting 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 sharing of such information is in the best interest of the Company and the information that constitute UPSI 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 to be adequate and fair, to cover all relevant and material facts.

However, 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of UPSI.

**6.6** Need to Know:

- (i) "need to know" basis means that UPSI 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 the information.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

**6.7** Limited access to confidential information:

Files containing confidential information shall be kept secured. Computer files must have adequate security of login and password, etc.

**6.8** The Company shall promptly disclose the UPSI that would impact price discovery no sooner than credible and concrete information is established in order to make such information generally available.

**6.9** UPSI shall be disseminated uniformly and universally to avoid selective disclosure.

**6.10** UPSI shall be disseminated promptly to avoid it being disclosed selectively or inadvertently to make such information generally available.

**7. TRADING WHEN IN POSSESSION OF UPSI:**

**7.1** No insider shall trade in securities of the Company when in, possession of UPSI:

[Explanation –When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.]

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

- (i) the transaction is an off-market *inter-se* transfer between insiders who were in possession of the same UPSI without being in breach of the Regulations and both parties had made a conscious and informed trade decision;

Provided that such UPSI was not obtained under sub-regulation (3) of regulation 3 of the regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Further, the Company shall notify the particulars of such trades to the stock exchanges on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- (ii) the transaction is carried out through the block deal window mechanism between persons who is in possession of the UPSI without being in breach of the Regulations and both parties have made a conscious and informed trade decision.

Provided that such UPSI is not obtained by either person under sub-regulation (3) of regulation 3 of the regulations.

- (iii) the transaction in question was carried out, pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
- (v) in the 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 these regulations are 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.
- (vi) the trades were pursuant to a trading plan set up in accordance with Regulation 5 of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**7.2** 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 the Board.

## **8. TRADING PLAN**

**8.1** An insider shall be entitled to formulate a trading plan for dealing in securities of the Company 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.

**8.2** 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;
- (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;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (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
- (vi) not entail trading in securities for market abuse.

**8.3** The Compliance Officer shall consider and assess the Trading Plan made, as above and may approve it with such additional express undertakings to be taken from the Insider, as may be necessary, to enable such assessment and to approve and monitor the implementation of the plan, as per provisions of the Regulations.

**8.4** Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

**8.5** 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 at the time of formulation of the plan, the Insider is in possession of any UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such UPSI becomes generally available information.

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

**8.7** Any trading opted by a person under Trading plan can be done, even if it is a contra trade, but only to the extent and in the manner disclosed in the plan, save and except for pledging of securities.

**9. INTERNAL CONTROL ON HAVING ACCESS TO CONFIDENTIAL INFORMATION:**

**9.1** The analogous body shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent Insider Trading.

**9.2** The internal controls shall include the following:-

- (i) All employees who have access to UPSI shall be identified as designated persons.
- (ii) All the UPSI shall be identified and its confidentiality shall be maintained as per the requirements of these regulations.
- (iii) Adequate restrictions shall be placed on communication or procurement of UPSI as required by these regulations.
- (iv) Lists of all employees and other persons with whom UPSI is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons.
- (v) All other relevant requirements specified under these regulations shall be complied with.
- (vi) Periodic process review to evaluate effectiveness of such internal controls

**9.3** The Compliance Officer shall ensure the compliance of such internal controls and the Audit Committee shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

**10. TRADING WINDOW:**

**10.1** The Compliance Officer shall intimate the closure of trading window to all the designated persons of the Company when he determines that a designated persons or class of designated persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates.

As per Clause 4 of the Schedule B of the Regulations, trading restriction period shall be made applicable from the end of every quarter till 48 hours, after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

**10.2** The Compliance Officer after taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

**10.3** 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.

**10.4** The Trading window restrictions shall not apply in respect of –

(a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of the regulations and in respect of a pledge of shares for bonafide purpose such as raising of funds, subject to pre-clearance by the Compliance Officer and compliance with respective regulations made by the Board;

(b) transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants and debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in buy-back offer, open offer, delisting offer.”

