



SHEMAROO ENTERTAINMENT LIMITED

**CODE OF PRACTICES AND PROCEDURES
FOR
FAIR DISCLOSURE
OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

(Effective from May 15, 2015)

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1. PREAMBLE:

- The Securities and Exchange Board of India (SEBI), in its endeavor has set out new regulations for prohibition of insider trading i.e. SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Regulations'), to protect the interests of stakeholders and to avoid the misuse of the Unpublished Price Sensitive Information in the day to day business affairs.
- In line with the commencement of Companies Act, 2013, the Securities and Exchange Board of India ("SEBI") vide its notification no. LAD-NRO/GN/2014-15/21/85 dated January 15, 2015 notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "Regulations"). Pursuant to sub-regulation (1) of regulation 8 of the said Regulations, the Board of Directors of the Company are required to formulate, publish on its official website and inform the Stock Exchange(s) where the securities of the Company are listed, a code of practices and procedures for fair and timely dissemination of unpublished price sensitive information.
- The Board of Directors (the "**Board**") of Shemaroo Entertainment Limited (the "**Company**") at their meeting held on May 06, 2015 adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and shall come into force with effect from the May 15, 2015. This Code of Conduct will be known as "Shemaroo Entertainment Limited Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information", hereinafter referred to as "This Code".
- This Code should be read along with the Company's Code of Conduct for Prevention of Insider Trading, Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (hereinafter referred to as "Listing Regulations, 2015") and the 'Policy for determining materiality of an event' adopted by the Company pursuant to the said Regulation and Circular on Regulation 30 issued by the SEBI vide its notification no. CIR/CFD/CMD/4/2015 dated September 09, 2015.

2. OBJECTIVE OF THIS CODE:

To frame procedures for ensuring timely and adequate disclosure of unpublished price sensitive information to the stock exchanges, to investors and various other stakeholders of the Company.

3. PRINCIPLES OF FAIR DISCLOSURE:

3.1 CHIEF INVESTOR RELATION OFFICER:

Pursuant to the 'Policy for determining materiality of an event' adopted by the Company in consonance with the Regulation 30 of the Listing Regulations, 2015 and Circular issued by SEBI dated September 09, 2015, the Company has empowered the Executive Committee of the Board of Directors to take a view on the materiality of an event which shall be qualified for disclosure under Regulation 30 of the Listing Regulations, 2015 and to decide the appropriate time at which such disclosure is to be filed with the Stock Exchanges along-with the details that should be filed in the best interest of present and potential investors.

Accordingly, the Company hereby designates Mr. Hiren U. Gada, Whole Time Director and CFO of the Company, as the Chief Investor Relation Officer ("CIRO") to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information, on behalf of the Company. In his absence, the Managing Director or in absence of both, the Joint Managing Director of the Company shall act as the Chief Investor Relation Officer.

3.2 PROMPT DISCLOSURE OF EVENTS OR INFORMATION AS STATED IN REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015:

- Any events or information which, in the opinion of the Board of Directors of the Company is material in nature shall be promptly disclosed to the Exchanges on which the Company is listed.
- Events specified in Para A of Part A of Schedule III (**Annexure 1**) are deemed to be material events and the Company shall make disclosure of such events.
- The Company shall make disclosure of events specified in Para B of Part A of Schedule III (**Annexure 1**), based on application of the guidelines for materiality, as specified below.
- Following criteria shall be considered by the Company for determination of materiality of events/information:
 - the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
 - In case where the above mentioned criteria are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of listed entity, the event / information is considered material.

3.3 UNIFORM AND UNIVERSAL DISSEMINATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION TO AVOID SELECTIVE DISCLOSURE:

- The Unpublished Price Sensitive Information shall be immediately disseminated to Stock Exchanges / Media and to all stakeholders on uniform and universal basis.
- The Company should avoid selective disclosure of the information.
- The Company shall also publish such information on its website in order to supplement the information released on uniform and universal basis, thereby improving Investors access to the public announcements made by the Company.
- If any unpublished price sensitive information gets disclosed selectively, inadvertently or otherwise, the Chief Investor Relations Officer shall promptly publish the information generally available by disclosing the same to exchanges.
- The Company shall ensure that any unpublished price sensitive information shall be first disclosed to exchanges and then to media and other stakeholders.

3.4 RESPONSE TO NEWS REPORTS / MARKET RESPONSE:

The Chief Investor Relations Officer shall ensure that appropriate and fair response is given to queries on news reports related to the Company and requests for verification of market rumours by any regulatory authorities.

3.5 SHARING INFORMATION WITH ANALYSTS, RESEARCH PERSONNEL ETC.:

The Chief Investor Relations Officer shall ensure that only public information is provided / shared to the analyst/research personnel/investors. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.

When the Company organizes meetings with analysts, the Company shall make a press release or to upload the relevant information on its website of the Company after every such meet and Company shall develop best practices of making transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website to ensure official confirmation and documentation of disclosure made.

Quarterly results and presentation made by the Company to analysts shall be put on Company's website.

3.6 CHINESE – WALLS:

- The Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- All Employees working in concerned departments of the Company, who are in possession of unpublished price sensitive information, should not share such information with the personnel of other departments of the Company or with outsiders expect for legitimate purpose and legal duties or on a 'need-to-know' basis.
- In exceptional circumstances, Employees may "Cross the Wall" and given Confidential Information on the basis of Need to Know Criteria, under Intimation to the Compliance Officer.

4. GENERAL:

- i. The Board of Directors of the Company shall have the power to modify, amend or replace this Code in part or full as may be thought fit from time to time in their absolute discretion as far as it is not in contravention of SEBI (Prohibition of Insider Trading) Regulations, 2015.
- ii. This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges where the Securities of the Company are listed.
- iii. In case of any inconsistency between any of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 / the Companies Act, 2013 and this Code or in case of any omission of any of the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 / the Companies Act, 2013 in this Code, the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 / the Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.
- iv. Words and expressions used and not defined in this Code but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation unless used here in a context otherwise.

SCHEDULE III

PART A

- **PARA A:**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring;
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.;
3. Revision in Rating(s);
4. Outcome of Meetings of the Board of the Company held to consider the following:
 - declaration of dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid / dispatched;
 - any cancellation of dividend with reasons thereof;
 - the decision on buyback of securities;
 - the decision with respect to fund raising proposed to be undertaken
 - increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - short particulars of any other alterations of capital, including calls;
 - financial results;
 - decision on voluntary delisting by the Company from stock exchange(s)
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty (ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof;
6. Fraud/defaults by promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or promoter;
7. Change in Directors, Key Managerial Personnel, auditor and Compliance Officer;

8. Appointment or discontinuation of share transfer agent;
9. Corporate debt restructuring;
10. One time settlement with a bank;
11. Reference to BIFR and winding-up petition filed by any party / creditors;
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company;
13. Proceedings of Annual and Extraordinary General Meetings of the Company;
14. Amendments to memorandum and articles of association of Company, in brief;
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

- **PARA B:**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal);
3. Capacity addition or product launch;
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof;
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
7. Effect(s) arising out of change in the regulatory framework applicable to the Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
10. Options to purchase securities including any ESOP / ESPS Scheme;
11. Giving of guarantees or indemnity or becoming a surety for any third party;
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.