

SREI EQUIPMENT FINANCE LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE (SEFL FAIR DISCLOSURE CODE) OF UNPUBLISHED PRICE SENSITIVE INFORMATION

(Framed under Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015)

PREAMBLE

The Securities and Exchange Board of India has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “Regulations”) on January 15, 2015. As per Regulation 8 read with Schedule A of the new Regulations every listed Company has to frame a **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information** (hereinafter referred to as the ‘Code’). The Regulation intends to require companies to disseminate ‘Unpublished Price Sensitive Information’ (hereinafter referred to as ‘UPSI’) universally and not selectively.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 Policy 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, this Code was adopted by the Board of Directors (hereinafter referred to as ‘Board’), at its meeting held on October 25, 2017. In view of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Code was revised by the Board of Directors of the Company at its meeting held on February 1, 2019 effective from April 1, 2019. The Code is further revised by the Board of Directors of the Company at its meeting held on May 17, 2019.

I. 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.

II. Definitions

“**Applicable Law**” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any statute, law, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘SEBI Listing Regulations’), 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.

“**Connected Person**” shall mean such persons as defined under the Regulations.

“Chief Investor Relations Officer” means such senior officer of the Company appointed by the Board of Directors (including any Committee thereof) to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner.

Unless otherwise designated by the Board, the Managing Director and/or Chief Financial Officer (CFO) for the time being of the Company shall be deemed to be the Chief Investor Relations Officer. In case the Board designates any other officer, the name and designation of such officer shall be published on the website of the Company.

“Generally available information” means information that is accessible to the public on a non-discriminatory basis.

“Insider” means any person who is a connected person or in possession of or having access to UPSI.

“Selected Group of Persons” means 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 with whom the Company has a fiduciary or contractual relationship or business or professional relationship.

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

“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, delisting, disposals and expansion of business and such other transactions;
- v) changes in Key Managerial Personnel (KMP's);

All the other terms used in the Code shall have the same meaning as assigned to them under the Regulations and any enactments or modifications made thereunder, from time to time.

III. Functions of the Chief Investor Relations Officer

- Dealing with universal dissemination and disclosure of UPSI.
- Determination of questions as to whether any particular information amounts to UPSI.
- Determination of response, if any, of the Company to any market rumour in accordance with this Code.

- Dealing with any query received by any Insider about any UPSI.
- 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 Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with Applicable Law and this Code.

IV. Disclosure Policy and Policy for Determination of Legitimate Purposes

The Company shall ensure:

- 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.
- Uniform and universal dissemination of UPSI to avoid selective disclosure.
- If an Insider ‘selectively’ discloses any UPSI to any person including the Selected Group of Persons, then prompt disclosure of such information shall have to be made by the Chief Investor Relations Officer to the public. Such disclosure must be made not later than 48 hours after the Chief Investor Relations Officer learns that communication of such UPSI has taken place.

UPSI about the Company may be disclosed to:

- persons for legitimate business purposes for performance of duties or to discharge statutory obligations (e.g., attorneys, investment bankers or accountants) and due notices shall be given to such persons to maintain confidentiality of such unpublished price sensitive information.

The term “legitimate purpose” shall include sharing of unpublished price sensitive information 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.

- 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.

Illustrative list of Legitimate Purposes:

- In the following cases, the sharing of UPSI would be considered as having been shared for a legitimate purpose:

(a) Under any proceedings or pursuant to any order of courts or tribunals;
Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.

(b) For investigation, inquiry or request for information by statutory or governmental authorities or any other administrative body recognized by law;

Example: Any call for information or query received from the Ministry of Corporate Affairs (“MCA”), Income Tax Authority, the Securities and Exchange Board of India (“SEBI”), Stock Exchanges, the Reserve Bank of India (“RBI”), Sectoral Regulatory Body, etc.

(c) In compliance with applicable laws, regulations, rules and requirements;

Example: Company Law, Securities Law, Income Tax Law, Banking Law, RBI Regulations etc.

(d) Arising out of any contractual obligations entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;

(e) Sharing the information with intermediaries and fiduciaries such as Auditors, Merchant bankers, management consultants, partners, collaborators or other advisors or consultants;

(f) For the purpose of legal, financial or any other professional advice to be obtained or for accounting or audit or for defence to be prepared for Court cases;

(g) For transactions that would entail an obligation to make an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (‘Takeover Regulations’) where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company.

(h) For a transaction that does not attract the obligation to make an open offer under the Takeover Regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company.

The transaction referred to above may include acquisitions, merger, amalgamations or any other corporate restructuring, seeking advice in relation to legal aspects involved in such transactions including carrying

due diligence of Target/ Merging Companies or seeking advice on commercial aspects including structuring or valuation of such transactions; The information that constitute UPSI needs to be made generally available at least 2 (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.

- (i) Sharing financial information for preparation of consolidated financial statements of holding company;
- (j) Sharing information with Statutory Auditors, Secretarial Auditors, Internal Auditors or Cost Auditors while obtaining any certificate required for placing any transaction for approval before the Board / Committee;
- (k) For all those activities done by the Company in furtherance of its objects as listed in its Memorandum of Association.

The Company shall ensure that:

- a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this code along with the Permanent Account Number (PAN) or any other identifier authorized by law where Permanent Account Number (PAN) 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.

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered as Insider and due notice shall be given to such persons to maintain confidentiality of such UPSI.

Subject to Applicable Law, methods of public disclosure of information to ensure uniform distribution shall include either of the following:

- Filing with the Stock Exchanges.
- Uploading the information on the website of the Company.
- Distributing through Press Releases in newspapers or media including electronic media.
- broad-based electronic, print, television and other media.
- Any other method that ensures wide distribution of the news such as webcasts and webinars.

V. Third Party Dealings

The Chief Investor Relations Officer shall ensure the following practices:

- 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.
- 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.
 - Publication of policies which have an impact on investors or securities markets like dividend policy, etc.
 - 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.

VI. Verification of Market Rumours and response to queries

The Chief Investor Relations Officer 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 Chief Investor Relations Officer shall not comment on market rumours except when requested by regulatory authorities to verify such rumours.

VII. Need to know handling of UPSI

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.

VIII. Leak of UPSI

Any instances of leakage or suspected leakage of UPSI, before it is made generally available to the public through the Stock Exchanges where securities of the Company are listed, shall be promptly brought to the notice of Compliance Officer in the manner provided in Whistle Blower Policy of the Company and an inquiry shall be initiated as per the Policy and Procedure for inquiry in case of Leak of UPSI or Suspected Leak of UPSI of the Company.

IX. Amendments to the Code

The Company reserves its right to amend this Code in whole or in part, at any time without assigning any reason whatsoever. Any amendment to this Code shall be done with the approval of the Board of Directors (including any Committee authorized in this regard) of the Company.

However, this Code, in whole or in part, shall stand amended from time to time, without any further act on the part of the Company, as and when there would be any statutory amendment to the applicable provisions of law.

X. Intimation to Stock Exchange

This code including every amendment thereto shall be promptly intimated to the Stock Exchanges where the securities of the Company are listed.

XI. Penalties for Contravention

Any violation of the Code shall invite prosecution and / or penalites as per Applicable Law. Without prejudice to the same, Company may take such penal or disciplinary action or action for breach of Confidentiality Undertaking against any person, whether director or officer or employee or any other person in a manner known to law.

XII. Posting of the Code

This Code shall be posted on the website of the Company.

Place: Kolkata

By order of the Board

Date: 17.05.2019

**sd/-
Company Secretary**

This Code has been reviewed and approved by the Board at its meeting held on 17.05.2019 and will become effective on and after 17.05.2019.