## **11. PRE-CLEARANCE OF TRADE:**

Every Designated Person, who intends to deal in the securities of the Company when the trading window is open and if the value of the proposed trade is more than or equal to Rs. 10 lakh in a calendar quarter should get a prior approval of the Compliance Officer through Pre-clearance mechanism. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate. The pre-dealing procedure shall be hereunder:

- (i) An application may be made in the prescribed Form (Annexure 1) to the Compliance officer, indicating the estimated number of securities that the Specified Employee intends to deal in, the details as to the depository with which he has 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) An undertaking (Annexure 2) shall be executed, in favour of the Company by such Specified Employee incorporating, inter alia, the following clauses, as may be applicable:-
  - (a) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
  - (b) That in case the Specified Employee 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 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 the code of conduct for prevention of insider trading as notified by the Company, from time to time.
  - (d) That he/she has made a full and true disclosure in the matter.
- (iii) All Specified Persons and their dependents shall execute their order, in respect of securities of the Company within one week after the approval of pre-clearance is given. The Specified Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case, the transaction is not undertaken, a report to that effect shall be filed. (Annexure 4).
- (iv) If the order is not executed within one week after the approval is given, the employee/director must pre-clear the transaction again.
- (v) All Specified Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any 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 the SEBI for credit to the Investor Protection and Education Fund administered by SEBI, under the Act.

In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period

of 30 days. The holding period would commence when the securities are actually allotted.

- (vi) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

## **12. OTHER RESTRICTIONS:**

- 12.1** The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 12.2** 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 purposes of this Code.
- 12.3** The disclosures made under this Code shall be maintained for a period of five years.

## **13. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:**

### **13.1 Initial Disclosure:**

Every promoter/member of the promoter group/Key Managerial Personnel/Director/Officers/ Designated Employees of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form (Annexure 5).

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter/member of promoter group 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.

### **13.2 Continual Disclosure:**

Every promoter/member of promoter group, designated person and director of the 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 Rs.10,00,000/- (Rupees Ten Lakh) and same shall forward to the Company the details of all holdings



in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form (Annexure 7).

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

### **13.3 Disclosures by other connected persons:**

The Company 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 in order to monitor compliance with these regulations.

## **14. DISCLOSURE BY THE COMPANY TO THE STOCK EXCHANGE(S):**

**14.1** Within 2 days of the receipt of intimation under Clause 8.3 of the regulations, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

**14.2** The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors/ officers/ designated employees for a minimum period of five years.

## **15. DISSEMINATION OF PRICE SENSITIVE INFORMATION:**

**15.1** No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

**15.2** Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors:-

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

## **16. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT:**

- 16.1** Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- 16.2** Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action(s) may be taken by the Company.
- 16.3** Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee Stock option plans, etc.
- 16.4** The action by the Company shall not preclude SEBI from taking any action, in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 16.5** The instances of leak of UPSI by Designated Persons shall be reported by the employees as per the Whistle Blower Policy of the Company and the said Designated Persons may be penalized and appropriate action may be taken by the Company against them. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **17. REPORTING OF ALLEGED VIOLATION OF INSIDER TRADING CODE / LAWS & CLAIM FOR INFORMANT REWARD:**

Any person desirous to report to SEBI for an alleged violation of insider trading laws that has occurred, is occurring or has reasonable belief that it is about to occur, may do so in accordance with the provisions of Chapter IIIA of the SEBI(Prohibition of Insider Trading) Regulations, 2015. The eligible informant shall be entitled for "Informant Reward" in accordance with the provisions of Chapter IIIA of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

**POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

[Pursuant to Regulation 2A of the SEBI (Prohibition of Insider Trading) Regulations, 2018]

**1. Background**

The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. The Company has adopted the Code of Conduct for Prevention of Insider Trading (hereinafter referred to as the “Code of Conduct”) duly approved by the Board of Directors and as amended from time to time.

Pursuant to amendment in the Regulations, the Company notifies that the Policy for Determination of Legitimate Purposes (hereinafter referred to as the “Policy”) as a part of the Code of Conduct.

**Capitalized terms used in this Policy but not defined herein, have the respective meanings assigned to them in the Code of Conduct.**

**2. Determination of Legitimate Purposes for Sharing the Unpublished Price Sensitive Information:**

The term “Legitimate Purpose” shall include sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations. The Legitimate Purposes shall *inter alia* include sharing of the UPSI in relation to the following:

- 2.1 Sharing the information upon an action, subpoena or order of a court of competent jurisdiction.
- 2.2 Sharing the information for any requirement of legal process, regulation or governmental order, decree or as per applicable laws, rules and regulations.
- 2.3 Sharing of information with auditors viz. internal auditors, statutory auditors, cost auditors, tax auditors or secretarial auditors in relation to audit or for obtaining any certifications or any other services etc.

