

**EFC (I) LIMITED**

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UNPUBLISHED PRICE SENSITIVE INFORMATION**

## CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

### 1. INTRODUCTION

- 1.1. The Securities and Exchange Board of India (“SEBI”) notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”) on January 15, 2015.
- 1.2. Pursuant to Regulation 8(1) of the said Regulations, EFC (I) Limited was required to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Fair Disclosure Code”).
- 1.3. The Board of Directors of EFC (I) Limited have formulated the Fair Disclosure Code and approved the same in May 29, 2024.

### 2. SCOPE

- 2.1. EFC (I) Limited is committed to preserving the confidentiality of unpublished price-sensitive information (UPSI) and preventing its misuse. To achieve these objectives and ensure compliance with the Regulations, EFC (I) Limited has adopted this Fair Disclosure Code.
- 2.2. This Code ensures timely and adequate disclosure of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders.
- 2.3. EFC (I) Limited is committed to timely and accurate disclosure based on applicable legal and regulatory requirements.
- 2.4. EFC (I) Limited shall follow the following Code of practices and procedures for fair disclosure of unpublished price sensitive information ('UPSI') in order to adhere to each of the principles set out in Schedule A to SEBI (Prevention of Insider Trading) Regulations, 2015 without diluting the provisions of those Regulations.

### 3. TERMS AND DEFINITION

**Words and expressions used but not defined in this Fair Disclosure Code shall have the same meaning assigned to them in the PIT Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be or in any amendment thereto.**

### 4. PRINCIPLES OF FAIR DISCLOSURE:

To adhere to the principles as mentioned in Schedule A to the Regulations, EFC (I) Limited shall:

- 4.1. Promptly disclose publicly any UPSI that would impact price discovery no sooner than credible and concrete information comes into being so that such information is generally available.

- 4.2. Uniformly and universally disseminate in a timely manner UPSI to avoid selective disclosure by communicating the same to the stock exchange(s) and disclosing the same on its website.
- 4.3. Employees of the Company shall not respond under any circumstances to enquiries from the Stock Exchanges, the media or others unless authorized to do so by the Chief Investor Relations Officer (CIRO) or by the Chief Financial Officer (CFO) of the Company.
- 4.4. Promptly disseminate UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 4.5. Provide appropriate and fair response to queries on news reports and requests for verification of market rumours by Regulatory Authorities such as Stock Exchanges, etc.

(Note: The Company shall not comment on every market rumour. If Stock Exchange requests, the Company shall submit its response to the market rumour).

- 4.6. Ensure that information shared with analysts and research personnel is not UPSI.
- 4.7. The Company make transcripts or record of proceedings of meetings with analysts and other investor related conferences releases and uploaded on the Company's website.
- 4.8. Handle all price sensitive information on a need-to-know basis by creating suitable safeguards to avoid UPSI becoming available to any person who is not required to have access to such information. UPSI, may however be disclosed, to persons who need such information for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Company. The "Policy for determination of legitimate purposes" is as below:

## 5. SHARING OF UPSI FOR LEGITIMATE PURPOSE:

- a) UPSI is in the nature of 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:
  - i. financial results;
  - ii. dividends;
  - iii. change in capital structure;
  - iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of
  - v. business and such other transactions;
  - vi. changes in key managerial personnel.
- b) UPSI can be shared only on a need-to-know basis. UPSI shall be disclosed only to those persons where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

For the purposes of this Code, "need to know" basis will mean UPSI should be disclosed only to those within the Company who need the information to discharge their role and perform their

duty and discharge of legal obligations.

All Insiders shall adhere to the conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.

- c) UPSI can be shared in the ordinary course of business only if the same is necessary to be shared in order to complete any task / activity / deal including any other assignment for furtherance of the business interests of the company.
- d) Subject to conditions prescribed in (a) and (b) above, UPSI can be shared with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. in respect of proposed assignment or in order to avail professional services from them or other business purposes, as the case may be. UPSI can also be shared in case same is mandatory for performance of duties or discharge of legal obligations.
- e) Before sharing of 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 and such notice shall be given to the recipient of UPSI by the person making communication of UPSI in order;
  - (i) To make recipient aware that the information shared is or would be UPSI;
  - (ii) To make recipient aware of his duties and responsibilities attached to the receipt of such UPSI and the liability attached to misuse or unwarranted use of UPSI;
  - (iii) To instruct recipient to maintain confidentiality of such UPSI in compliance with the Code of Conduct for Prevention of Insider Trading and the other applicable laws; and
  - (iv) To advise recipient to be in compliance with applicable provisions of PIT Regulations.
- f) Responsibilities of the recipient of UPSI:
  - (i) To maintain and keep secret and confidential the information received;
  - (ii) To use the confidential information only for the legitimate purpose;
  - (iii) To disclose the confidential information with any other person strictly on a need to know basis;
  - (iv) To safeguard the UPSI with the same degree of care to avoid unauthorised disclosure as the receiving party uses to protect its own confidential information, but in no case less than reasonable care; and
  - (v) To ensure compliance with applicable provisions of PIT Regulations.

