



Date: 10th February, 2023

To,
The Corporate Relationship Dept.
BSE Limited
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001

Company Code: 12337

Subject: Intimation of Adoption of Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information (UPSI) pursuant to regulation 8 of the SEBI (PIT) Regulations 2015

Dear Sir/Madam,

We would like to intimate that pursuant to Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Board of Directors of the Company have adopted the **“Code of Practices and Procedures for Fair disclosure of Unpublished Price Sensitive Information (UPSI)”** in their meeting held today i.e February 10, 2023.

Copy of Code is enclosed to this letter.

You are requested to take the same on records.

For Fedbank Financial Services Limited

S.Rajaraman
Company Secretary & Compliance Officer
Mem. No: F3514

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION
OF
FEDBANK FINANCIAL SERVICES LIMITED**

Version 1

Document Title	Code of practices and procedures for fair disclosure of unpublished price sensitive information of Fedbank Financial Services Limited
Effective Date	10th February, 2023
Frequency of review	Annual
Document Owner	Secretarial Department
Document Approver	Board of Directors

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. INTRODUCTION

In accordance with the provisions of Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of the Company, is required to adopt this Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information.

2. DEFINITIONS

- (i). **“Act”** shall mean the Companies Act, 2013 and rules made thereunder, as amended.
- (ii). **“Board”** shall mean the board of directors of the Company.
- (iii). **“Code”** means this code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information.
- (iv). **“Chief Investor Relations Officer”** means a senior officer as may be designated from time to time.
- (v). **“Company”** shall mean Fedbank Financial Services Limited.
- (vi). **“Compliance Officer”** means any senior officer, designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Insider Trading Regulations, and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules of preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified under the Insider Trading Regulations under the overall supervision of the Board. Compliance Officer means the Company Secretary for the purpose of this Code. Compliance Officer shall be any such person as the Board may appoint from time to time to be Compliance Officer in relation to this Code.
- (vii). **“Designated Persons”** means:
 - a) the promoter of the Company;
 - b) Board of directors (executive, non-executive and independent, whether whole-time or not);
 - c) Key Managerial Personnel as defined under the Companies Act 2013;
 - d) Heads of all core departments of the Company;
 - e) All Employees of the Company who are (i) up to two levels below the chief executive officer, and (ii) in specified departments including secretaries to whole-time directors

- f) The Company secretary of the Company;
 - g) support staff of the Company, such as IT staff or secretarial staff, including part – time employees, secondees, interns, etc. who have access to Unpublished Price Sensitive Information; and
 - h) Such other officers / employees of the Company as may be decided by the Board of Directors in consultation with the Compliance Officer from time to time, on the basis of their function and role in the organization.
 - i) Any other employee of the Company, as may be designated or notified by the Company from time to time for meeting the objectives of the Code.
- (viii). **“Insider Trading Regulations”** means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
- (ix). **“Promoter”** means The Federal Bank Limited.
- (x). **“Stock Exchange”** shall mean a recognised stock exchange on which the securities of the Company are listed.
- (xi). **“Unpublished Price Sensitive Information”** or **“UPSI”** means any information, which relates, directly or indirectly, to the Company or its securities, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company.

“Generally available” information means information that is accessible to the public on a non-discriminatory basis. Information which is published on the website of stock exchange/s where the securities of the Company are listed or published by way of a press release by the Company, would ordinarily be considered generally available.

UPSI includes, without limitation, information relating to the following:

- i. Financial results, financial condition, projections or forecasts;
- ii. Dividends (both interim and final)
- iii. Significant corporate events, such as a pending or proposed acquisition or joint venture;
- iv. Changes in auditors as per statutory requirement or otherwise or auditor notification that the issuer may no longer rely on an audit report
- v. Events regarding the Company's securities (such as buy back plans, stock splits, changes to the rights of security holders, public or private sales of additional securities or information related to any additional funding);
- vi. Bankruptcies, receiverships or financial liquidity problems or defaults in payment of interest or principal of debenture holders
- vii. Positive or negative material developments in outstanding litigation, investigations or regulatory matters with significant impact on financial results; or
- viii. Any changes to the Company’s Board of Directors or the Company’s key managerial personnel and key agreements with them
- ix. Any significant changes to the Company’s capital structure
- x. Amalgamation, Merger or takeover

Terms and expressions used shall have the meanings assigned to them in ‘Fedbank Financial Services Limited - Code of Conduct for Regulating, Monitoring And Reporting of Trading By Insiders’ or the SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Companies Act, 2013 and rules and regulations made thereunder (each as amended).