- 2.4 Sharing the information with partners, customers, collaborators and suppliers for entering into contracts or other business prospects which necessitates the same.
- 2.5 Sharing of information for the purposes of obtaining regulatory licenses and approvals etc.
- 2.6 Sharing of information in relation to obtaining various credit facilities or loans, giving guarantees or providing security from/to banks, financial institutions or other lenders.
- 2.7 Sharing of information with merchant bankers including their counsels and advisors etc. in relation to further issue of any Securities, debentures, ADR/GDR, convertible instruments, QIPs etc.
- 2.8 Sharing information with legal advisors or counsels in relation to any litigations, representations or registering of any intellectual property rights or in relation to obtaining any opinion or advisory services etc.
- 2.9 Sharing information with consultants in relation to obtaining any opinion or advisory services etc.
- 2.10 Sharing of information with auditors, counsels, advisors or consultant's taxation related issues.
- 2.11 Sharing of information with insolvency professionals or other advisors or consultants in any other important matters of the Company.
- 2.12 Sharing of such information as may be determined by the Analogous Body from time to time.

### **3. Powers of Board of Directors:**

The Board of Directors may modify and also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and to further the objective of good corporate governance.

**ANNEXURE 1**

**SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL**

Date:

To,  
The Compliance Officer,  
**Sheraton Properties and Finance Limited**

Dear Sir/Madam,

**Application for Pre-dealing/ Pre- clearance approval in securities of the Company.**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prohibition of Insider Trading**, I seek approval to purchase/sale/subscribe \_\_\_\_\_ equity shares of the Company as per details given below:

<b>Particular</b>	<b>Details</b>
Name of the applicant	
Designation	
Number of securities held as on date	
Folio No./DP ID/ Client ID No.	
The proposal is for (strike off unwanted)	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities
Proposed date of dealing in securities	
Estimated number of securities proposed to be purchased/ subscribed / sold	
Whether the proposed transaction will be through stock exchange or off-market deal	
Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Name, Designation and Signature of Employee)

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE  
APPLICATION FOR PRE-CLEARANCE**

**Undertaking**

**To,  
Compliance Officer  
Sheraton Properties and Finance Limited**

Dear Sir/Madam,

I, \_\_\_\_\_ (Designation)\_\_\_\_\_ residing at \_\_\_\_\_.  
I am desirous of dealing in \_\_\_\_\_ Equity shares of the Company as  
mentioned in my application dated for pre-clearance of the transaction.

I further declare that I am not in possession of any unpublished Price Sensitive Information (UPSI) of Company including it's Financial Results etc. and I am also not in possession of any other Unpublished Price Sensitive Information (UPSI), as defined in the Company's Code of Conduct for Prevention of Insider Trading (the Code) and /or respective Prohibition of Insider trading Regulations, up to the time of signing this Undertaking/declaration.

In the event that I have access to or receive any information that could be construed as "UPSI " as defined in the Code of Company after signing of this undertaking but before executing the transaction(s) for which approval is sought, I shall inform the Compliance Officer for the same and shall completely refrain from dealing in the securities of the Company until such information becomes available in the public domain.

I declare that I have not contravened the provisions of the said Code as notified by the Company from time to time.

I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek for new pre-clearance.

I declare that I have made full and true disclosure in the aforesaid matter.

Date:

Signature :\_\_\_\_\_

Name:\_\_\_\_\_

Designation:\_\_\_\_\_

\* Indicate number of shares

**FORMAT FOR PRE- CLEARANCE ORDER**

To,

\_\_\_\_\_ (Name of Employee with Designation)

**Sheraton Properties and Finance Limited**

**Ref: Your application dated seeking approval for pre-clearance for dealing in Equity Shares/Securities of Company (estimated)**

Dear Sir/Madam,

This is with respect to your application dated \_\_\_\_\_ submitted to the Company (as per SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct For Prevention of Insider Trading adopted by the Company) for seeking Pre- Clearance for dealing in \_\_\_\_\_ (In Words) Equity Shares/Securities of Company (estimated) during a week period viz. \_\_\_\_\_ to \_\_\_\_\_, hence considering the same and as trading window of Company is open, you are hereby granted pre-clearance for dealing in \_\_\_\_\_ - Equity Shares/Securities of Company (estimated) in the manner as requested by you.

Further, please take note that the said approval will expire at the end of business hours on \_\_\_\_\_ and if by that time, you are unable to deal with the approved quantum of Equity shares/Securities of Company, you will have to seek fresh/new approval for any further dealing in the Shares/Securities of the Company.

