

POONAWALLA FINCORP LIMITED

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED
PRICE SENSITIVE INFORMATION FRAMED UNDER REGULATION 8 (1) OF SECURITIES
AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING)
REGULATIONS, 2015**

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1. INTRODUCTION:

This document forms the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by Poonawalla Fincorp Limited (hereinafter referred to a '**PFL/Company**'). This code is consistent with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('**Regulations**'). As per Regulation 8 read with Schedule A of the Regulations, every listed company has to frame a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (hereinafter referred to as the '**Code**'). The Regulation intends to require companies to disseminate 'Unpublished Price Sensitive Information' (hereinafter referred to as '**UPSI**') universally and not selectively. This Code is intended to lay down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI.

The Company intends to follow best practices, duly compliant with applicable law, in the matter of disclosure of UPSI. Accordingly, the following Code was originally adopted by the board of directors of Poonawalla Fincorp Limited ('**Board of Directors**' or '**Board**'), at its meeting held on 08 May 2015, and has been reviewed and revised by the Board from time to time.

2. APPLICABILITY:

This Code shall apply in relation to disclosure by the Company of UPSI. The scope-exceptions as given in Applicable Law shall be applicable for the purpose of this Code as well.

3. DEFINITIONS:

3.1 'Applicable Law' means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (including any amendment thereto) or any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and or guidance notes as may be applicable in the matter of Trading by an Insider.

3.2 'SEBI' means the Securities and Exchange Board of India;

3.3 'Company' means Poonawalla Fincorp Limited;

3.4 'Connected Persons' means any person who:

- a. is or has during the six months prior to the concerned act been associated with a 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; or
- b. 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 -
 - an Immediate Relative of Connected Persons specified in clause (a) above; or
 - a holding company or associate company or subsidiary company; or
 - an intermediary¹ as specified in section 12 of the Securities Exchange Board of India Act, 1992 or an employee or director thereof; or
 - an investment company, trustee company, asset management company or an employee or director thereof; or
 - an official of a stock exchange or of clearing house or corporation; or
 - 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
 - a member of the board of directors or an employee, of a public financial institution² as defined in section 2 (72) of the Companies Act, 2013; or
 - an official or an employee of a self-regulatory organization³ recognised or authorized by SEBI; or
 - a banker of the company; or

- 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.

3.5 ‘Chief Investor Relations Officer (CIRO)’ means the Chief Financial Officer or such senior officer of the Company appointed by the Board of Directors to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner.

¹As per Section 12 of the Securities and Exchange Board of India Act, 1992 “Intermediary” are persons such as stockbrokers, sub- broker, investment advisers, merchant banker, underwriter, portfolio manager, share transfer agent, registrar to an issue, depositories, custodians of securities, foreign institutional investors, credit rating agencies, asset management companies, venture capital funds, mutual funds and such other intermediaries who may be associated with securities market in any manner.

²As per Section 2(72) of Companies Act, 2013, “Public Financial Institutions” means: ((i) the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956); (ii) the Infrastructure Development Finance Company Limited, referred to in clause (vi) of sub-section (1) of section 4A of the Companies Act, 1956 (1 of 1956) so repealed under section 465 of this Act; (iii) specified company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002); (iv) institutions notified by the Central Government under sub-section (2) of section 4A of the Companies Act, 1956 (1 of 1956) so repealed under section 465 of this Act; (v) such other institution as may be notified by the Central Government in consultation with the Reserve Bank of India:

³As per Section 2(k) of the SEBI (Self-Regulatory Organizations) Regulations, 2004, “self-regulatory organizations” means an organization of intermediaries which is representing a particular segment of the securities market and which is duly recognised by SEBI under these regulations, but excludes a stock exchange.