3. CHIEF INVESTOR RELATIONS OFFICER

The Compliance Officer is being appointed as the Chief Investor Relations Officer, who shall be responsible for, and deal with, the dissemination of information and disclosure of Unpublished Price Sensitive Information. The Compliance Officer shall be responsible for ensuring that the Company complies with the continuous disclosure requirements of the Insider Trading Regulations and this Code.

4. PURPOSE AND SCOPE

4.1 Prompt public disclosure of Unpublished Price Sensitive Information

Unpublished Price Sensitive Information shall be disclosed to the Stock Exchanges and disseminated promptly on a continuous basis as soon as credible and concrete information comes into being in order to make such information generally available.

4.2 Uniform and Universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure

The Unpublished Price Sensitive Information shall be disseminated uniformly and universally to all stakeholders through Stock Exchanges and by posting the same on official website of the Company i.e. www.fedfina.com. The Company shall use its best endeavors to avoid selective disclosure of price sensitive information. However, if any information gets disclosed selectively or inadvertently or otherwise, endeavor shall be made to make generally available the above information through dissemination of the same to Stock Exchanges and/or by posting the same on the official website of the Company as soon as practicable.

4.3 Procedures for responding to any queries on news reports and/or requests for verification of market rumors by regulatory authorities

Chief Investor Relations Officer shall ensure that appropriate, fair and prompt response shall be submitted to all queries on news reports and/ or requests for verification of market rumors received from regulatory authorities.

4.4 Need to know

Unpublished Price Sensitive Information shall be handled on a “need to know” basis i.e. Unpublished Price Sensitive Information shall be disclosed only to those within the Company who need the information to discharge their official duties or to discharge of legal obligations, and subject to Chinese walls.

4.5 Communication and procurement of Unpublished Price Sensitive Information

The determination of ‘legitimate purposes’ in relation to communication or procurement of

Unpublished Price Sensitive Information under regulation 3 of the Insider Trading Regulations, shall be made by the Board or the Authorised Personnel basis the 'Operating Guidelines for Determination of Legitimate Purpose & Approval for Sharing of UPSI and for Inclusion of Persons on Sensitive Transactions', attached as Annexure A, and subject to procedure mentioned therein.

5. GENERAL

- i. The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision or amendment in accordance with the applicable law as may be issued by relevant statutory, governmental or regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder. The Code shall be reviewed annually by the Board.
- ii. The Company does not have shares listed on stock exchanges, The Company has issued non convertible debentures on private placement basis and Commercial Papers which are listed on BSE. Therefore the applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and this Code will be complied with from time to time.
- iii. The Compliance officer review and modify the formats for submitting disclosures, as may be appropriate, from time to time.
- iv. Employees are advised to acquaint themselves with their obligations under the Regulations. The Compliance Officer is available for clarification / assistance that may be necessary in interpretation of this Code.

Annexure A

Operating Guidelines for Determination of Legitimate Purpose and Approval for Sharing of Unpublished Price Sensitive Information

1. Introduction

These ‘Operating Guidelines for Determination of Legitimate Purpose and Approval for Sharing of Unpublished Price Sensitive Information and for Inclusion of Persons on Sensitive Transactions’ (“**Operating Guidelines**”) have been framed in accordance with the Regulation 3(2)(A) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. and is formulated under the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

2. Scope

These Operating Guidelines shall cover sharing of any unpublished price sensitive information (“**UPSI**”) in ordinary course of business with existing or proposed partners, collaborators, lenders, distributors, customers, suppliers, merchant bankers, legal advisors, insolvency professionals or other advisors or consultants engaged or appointed by the Company or for any other genuine or reasonable or bona fide purpose with any person (including the Promoter).