Yours faithfully,

For **SHERATON PROPERTIES AND FINANCE LIMITED**

**COMPLIANCE OFFICER**

Date:

**Disclosure of Dealings  
(On Plain Paper)**

Date:  
To,  
The Compliance Officer  
Sheraton Properties and Finance Limited “Sheraton”

Dear Sir/Madam,

**Details of dealings**

**Ref:** Your approval letter no. \_\_\_\_\_ dated \_\_\_\_\_ (if applicable)

I hereby inform you that I/ my Dependant Family Member(s) have bought/sold/subscribed to the shares of the Sheraton as mentioned below:

Name of holder	*F/J	No. of Securities dealt with	Bought / Sold/ Subscribed	DP Id & Client Id/ Folio no.	Price per share (Rs)	Date of purchase/ sale/ subscription

\* “F” first holder “J” joint holder

In connection with the aforesaid dealing(s), I hereby undertake to preserve, for a period of 5(five) 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 not enter into an opposite transaction i.e. Sell or Buy (strike off whichever is not applicable) any number of shares during the next six months following this transaction.

I also agree not to take positions in derivative transactions in the shares of the Company at any time during my employment with Sheraton.

Yours truly,

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Employee id no.: \_\_\_\_\_

**ANNEXURE 5****Initial Disclosure by Designated Persons  
(On Plain Paper)****Date:****To the Compliance Officer**

Sheraton Properties and Finance Limited "Sheraton"

Internal use  
Recd date and time:  
Sign:

<b>Particulars</b>	<b>Details</b>
Name of Employee	
Grade	
Department	
PAN*	
Location	
Persons with whom such designated person(s) shares a material financial relationship*	
Phone No./ Mobile No.*	
Educational institutions from which designated persons have graduated*	
Names of the past employers*	

\*Mandatory fields

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Sheraton Code, I hereby declare that I have the following Immediate Relatives:

<b>Sr. No</b>	<b>Name of the Immediate Relatives:</b>	<b>PAN*</b>	<b>Phone No./Mobile No.*</b>	<b>Relations hip with the Designate d Person</b>
	(name of spouse)			
	(name(s) of dependent children)			

	(name(s) of dependent parent(s))			
	(name(s) of dependent brother(s)/sister(s))			
	(name of dependent parent(s) of spouse)			
	(name of dependent sibling(s) of spouse)			

\*Mandatory fields

(Note: Dependent means any of the above, who is either dependent financially on you, or, if not financially dependent on you, still consults you in taking decisions relating to trading in securities. Even if a spouse is financially independent and does not consult the designated person while taking trading decisions, that spouse shall be presumed to be an ‘immediate relative’)

I hereby declare that I / my Immediate Relatives hold the following demat account(s)

- but do not hold Sheraton shares as on date or
- and hold Sheraton shares as per the details given below:

**(Provide the demat account details even if you / your immediate relatives do not hold Sheraton securities but hold a demat account)**

<b>Name of holder/ Immediate Relative</b>	<b>*S/ F/J</b>	<b>Folio No.</b>	<b>No of shares</b>	<b>DP Id &amp; Client Id</b>	<b>No of Securities</b>

\* “S” sole holder / “F” first holder / “J” joint holder

I hereby undertake to approach the Compliance Officer for pre-clearance approval in case of any proposed Dealing (buying/selling/subscribing/acquiring) in Sheraton shares in respect of the above mentioned holders.

I hereby declare that the above details are true, correct and complete in all respects.

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Employee No: \_\_\_\_\_ Department: \_\_\_\_\_

Location:

# Applicable only where the designated person is Sheraton employee.

**ANNEXURE 6****Half Yearly Disclosure by Designated Persons  
(On Plain Paper)**

Date: \_\_\_\_\_  
 The Compliance Officer  
 Sheraton Properties and Finance Limited “Sheraton”

Dear Sir/Madam,

**Sub: Half Yearly Transaction Statement**

For the half year ended 30th September, \_\_\_\_\_, I hereby declare that I / my Immediate Relatives

- have not dealt in Sheraton Properties and Finance Limited (Sheraton) Securities or
- have dealt in Sheraton Securities as per the details given below:

<b>Name of holder/ Immediate Relative</b>	<b>*S/F /J</b>	<b>Opening balance</b>	<b>No. of shares dealt with during the 6 months</b>	<b>Date of deal (s)</b>	<b>Bought/ Sold/ Subscrib e d</b>	<b>Price per share (Rs)</b>	<b>Closing balance</b>	<b>DP Id &amp; Client Id/ Folio no.</b>

strike out whichever is not applicable

\* “S” sole holder / “F” first holder / “J” joint holder

In connection with the aforesaid dealing(s), I hereby undertake to preserve, for a period of 3 (three) 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 declare that the above information is correct and that no provisions of the Sheraton Code and/or applicable laws/regulations have been contravened for effecting the above said transaction(s).

