



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UNPUBLISHED PRICE SENSITIVE INFORMATION**

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## 1. Introduction:

In compliance with the requirements of Regulation 8 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended on December 31, 2018 (“**Regulation**”), Sonata Finance Private Limited (“*the Company*”) has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“**Fair Disclosure Code**”/ “**Code of Fair Disclosure**”/ the “**Code**”) in adherence with the principles set out in Schedule A to the Regulations.

## 2. Scope:

The Company endeavors to preserve the confidentiality of unpublished price sensitive information (“**UPSI**”) and to prevent its misuse. To achieve these objectives, and in compliance with the aforesaid Regulations, the Company has adopted this Code.

The 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.

The Company is committed to timely and accurate disclosure based on applicable legal and regulatory requirements.

## 3. Terms and Definition:

For the purpose of the Code the following terms shall have the meanings assigned to them hereunder:

- i. “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- ii. “**Board**” means the Securities and Exchange Board of India;
- iii. “**Code**” shall mean this Code of Practices and Procedures for Fair Disclosure of UPSI.
- iv. “**Compliance officer**” means any senior officer, designated so and reporting to the board of directors/ audit committee or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.
- v. “**Connected Person**” means,- (i) any person who 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. (ii) 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, - (a). an immediate relative of connected persons specified in clause (i); or (b). a holding company or associate company or subsidiary company; or (c). an intermediary as specified in section 12 of the Act or an employee or director thereof; or (d). an investment company, trustee company, asset management



company or an employee or director thereof; or (e). an official of a stock exchange or of clearing house or corporation; or (f). 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 (g). a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or (h). an official or an employee of a self-regulatory organization recognized or authorized by the Board; or (i). a banker of the company; or (j). 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.

- vi. **“Chief Investor Relation Officer”** shall mean a Senior Officer designated by the Board of Directors of the Company to deal with dissemination of information and disclosure of UPSI.
- vii. **“Insider”** means any person who is:
  - i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
- viii. **Generally Available Information** means information that is accessible to the public on a non-discriminatory basis
- ix. **“Insider Trading Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended on December 31, 2018.
- x. **Promoter** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof
- xi. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- xii. **“Unpublished Price Sensitive Information”/ “UPS I”** 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 of the Company and shall, ordinarily including, but not restricted to, information relating to the following:
  - i. Financial results; dividends;
  - ii. change in capital structure;
  - iii. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and;
  - iv. changes in key managerial personnel.
- xiii. **“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.
- xiv. **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.



#### 4. Principles of fair disclosure:

The Company shall ensure–

- Prompt public disclosure of unpublished price sensitive information 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 unpublished price sensitive information to avoid selective disclosure.
- At all times, designation of a senior officer as a chief investor relations officer/ Chief Compliance Officer to deal with dissemination of information and disclosure UPSI
- Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
- Developing 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.
- Handling of all unpublished price sensitive information on a need-to-know basis.
- Sharing of UPSI with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, analysts, brokers, institutional investors or other advisors or consultants (collectively, “**Third Parties**”), shall be considered as “legitimate purposes”, if such information is shared in the ordinary course of business by an insider, and has not been carried out to evade or circumvent the prohibitions of this Regulation.
- Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and such persons are also required to ensure the confidentiality of UPSI shared with them, in compliance with this Regulation.

#### 5. Overseeing and coordinating disclosure:

- i. The Chief Compliance Officer (CCO) of the Company shall act as the “**Chief Investors Relation Officer**” (“**CIRO**”) to oversee the dissemination of information and disclosure of unpublished price sensitive information.
- ii. The CIRO shall be responsible for overseeing and coordinating disclosure of price sensitive information to stock exchange, analysts, shareholders and media.
- iii. The disclosure/dissemination of information shall be made with the prior approval by the Managing Director of the Company or in his/her absence, by the Chief Financial Officer of the Company.
- iv. No information shall be passed on by an “insider” by way of making a recommendation for the purchase or sale of securities of the Company.

#### 6. Responding to market rumors:

- a. The CIRO shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the suitable statement/s in this regard.
- b. All the requests/queries received shall be documented and as far as practicable, the CIRO, shall request for such queries/requests in writing.



**7. Disclosure/dissemination of UPSI with special reference to Third Parties:**

The following guidelines will be followed whilst dealing with Third Parties: -

- (i) Only such information which is in public domain shall be provided;
- (ii) At least two representatives of the Company shall be present at the meetings with Third Parties;
- (iii) Unanticipated questions may be taken on notice and a considered response may be given later. No UPSI shall be shared unless a public announcement in regard to the same has been made; and;
- (iv) Where a meeting has been held with the Third Parties, the Company shall either make a press release or post relevant information on its website immediately after such meet.

**8. Medium of disclosure and dissemination:**

- (i) The Company shall disseminate all credible and concrete UPSI on a continuous and in a timely manner to stock exchanges in accordance with the requirements of applicable law, where its securities are listed and thereafter to the press.
- (ii) As a good corporate practice, the UPSI disclosed to the stock exchanges and to the press may also be supplemented by prompt updates on the Company's website. The Company may also consider other modes of public disclosure of UPSI so as to improve investor access to the same.
- (iii) The information filed by the Company with the stock exchanges under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended on November 30, shall also be posted on the Company's website.
- (iv) The Company will also promptly intimate any amendment to the Code to the stock exchanges, as required under the Regulations.

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