The process shall also not be applicable where UPSI is sought to be shared with the stock exchanges where the securities of the Company are listed, any judicial, quasi-judicial or regulatory authority in India or any department of the Government of India, Government of any State or Union Territory of India or of any other nation where the Company operates. The exemption shall also extend to any specific agency appointed by such authorities or the Government.

3. Definitions

Words and expressions used in these Operating Guidelines shall have the meanings assigned to them in ‘Fedbank Financial Services Limited - Code of Conduct for Regulating, Monitoring And Reporting of Trading By Insiders’ or the SEBI (Prohibition of Insider Trading) Regulations, 2015, 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 rules and regulations made thereunder (each as amended).

4. Determination of Legitimate Purpose

Legitimate means anything that is conforming to the laws or rule. Hence, a behavior, which is in conformance to the laws, is a legitimate act. Any act done with acceptable principles of reasoning or is sensible and valid and can said to be a legitimate act.

‘Legitimate purpose’ shall be determined on case-to-case basis by the Compliance Officer or any other officer of the Company authorised by the Managing Director in this behalf (“**Authorised Officer**”) on a request from any designated employee (“**Requesting Employee**”) for sharing UPSI on the basis of the below mentioned principles:

- (a) **Nature and Extent of UPSI:** What is the nature and extent of the UPSI which is being sought.
- (b) **Purpose:** For what purpose is the data being sought (including, for instance, towards any

genuine corporate purpose or to discharge a fiduciary duty or in the interest of a body of public shareholders or stakeholders in the Company or transactions in the public interest or transactions undertaken without an intent to make profit or to gain unlawfully or without a view to misuse information, or the like).

- (c) **Necessity:** Is the data requested of utmost necessity for the purpose it is being sought.
- (d) **Interest:** Is it in the best interests of the Company and its shareholders, to protect the interest of the Company and its shareholders or is it in public interest and without any intention to make profits / gains or avoid losses unlawfully.
- (e) **External Circumstances:** the purpose to be evaluated in context of (i) the circumstances which are effecting the Company at that time, and (ii) any information that is generally available about the Company, at that time.

In addition to the above, the Authorised Officer may keep in mind the following factors:

- (a) information intended to be available only for legitimate purposes and not for the personal benefit of anyone.
- (b) if there are two purposes further to which the UPSI is being shared i.e., one being legitimate purpose, and the other being illegal or merely for the purpose of personal benefit of anyone, the existence of the legitimate purpose would not ‘sanitize’ the illegitimate ones.
- (c) the concept of legitimate purpose is best referenced in the negative i.e., where it is not for an illegitimate purpose (such as the misuse of such information for personal gain or illegal profit).
- (d) in the event the Authorised Officer is contemplating multiple purposes for selective sharing of UPSI, each purpose will be evaluated on its own merits, in line with the principles set out herein.

An indicative list of purposes which may be considered as ‘legitimate purposes’ is provided herein below:

- (a) Sharing of UPSI in the ordinary course of business with existing or proposed partners, collaborators, lenders, distributors, customers, suppliers, credit rating agencies, merchant bankers, legal advisors, insolvency professionals or other advisors or consultants engaged or appointed by the Company.
- (b) Sharing of UPSI in furtherance of performance of duties (including any corporate or fiduciary duties) and obligations of a person in their capacity as an employee or director of the Company as per the terms of his / her employment or appointment and/or the applicable laws.
- (c) Sharing the information with intermediaries and fiduciaries such as auditors (statutory auditors, secretarial auditors, internal auditors, cost auditors, co-source internal auditor, management auditor)
- (d) Sharing the information with merchant bankers, management consultants, partners, collaborators or other advisors or consultants.
- (e) For the purpose of legal, financial or any other professional advice to be obtained or for

accounting or audit or for defense to be prepared for court cases.

