



## **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

As per provisions of Regulation 8(1) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and read with Schedule A thereof, every listed company shall formulate code of practices and procedures for fair disclosure of unpublished price sensitive information.

Accordingly, Board of Directors have formulated the code of practices and procedures for fair disclosure of unpublished price sensitive information ('the Code') of Marwadi Shares and Finance Private Limited ('the Company').

This Code is being framed for fair disclosure of events and occurrences that could impact price discovery in the market for its securities and with an aim to ensure timely and adequate disclosure of Unpublished Price Sensitive Information ('UPSI') and the manner in which it shall be unvaryingly disseminated to the Investors on immediate and regular basis.

### **Terms and Definitions:**

Words and expressions used but not defined in this code shall have the same meaning assigned to them in the SEBI (Prohibition of Insider Trading) Regulations, 2015 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 amendments thereto.

### **A. Unpublished Price Sensitive Information:**

- i. The Company shall promptly disclose Unpublished Price Sensitive Information (UPSI) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available. The information including but not restricted to:
  - a. Financial results;
  - b. Dividends including interim dividend;
  - c. Change in capital structure (does not include change in the paid-up share capital pursuant to exercise of stock options under an ESOP Scheme);
  - d. Public Issue/Buy Back of Securities
  - e. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
  - f. Changes in key managerial personnel;
  - g. any such other information which may affect the price of securities.
- ii. The UPSI shall be uniform and universally disseminated and due care will be taken to avoid selective disclosure.

### **Marwadi Shares and Finance Limited**

**Corporate Office**  
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S. C. Road, Zone- 5, GIFT CITY, Gandhinagar - 382355, Gujarat.



- iii. In case if the UPSI that gets disclosed selectively, inadvertently or otherwise, prompt steps shall be taken to make such information generally available.

**B. Designation and Role of Chief Investor Relations Officer:**

- i. The Chief Compliance Officer of the Company shall be the Chief Investor Relations Officer (CIRO) for the purpose of the Code. The CIRO shall be responsible for dissemination of information and disclosure of Unpublished Price Sensitive Information and also 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, Managing Director shall nominate any other official of the Company to be responsible for dissemination of information and disclosure of UPSI.

**C. General Obligations for Preservation and Disclosure of UPSI:**

- i. All unpublished price sensitive information shall be handled on a need to know basis and in accordance with the provisions of the Regulations and any other applicable codes, policies and procedures.
- ii. It is clarified that information to be termed as 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.
- iii. The CIRO shall authorise disclosure or dissemination of UPSI (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 of the Company 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.
- iv. All communications of UPSI with the stock exchange shall be approved by the CIRO and communicated through appropriate personnel under his direction.
- v. The CIRO shall also be responsible for overseeing the contents of UPSI to be posted on the website of the 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 or Managing Director.
- vi. 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.
- vii. Any UPSI should not be discussed in public meetings or on social media including any internet chat rooms, online social networking sites, newsgroups, discussions or bulletin boards, and such platforms shall be under the supervision of the CIRO.

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**D. 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. Alternatively, the information shared as above shall simultaneously be made public.
- ii. The CIRO shall also develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences and display on the official website to ensure official confirmation and documentation of disclosures made.

**E. 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.

**F. Legitimate Purpose:**

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

**G. Amendment to the Code:**

The Company may make amendments to this code from time to time as may be considered appropriate. In the event any provision of this Code conflicts with any law, rules or regulations, such law, rules or regulations shall precede over such conflicting Provisions.

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## **Annexure A - Policy for Determination of Legitimate Purposes**

### **1. Introduction:**

This "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy" is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

### **2. 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 such information is in the ordinary course of business of the Company;
- b. whether information is sought to be shared to evade or circumvent the prohibitions of the Insider Trading Regulations;
- c. whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- d. whether the information is required to be shared for enabling the Company to discharge its legal obligations;
- e. whether the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

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.

### **3. Definitions:**

- 3.1. "Legitimate Purposes" means 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. Company's Partners
- II. Auditors, Accountancy firms, Legal advisors, Merchant Bankers, Consultants
- III. Collaborators
- IV. Lenders

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- V. Customers
- VI. Suppliers
- VII. Any other advisors/consultants/partners

3.2. "Insider" means any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

#### **4. Digital Database:**

A structured digital database shall be maintained containing the names of such persons or entities as the case may be with whom information is shared 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.

#### **5. 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.

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