The Heads of the departments / functions and / or Designated Persons who share UPSI for legitimate purposes will be responsible for reporting the aforementioned details as per Insider Trading Regulations from time to time, in the Digital Database to the CIRO or in any other manner.

- g) Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "insider" for purposes of the Regulations.

- h) The Board of Directors of EFC (I) Limited has appointed CFO as CIRO of the Company to deal with dissemination of information and disclosure of UPSI. The CIRO may be contacted by e-mail at: [compliance@efclimited.in](mailto:compliance@efclimited.in)

## 6. THIRD PARTY DEALINGS

- a) The Company shall ensure that information shared with analysts and research personnel is not UPSI.

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. The best practices shall include uploading the following information on the website of the Company -

- i) Any Power Point Presentation or similar material used in such analyst meeting on the website of the Company; and/or
  - ii) Any earnings guidance or any other similar material distributed during press conference; and/or
  - iii) 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.
- b) The Company shall ensure that unanticipated questions may be taken on notice and a considered response is given later. If the answer includes UPSI, the same shall not be furnished till the UPSI is made public

## 7. AMENDMENTS TO THIS CODE

The Board of Directors of the Company may review and alter, modify, add, delete or amend any of the provisions of this Code from time to time. Any or all provisions of this Code would be subject to the revision/amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

*This Policy is lastly amended by the Board of Directors at its meeting held on May 29, 2024.*

## **Annexure A**

### **Policy on Determination of Legitimate Purpose**

[Under Regulation 3(2A) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

#### **1. Background**

This “Policy on Determination of Legitimate Purpose” (‘Policy’) is framed by the Board of Directors of the Company pursuant to the amendment in the Regulations, and is part of “**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**” (Regulation 3(2A) and 3(2B)).

#### **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**

Words and expressions used and not defined in this Code shall have the same meaning assigned to them in SEBI (Prohibition of Insider Trading) Regulations, 2015 including Company’s Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons, Company’s Code of Fair Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, to the extent relevant in connection with this Code, as the case may be or in any amendment thereto.

#### **4. LEGITIMATE PURPOSE**

- a) “Legitimate Purpose” shall mean sharing of UPSI in the ordinary course of business or on a need-to-know basis. All the employees /directors of the Company who are handling in any way, the UPSI shall handle such information on a need-to-know basis.
- b) What shall constitute “Legitimate Purpose” and what shall not constitute “Legitimate Purpose” will be based on the business-related needs of the Company. In general, Legitimate Purpose shall, inter-alia, include the following purposes:
  - i) Contractual Obligation
  - ii) Business Strategy and Corporate Action
  - iii) Operational efficiency
  - iv) Regulatory Obligation
  - v) Need based specific purposes

- c) Legitimate Purpose shall inter alia include sharing of UPSI on need-to-know basis by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, publication houses, advertisement agencies. Provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations. (Regulation 3(2A) and 3(2B)).
- d) In following cases which are illustrative in nature, sharing of UPSI would be considered as Legitimate Purpose:
- i) 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 Ministry of Corporate Affairs, Income Tax Authority, Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Reserve Bank of India, Sectoral Regulatory Body, etc.
  - ii) 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.
  - iii) As part of compliance with applicable laws, regulations, rules and requirements; Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.
  - iv) Arising out of any contractual obligations or arrangement entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking. Example: Due-diligence for any kind of restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, franchisee agreement, etc.
  - v) Arising out of business requirement including requirement for the purposes of promoting the business and strategies of business, which may require sharing of information with Promoters and their authorized employees (“Promoters”), and Promoters in turn with their Promoters as well as by Promoters with their advisors, consultants, intermediaries, fiduciaries etc.
- e) Example: Some of the examples which are illustrative in nature are as mentioned below
- i) Sharing the relevant UPSI by Company or Promoters for advice, consultation, valuation, fund raising or other intermediation and approvals in relation to the subject matter of a proposed deal/assignment/tie-up/venture/fund raising;
  - ii) Sharing the relevant UPSI by Company or Promoters with intermediaries, fiduciaries, merchant bankers, advisors, lawyers, bankers, consultants, valuers, auditors, insolvency professionals, business support agents, transaction processing service providers in order to avail professional services from them;
  - iii) Sharing the relevant UPSI by Company or Promoters for advice, consultation, transaction support, intermediation and approvals on projects relating to enterprise transformation, strategy, change management, analytics, re-organization, operation improvement, technology and similar domains;
  - iv) Sharing the relevant UPSI by Company or Promoters with business partners essential to fulfill the terms and conditions of a business contract with a client, vendor, collaborator or lender;
  - v) Sharing the relevant UPSI by Company or Promoters for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of new products, business opportunities and new lines of business;
  - vi) Sharing the relevant UPSI by Company or Promoters for statutory consolidation requirements or related customary disclosure obligations;

vii) Sharing the relevant UPSI by Company or Promoters with persons engaged or involved in the processes leading to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of the Regulations and shall comply with the Code.

CIRO shall determine the cases of questions as to whether sharing of any UPSI would amount to Legitimate Purpose or not.