

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

I. OBJECTIVE

In accordance with Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, (the “**Insider Trading Regulations**”) the Board of Directors (the “**Board**”) of SBFC Finance Limited (“**Company**”) has formulated and published on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information. This document embodies the Code of practices and procedures for fair disclosure of unpublished price sensitive information (the “**Code**”) to be followed by the Company effective from the commencement of listing and trading of the equity shares of the Company on the stock exchange(s), i.e. BSE Limited or the National Stock Exchange of India Limited, in accordance with applicable laws provided however that the relevant provision of this code which are applicable to the companies ‘proposed to be listed’ shall become applicable with immediate effect. .

II. DEFINITIONS

“**Company**” means SBFC Finance Limited.

“**Insider Trading Regulations**” mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

“**Code**” shall mean this code of practices and procedures for fair disclosure of unpublished price sensitive information.

“**UPSI**” shall have the same meaning ascribed to it under Regulation 2(n) of the Insider Trading Regulations.

III. UNPUBLISHED PRICE SENSITIVE INFORMATION

- i. The Company shall promptly disclose UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- ii. The UPSI shall be uniform and universally disseminated and due care will be taken to avoid selective disclosure.
- iii. In case if the UPSI that gets disclosed selectively, inadvertently or otherwise, prompt steps shall be taken to make such information generally available. Further, if any employee becomes aware that there has been any inadvertent disclosure of UPSI, he or she should immediately contact the Company Secretary/Compliance Officer of the Company, who shall immediately take appropriate steps.

IV. DESIGNATION AND ROLE OF CHIEF INVESTOR RELATIONS OFFICER

- i. The Company Secretary of the Company or such other senior official nominated as such by the Company from time to time shall be the Chief Investor Relations Officer (“**CIRO**”) for the purpose of the Code. The CIRO shall be responsible to deal with dissemination of information and disclosure of UPSI and also appropriately and fairly responding to the queries on news reports and requests for verification of market rumours by regulatory authorities.
- ii. In the temporary absence of the CIRO for any reason whatsoever, the whole-time director(s) of the Company shall nominate any other official of the Company to be responsible for dissemination of information and disclosure of UPSI.

V. GENERAL OBLIGATIONS FOR PRESERVATION AND DISCLOSURE OF UPSI

- i. All UPSI shall be handled on a need-to-know basis and in accordance with the provisions of the Insider Trading Regulations and any other applicable codes, policies and procedures of the Company.

- ii. It is clarified that information to be termed UPSI should be specific and intended to be generally made available at a point of time to ensure it does not lead to creation of a false market in securities. For the purpose of disclosure, the CIRO may consult such officials within the Company to ensure the correctness and credibility of the UPSI. The CIRO shall authorise disclosure or dissemination of UPSI including (1) by way of intimation to the stock exchanges, such that further disclosure can be made from the stock exchange websites; (2) on the official website to ensure official confirmation and documentation; and (3) in any other manner as may be decided by the CIRO to facilitate uniform and universal dissemination of UPSI.
- iii. All communications of UPSI with the stock exchange shall be approved by the CIRO and communicated through appropriate personnel under his direction.
- iv. The CIRO shall also be responsible for overseeing the contents of UPSI to be posted on the website of Company for the purposes of this Code and shall give appropriate directions for the publication of the same. No other person shall be authorised to post any UPSI in the absence of any directions from the CIRO.
- v. Information disclosure/ dissemination should normally be approved in advance by the CIRO. If the information is accidentally disclosed without prior approval, the person responsible must inform the CIRO immediately, even if the information is not considered price sensitive and if required, the CIRO shall take all reasonable steps to rectify the same.

VI. SHARING OF INFORMATION WITH ANALYSTS AND RESEARCH PERSONNEL

- i. The Company shall ensure that any information shared with analysts and research personnel is not UPSI and is generally available.
- ii. The Company shall also develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- iii. The Company shall ensure due care while dealing with analysts' questions that raises issues outside the intended scope of discussion. Unanticipated questions should be taken on notice and a considered response shall be given later. If the answer includes price sensitive information, information should be disclosed only after consulting the CIRO and taking necessary action, if any, in compliance with Insider Trading Regulations.