- 3.6 'Designated Persons'** shall cover the following:
- i. All promoters of the Company and its material subsidiary(ies);
 - ii. All directors of the Company, whether executive, non-executive or independent
 - iii. Key Managerial Personnel (KMP) i.e. Managing Director (MD), Whole-time Director (WTD), Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS) of the Company and its material subsidiary(ies) and associate company(ies);
 - iv. All employees of the Company in the rank of Vice President and above;
 - v. Executive Assistants to KMPs;
 - vi. Employees of Secretarial, Compliance, Investor Relations Accounts- CAG, Treasury- Core and Financial Planning and Management departments as designated by Chief Financial Officer on the basis of their functional role or access to Unpublished Price Sensitive Information in the organization;
 - vii. Such employees of the material subsidiaries designated on the basis of their functional role or access to Unpublished Price Sensitive Information in the organization;
 - viii. KMP or any other person of the Holding Company (wherever applicable) who approves key decision/ functions of the Company;
 - ix. Any shareholder whose affirmative vote or sanction is pre-requisite for key actions of the Company;
 - x. CEO and employees upto 2 levels below CEO of material subsidiaries irrespective of their functional role in the company or ability to have access to UPSI;
 - xi. Any support staff such as IT staff who have access to UPSI.
 - xii. Employees in the rank of General Manager and above in the Information Technology Department as determined by Chief Technology Officer / Chief Information Officer on the basis of their functional role or access to unpublished price sensitive information in the Company.
 - xiii. any trust set up by the Company for the purposes of implementing any share based employee benefit schemes of the Company.
 - xiv. such connected person as identified by the Compliance Officer from time to time.
- 3.7 'Generally available information'** means information that is accessible to the public on a non-discriminatory basis.
- 3.8 '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;
- 3.9 'Insider'** means any person who is:
- a. a Connected Person;
 - b. or in possession of or having access to Unpublished Price Sensitive Information; Further, any person in receipt of Unpublished Price Sensitive Information pursuant to Legitimate Purpose shall be considered as "Insider" for the purpose of this Code.
- 3.10 'Legitimate Purposes'** includes 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, or regulatory bodies, courts, quasi-judicial bodies on the basis of any order issued by them, provided that such sharing has not been carried out to evade or circumvent the prohibitions of Regulations.
- 3.11 'Selected Group of Persons'** includes securities analysts or selected institutional investors, brokers and dealers or their associated persons, investment advisers and institutional managers, investment companies, hedge funds or any other person.
- 3.12 'Securities'** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.
- 3.13 'Trading'** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- 3.13. 'Trading day'** means a day on which BSE Limited and/or National Stock Exchange of India Limited are open for trading.

- 3.14. 'Unpublished Price Sensitive Information' or 'UPSI'** 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 including but not restricted to, information relating to the following: –
- a. financial results;
 - b. dividends;
 - c. change in capital structure;
 - d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - e. changes in key managerial personnel.

All the other terms used in this Code shall have the same meaning as assigned to them under the Regulations.

4. SHARING OF UPSI FOR LEGITIMATE PURPOSE:

- 4.1 UPSI is in the nature of information relating to the Company, directly or indirectly, of precise nature that can have an impact on the prices of the securities of the Company if made public.
- 4.2 Till the UPSI becomes Generally Available Information, UPSI can be shared only on a need-to-know basis and for Legitimate Purpose as provided hereunder and not to evade or circumvent the prohibitions of the Regulations:
 - 4.2.1. Sharing of relevant UPSI with consultants, advisors engaged by the Company in relation to the subject matter of the proposed deal/ assignment in relation to UPSI;
 - 4.2.2. Sharing of relevant UPSI with intermediaries/ fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of the UPSI;
 - 4.2.3. Sharing of relevant UPSI with persons for Legitimate Purposes (e.g., attorneys, investment bankers or accountants);
 - 4.2.4. Sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the Company's securities on the basis of such information;
 - 4.2.5. Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.
- 4.3 The determination of 'Legitimate Purpose' for sharing of UPSI will be specific in each situation. However, the following factors can be taken into consideration:
 - 4.3.1. if it is in the ordinary course of business and/or required to be shared with other entity for discharge of commercial obligations;
 - 4.3.2. whether sharing the information is in the best interest of the Company or necessary for the furtherance of business transactions;
 - 4.3.3. whether the information is required to be shared for enabling the Company to discharge its legal obligations;
 - 4.3.4. required to be done in furtherance of fiduciary duties or in fulfilment of any statutory obligation.
- 4.4. Before sharing of the UPSI, the concerned person sharing such UPSI shall comply with the requirements in relation to circumstances and procedure for bringing people 'Inside' as provided in Code of Conduct for Prohibition of Insider Trading. Such 'Insider' are obliged to comply with the requirements of Regulations.
- 4.5. The Compliance Officer in consultation with the Chief Financial Officer or Whole-time Director or Managing Director shall maintain record of the details of the recipients including their PAN or any other identifier authorized by law in case where PAN is not applicable, Address etc. of UPSI on Legitimate Purpose as per format provided in Annexure A including the following:
 - a. Whether the concerned UPSI is required to be shared?
 - b. Why is the information required by the recipient?
 - c. Who had shared the UPSI and whether he was authorised to do so?
 - d. Whether the Compliance Officer was intimated before such sharing of UPSI?

- e. Whether non-disclosure agreements were signed?
- f. Whether notice to maintain confidentiality of the shared UPSI has been given?

Such record 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.

Such record shall be preserved for a period of not less than eight years after completion of the relevant transaction and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information shall be preserved till the end of the proceedings.