I declare that I have not entered into an opposite transaction i.e. Sell or Buy (strike off whichever is not applicable) for any number of shares during the six months of the aforesaid transaction(s).

I also agree not to take positions in derivative transactions in the shares of the Company at any time during my employment with Sheraton.

I hereby declare that the above details are true, correct and complete in all respects.

Signature: \_\_\_\_\_ Name: \_\_\_\_\_  
Employee No: \_\_\_\_\_ Department: \_\_\_\_\_  
Location: \_\_\_\_\_

**Annual Disclosure of Holdings by Designated Persons**

Date: \_\_\_\_\_  
 The Compliance Officer  
 Sheraton Properties and Finance Limited “Sheraton”

**Dear Sir,**

**Annual Statement of Shareholdings in Sheraton Properties and Finance Limited**

<b>Particulars</b>	<b>Details</b>
Name of the Person	
Grade	
Department	
Location	
Persons with whom such designated person(s) shares a material financial relationship*	

\*Mandatory fields

(The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.)

As on 31<sup>st</sup> March\_\_\_\_\_, I / my Immediate Family Members, have the following Demat Accounts in our respective names.

Further, I / my Immediate Family Members, in the capacity of Sole holder / First holder / Joint holder \*hold / do not hold the Securities of the Company, details whereof are as under:

Description of Securities:

<b>Name of Holder</b>	<b>**S/F/J</b>	<b>PAN*</b>	<b>Phone No./Mobile No./Cell No.*</b>	<b>DP Id &amp; Client Id/ Folio no.</b>	<b>No. of shares</b>

_____					
(Self)					
_____					
(Spouse)					
_____					
(Dependent child/children)					
_____					
(Dependent Parent/s)					
_____					
(Dependent brother(s)/sisters(s))					
_____					
(Dependent parent(s) of spouse)					
_____					
(Dependent sibling(s) of spouse)					

**\*Mandatory fields**

(Note: Dependent means any of the above, who is either dependent financially on you, or, if not financially dependent on you, still consults you in taking decisions relating to trading in securities. Even if a spouse is financially independent and does not consult the designated person while taking trading decisions, that spouse shall be presumed to be an 'immediate relative')

\*\* "S" sole holder / "F" first holder / "J" joint holder strike out whichever is not applicable



**SEBI (Prohibition of Insider Trading) Regulations, 2015**

**[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]**

Name of the Company: \_\_\_\_\_

ISIN of the Company: \_\_\_\_\_

**Details of Securities held by Promoter, Member of Promoter Group, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoters/Promoter Group/ KMP/ Directors/immediate relative to/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Name & Signature:

Designation:

Date:

Place:

**SEBI (Prohibition of Insider Trading) Regulations, 2015**

**[Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a Director/KMP/Promoter/Member of Promoter Group]**

Name of the Company: \_\_\_\_\_

ISIN of the Company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of Promoter Group of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ Promoter Group/ KMP / Directors/ immediate relative to/others etc.)	Date of appointment of Director /KMP OR Date of becoming Promoter/ member of Promoter Group	Securities held at the time of becoming Promoter/member of Promoter Group/ appointment of Director/KMP		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Name & Signature: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

**FORM C**

**SEBI (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]**

Name of the Company: \_\_\_\_\_

ISIN of the Company: \_\_\_\_\_

**Details of change in holding of Securities of Promoter, Member of Promoter Group, Designated Person and Director of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN, & address with contact nos.	Category of Person (Promoters/Promoter group/ KMP / Directors/ Immediate relative to/ others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Name & Signature:

Designation:

Date:

Place:

**SEBI (Prohibition of Insider Trading) Regulations, 2015**

**Regulation 7(3) – Transactions by other connected persons as identified by the Company**

Name of the Company: \_\_\_\_\_

ISIN of the Company: \_\_\_\_\_

**Details of trading in securities by other connected persons as identified by the company**

Name, PAN, CIN/DIN, & address with contact nos. of other connected persons as identified by the company	Connection with Company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/acquisition of shares/sale of shares specify		Date of intimation to Company	Mode of acquisition/disposal (on market/public/rights/Preferential offer / off market/Interse transfer, ESOPs etc.)
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures	No.	Value	Transaction Type (Buy/Sale/Pledge/Revoke/Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. and % of Shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Name:

Signature:

Place: