MD & CEO

SBICAP TRUSTEE COMPANY LIMITED ("STCL")

CONFLICT OF INTEREST POLICY

I. Purpose –

The Company has an existing Conflict of Interest Policy. Recently by the amendments to the Regulation 15(6) and Regulation 15 (1) (i) of the SEBI (Debenture Trustee) Regulation, 1993 ("DT Regulation"), the Securities and Exchange Board of India (SEBI) has, inter-alia, mandated that debenture trustees carry out the independent due diligence and obligates the debenture trustees to ensure that security / assets of the debenture issuer or security providers are sufficient to always discharge the interest and redemption of principal amount of debt securities of the Issuer Company.

SEBI has advised all the Debenture Trustee registered with SEBI to have a Conflict-of-Interest Policy for appointment of external experts and advisors like practicing Chartered Accountant, practicing Company Secretaries, Registered Valuers, practicing Advocates etc. for carrying out the due diligence by debenture trustees before creation of securities.

As a sequel to the SEBI's direction and to meet our requirement of external and advisers to carry out the due diligence on Pan India STCL need to have a panel of the professionals / advisers.

The purpose of this policy is to amend the existing Policy to further provide that the experts and advisers proposed to be appointed by STCL for carrying out the due diligence of the assets of the Issuer Companies also do not have any conflict of interest with the Issuer Companies. Experts and advisers should not have worked or be working for the Issuer Companies previously.

II. Definitions –

a. **Due Diligence**: Due diligence means or could be to ensure that the assets of the Issuers or security providers are sufficient to discharge the interest and redemption of principal amount with respect to debt securities of the Issuers at all times, ascertaining the existing encumbrances and obtaining the pari-passu letter / NOC from existing charge holder, obtaining the title search report valuation reports etc. as the case may be.

b. **Assets**: Assets means movable, immovable properties or any other assets of the Issuer / security providers on which charge is proposed to be created including the title deeds or title reports issued by the legal counsel / advocates, copy of

c. evidence of registration with the Sub-Registrar, Registrar of Companies, CERSAI etc. including the assets of the personnel and corporate guarantors as may be applicable

d. **External Experts and Advisers**: External Experts and Advisers means a practicing Chartered Accountant. Practicing Company Secretaries, Registered Valuer, practicing Advocates / Law Firm etc. engaged for carrying out the due diligence by STCL either on initial stage before creation of security or subsequently till the debenture issue is fully redeemed.

e. **Conflict of Interest**: Conflict of interest means external experts and advisers proposed to be engaged for carrying out the due diligence do have previous dealings and associations with the Issuers Companies during immediately preceding 3 years of their proposed engagement.

III. Procedure:

1. STCL preferably empanel the professionals / consultants on its panel who are already on the panel of the State Bank of India.

2. Engagement of the professionals has to be from the approved Panel only.

3. However, the Company may empanel and engage any other professionals/consultants not empanelled with SBI, if found suitable and necessary for the smooth conduct of its business. However, any such empanelment shall be made with the written approval of the MD&CEO.

4. A line of confirmation / email or an undertaking in support of confirmation that there is no conflict of interest may be obtained, if required, from the Issuer and external experts / professionals and place on record or In all cases a letter of appointment to the external experts should be issued and the format of letter is already finalized.

5. The appointment of external experts / professional may lead to the outsourcing of work and there it should be ensured that the external experts / advisers to whom the respective assignment / work is given is capable and competent and at the same time is quickly responsive to STCL.

This shall come into effect from 1st April,2021.

(R.L.N Rao)
AVP (Risk & Compliance)

Date: - 25th March 2021.
Place: Mumbai