5. FUNCTIONS OF THE CHIEF INVESTOR RELATIONS OFFICER:

- 5.1. Dealing with universal dissemination and disclosure of UPSI.
- 5.2. Determination of questions as to whether any particular information amounts to UPSI.
- 5.3. Determination of response, if any, of the Company to any market rumour in accordance with this Code.
- 5.4. Dealing with any query received by any Insider about any UPSI.
- 5.5. Providing advice to any Insider as to whether any particular information may be treated as UPSI.

If an Insider receives a query about any UPSI related to the Company, he shall not comment on the same and shall forward such query to the CIRO. The CIRO shall deal with such a query in accordance with Applicable Law and this Code.

6. PRINCIPAL OF FAIR DISCLOSURE ADOPTED BY PFL:

The Company shall ensure:

- 6.1. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information Generally Available Information.
 - 6.2. Uniform and universal dissemination of UPSI to avoid selective disclosure.
 - 6.3. If an Insider 'selectively' or 'inadvertently' or 'otherwise' discloses any UPSI to any person including the Selected Group then prompt disclosure of such UPSI shall have to be made by the CIRO to the public. Such disclosure must be made not later than 48 hours after the CIRO learns that communication of such UPSI has taken place.
- 6.1 Subject to Applicable Law, methods of public disclosure of information to ensure uniform distribution shall include either of the following:-
- Distributing through press releases in newspapers or media including electronic media.
 - Filing with the stock exchanges.
 - Any other method that ensures wide distribution of the news such as publicly accessible webcasts and webinars.
 - Uploading the information on the website of the Company.
 - Broad-based electronic, print, television and other media.

7. THIRD PARTY DEALINGS:

- 7.1 The CIRO shall ensure that best practices of making 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 are developed by the Company.
- 7.2 The best practices shall include uploading the following information on the website of the Company-
 - Any power point presentation or similar material used by the analyst in such meeting on the website of the Company.
 - Any earnings guidance or any other similar material distributed during press conference.
 - Any material information about business plans of the company provided in response to analyst queries or during discussions in a meeting or any other information which may lead to price discovery has been shared.
- 7.3 In addition, the following guidelines will be adopted by the Company while dealing with analysts/institutional investors:-
 - The Company will provide only public information to analysts/research persons/large investors/Institutions.

- Atleast two officers of the Company will be present at the meetings with analysts, Brokers, Institutional Investors and the discussions with them will be recorded, if deemed necessary.
- Questions outside the intended scope of discussions by the analysts or requiring internal discussion will not be answered normally but the same may be taken on notice and a considerable response given later.
- Whenever the Company will organize meetings with analysts it will normally be followed by a press release and the same information will also be posted on the website of the Company. This will be simultaneously sent to the stock exchanges.
- The information filed by the Company with the stock exchanges will also be made available on the website of the Company.

8. RUMOURS: VERIFICATION OF MARKET RUMOURS AND RESPONSE TO QUERIES.

The CIRO shall provide appropriate and fair responses to queries in relation to UPSI including any news reports. A 'No Comment' policy must be maintained by the Company and the CIRO shall not comment on market rumors except when requested by regulatory authorities to verify such rumours. Further, the Company can also record the queries / requests for verification that are received from the regulatory authorities and preserve such records as per the Preservation of Records Policy.

9. NEED TO KNOW HANDLING OF UPSI:

The Company shall handle UPSI only on a need to know basis. UPSI shall be provided only when needed for Legitimate Purposes, performance of duties or discharge of legal obligations. All Insiders shall adhere to conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.

10. AUTHORITY TO MAKE ALTERATIONS/AMENDMENT:

The Board of Directors are authorized to make such alterations to this Code as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations. Further, every amendment to this Code shall be promptly intimated to stock exchanges where the securities are listed.

11. GENERAL:

- 11.1. Words or phrases not defined here will have their respective meanings as per the SEBI Act and these Regulations.
- 11.2. This Code shall be posted on the website of the Company.

ANNEXURE- A

Contents of Digital Database of recipients of UPSI
[See Regulation 3(4) and 3(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015]

Sl. No.	Name and category of the recipient	PAN	Address	Name of Immediate relative along with their PAN or of Affiliates, in case the recipient is an entity or company	Details of UPSI along with reason of sharing thereof	Name of the person who shared such UPSI	Whether NDA has been signed and Notice of confidentiality has been given?	Person making the entry	Remarks, if any

Note 1:

The categories of recipients shall include:

- a. Employees of the Company who are not Designated Persons (DPs);
- b. Persons who are neither employees nor DPs but may come into contact with the DPs and other insiders of the Company;
- c. Affiliates shall mean the promoter and promoter group, associates and JVs of the entity/ company.

Note 2:

- d. The database shall be maintained under the supervision of the Compliance Officer of the Company;
- e. The database shall be reviewed by the Compliance Officer on a periodic basis.