VII. RESPONDING TO MARKET RUMOURS

The CIRO shall ensure that appropriate and fair responses are provided to queries on news reports and requests for verification of market rumours by regulatory authorities. In case a query/request has been received from any stock exchange, a copy of such reply shall be sent to other stock exchange(s) also where securities of the Company are listed, if any.

VIII. LEGITIMATE PURPOSE

The UPSI can be shared by an insider for Legitimate Purposes as per the "*Policy for Determination of Legitimate Purposes*" of the Company (attached as **Annexure A**), provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations..

IX. DISCLOSURE

This Code and every amendment hereto will be promptly intimated to the stock exchanges where the Company's securities are listed.

X. POLICY REVIEW

The Board reserves the power to review and amend this Code from time to time.

XI. AMENDMENTS

All provisions of this Code would be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time.

XII. CONFLICT IN POLICY

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder. The terms not defined herein shall have the meaning as per the Insider Trading Regulations.

ANNEXURE A

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

This “*Policy for Determination of Legitimate Purposes*” (such policy, the “**Policy**”) is prepared in accordance with Regulation 3(2A) of Insider Trading Regulations.

I. OBJECTIVE

The objective of this policy is to identify ‘Legitimate Purposes’ for performance of duties or discharge of legal obligations, which will be considered as exception for procuring UPSI relating to the Company. The assessment of whether sharing of UPSI for a particular instance would tantamount to ‘legitimate purpose’ would depend on the specific facts and circumstances of each case. Accordingly, this Policy only sets out the principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is “legitimate”. Primarily, the following factors should be considered to determine the legitimate purpose:

- a. Whether sharing of this information is necessary?
- b. Why is the information required by the recipient?
- c. Whether sharing of such information is in the ordinary course of business of the Company;
- d. Whether information is sought to be shared to evade or circumvent the prohibitions of the Insider Trading Regulations;
- e. Whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- f. Whether the information is required to be shared for enabling the Company to discharge its legal and/or contractual obligations;
- g. Whether the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.
- h. Whether sharing of information is for any other genuine or reasonable purpose as may be determined by the whole-time director or CIRO.

It is clarified that in the event there exist multiple purposes for sharing UPSI, each purpose will be evaluated on its own merits, in line with the aforementioned principles.

II. DIGITAL DATABASE

A structured digital database shall be maintained containing the nature of UPSI and the names of such persons or entities with whom information is shared or who has shared such information under the Insider Trading Regulations along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. This digital database should be preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

III. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

The Company shall inform the recipient of UPSI, by way of written intimation and/or contractual agreement, such as confidentiality agreement, that (i) the information being shared is UPSI and that the Company is the exclusive owner of such UPSI; (ii) upon receipt of UPSI, the recipient would be deemed to be an insider and subject to the provisions of the Insider Trading Regulations, (iii) the recipient must maintain confidentiality of the UPSI at all times, (iv) the recipient may use the UPSI only for the approved purposes for which it was disclosed; (v) the recipient should provide a written undertaking that he/she/it shall not undertake trades in the securities of the Company while in possession of the UPSI; and (vi) the recipient must extend all co-operation to the Company, as may be required in this regard.

IV. DEFINITIONS

“**Legitimate Purposes**” shall include sharing of UPSI in the ordinary course of business by an insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

- i. partners;
- ii. collaborators;
- iii. lenders;
- iv. customers;
- v. suppliers;
- vi. merchant bankers;
- vii. legal advisors;
- viii. auditors;
- ix. insolvency professionals; and
- x. any other advisors/consultants

Any person with whom UPSI is shared pursuant to a “legitimate purpose” shall be considered as an “insider” for purpose of the Insider Trading Regulations and due notice shall be given to such persons (insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with the Insider Trading Regulations.