- (f) Sharing of UPSI relating to the Company with its Promoter, subject to there being a legitimate purpose as determined by the Company and there having been no unfair advantage gained in this respect or misuse of information by the communicator or the recipients, and the same not being in conflict with the interests of Promoter or the Company.
- (g) In compliance with applicable laws, regulations, rules and requirements.
- (h) Sharing of UPSI pursuant to any contractual obligations entered by the Company set forth in any contract, agreement, arrangement, settlement or undertaking.
- (i) Sharing of information with statutory auditors, secretarial auditors, internal auditors or cost auditors, Independent Chartered Accountants, Valuers or such other auditors/professional firms while obtaining any certificate required for placing any transaction for approval before the Board.
- (j) Sharing of financial information for preparation of consolidated financial statements of holding company or any other company, if any (if so required) in accordance with applicable law.
- (k) Sharing of UPSI arising out of business requirement including requirement for the purposes of promoting business of the Company, strategies of business, statutory consolidation requirements or related customary disclosure obligations which may require sharing of UPSI with any outsider or Promoter, who in turn may share it with its promoter(s) as well as with their advisors, consultants, intermediaries, fiduciaries.
- (l) Sharing of financial information with investor shareholders holding over 5% stake in the Company till such time the Company becomes equity listed.
- (m) Sharing of UPSI for any other genuine, reasonable or bona fide purpose as may be determined by the Authorised Officer or the Board in accordance with the operating guidelines.
- (n) Sharing of UPSI to Investors with respect to transactions that may trigger an open offer under Takeover Regulations or otherwise but shall be in the best interests of the Company

Provided that sharing of UPSI shall be on a need-to-know basis and should not be carried out to evade or circumvent the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Board of Directors may from time to time determine and add more clarity to criteria for determining legitimate purposes.

5. Request for Determination of Legitimate Purpose and sharing of UPSI

The request for determination of legitimate purpose and sharing of UPSI shall clearly specify the following:

- (a) Brief particulars of assignment for which UPSI is sought to be shared.

(b) Nature and brief details of UPSI sought to be shared.

(c) Rationale for sharing of UPSI.

The above request should also be accompanied with following details of all persons, whether natural or legal, with whom the information is intended to be shared:

- (a) Name of the natural / legal person or entity.
- (b) In case of legal person or entity, names of natural persons with whom information will be shared.
- (c) E-mail addresses of entity and natural persons.
- (d) Permanent Account Number (“PAN”) of entity and natural persons.
- (e) In absence of PAN, Aadhaar Number or any other government proof
- (f) Contact numbers of entity and Mobile numbers natural persons.
- (g) Such other documents / information as may be deemed necessary, by the Authorised Officer.

The requesting employee shall be responsible to ascertain the veracity of above details provided and also to update / refresh the list from time to time.

In case the requesting employee is the Authorised Officer, determination of legitimate purpose and sharing of UPSI shall be approved by the Managing Director & Chief Executive Officer.

6. Serving of Notice and execution of Non-Disclosure Agreements (“NDA”)

A due notice shall be served to every person with whom UPSI is shared prior to sharing of information making them aware of nature of the information and liabilities attached in case of misuse or unauthorised disclosure / leakage of that information.

The Authorised Officer may in exceptional circumstances require execution of NDA with any person with whom UPSI is being shared as legitimate purpose before sharing of such information. In case of a legal person or an entity, NDA is required to be executed only with such legal person / entity which should explicitly mention that such legal person / entity shall be responsible to keep the information confidential till the time it is made generally available by the Company or any judicial, quasi-judicial or regulatory authority.

7. Maintenance of digital database

A digital database of all persons with whom UPSI is shared shall be maintained in such manner to ensure time-stamping and audit trails with adequate internal controls and checks which should contain the information mentioned in Paragraph 5 above and date of sharing of the UPSI.

The above information must be shared with the Compliance Officer by the requesting employee on real-time basis through e-mail.

The Compliance Officer under the supervision of Board of the Directors shall maintain, the nature of UPSI, names of the persons who have shared the information, and also the names of such persons with whom information is shared, along with their PAN (or any other identifier where PAN is not available) in a digital database. (Requirement of PAN or any other identifier is not applicable to statutory requisitions). A digital database shall be maintained with adequate internal controls and

checks such as time stamping and audit trails to ensure non-tampering of the database and non-leakage of UPSI. This database shall be kept confidential and shall not be outsourced.

The Board of Directors shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

8. Deviations to the process

The Authorised Officer shall be responsible to ensure compliance with the guidelines. In case any deviations are observed, those shall be reported to the Audit Committee.

9. Review

The guidelines shall be subject to annual review by the Audit Committee and Board.