



**Code of Conduct for Prohibition of Insider
Trading and Internal Procedures**



**CODE OF CONDUCT FOR PROHIBITION OF INSIDER
TRADING AND INTERNAL PROCEDURES**

(Version: V14)



Code of Conduct for Prohibition of Insider Trading and Internal Procedures

<i>Policy Name</i>	
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Relevant Act/Rules/Regulations

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015



Code of Conduct for Prohibition of Insider Trading and Internal Procedures

This code shall be known as the Code of Conduct for Prohibition of Insider Trading and Internal Procedures formulated by IndoStar Capital Finance Limited pursuant to the requirements of Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended or modified or supplemented from time to time (“Insider Trading Regulations” or “PIT Regulations”), and it is to be read in conjunction with and shall stand auto-corrected with related regulations, circulars, guidance notes or any changes / modifications / clarifications which may be advised from time to time by the Securities and Exchange Board of India (“SEBI”) and/or other regulatory / statutory authorities.

1 APPLICABILITY

- 1.1 This self-regulated Code is applicable to all insiders including Directors, Designated Persons and Connected Persons of the Company.
- 1.2 The provisions of this Code are in addition to the PIT Regulations.

2 DEFINITIONS

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

- (a) “**Act**” means the Securities and Exchange Board of India Act, 1992.
- (b) “**Audit Committee**” means the audit committee constituted by the Board of Directors in accordance with provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.
- (c) “**Board**” or “**Board of Directors**” or “**Directors**” means the members of the board of directors of the Company, appointed from time to time, in accordance with the articles of association of the Company and provisions of the Companies Act, 2013.
- (d) “**Code**” means this Code of Conduct for Prevention of Insider Trading and Internal Procedures, as amended from time to time.
- (e) “**Company**” or “**IndoStar**” or “**ICFL**” means IndoStar Capital Finance Limited and shall include its successors/assigns.
- (f) “**Compliance Officer**” means the company secretary of the Company and, in his/her absence, any other senior officer, designated so and reporting to the Board of Directors as may be specified, who is capable of appreciating requirements for legal and regulatory compliance under the PIT 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 Code under the overall supervision of the Board of Directors.
- (g) “**Connected Person**” means
 - (i) any person who is or has during the 6 (six) months prior to the concerned act been associated with the Company, in any capacity, directly or indirectly,



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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, whether temporary or permanent, with the Company, that allows such a person, directly or indirectly, access to UPSI 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) a Relative of connected persons specified in clause (i) above; or
 - b) a holding company or an associate company or a 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 recognised or authorized by SEBI; 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 the company or his Relative or banker of the Company, has more than ten per cent of the holding or interest or
 - k) a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
 - l) a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);
- (h) **“Dealing in Securities”** or **“Trading”** means and includes an act of subscribing, redeeming, switching, buying, selling, dealing, or pledging or agreeing to subscribe, redeem, switch, buy, sell, deal in or pledge of the Company’s Securities as principle or agent and, the term “trade” shall be construed accordingly.
- (i) **“Designated Persons”** includes:
- (i) Promoter(s) of the Company;



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- (ii) member of the Promoter Group;
 - (iii) directors of the Company and its material subsidiaries;
 - (iv) KMP of the Company and its material subsidiaries;
 - (v) Employees up to two levels below Managing Director of the Company and its material subsidiaries having position Assistance Vice President – I and above ;
 - (vi) Employees at the level of vice president and above of the Company and its material subsidiaries at the corporate office;
 - (vii) zonal business heads and zonal collection heads of the Company and its material subsidiaries;
 - (viii) all Employees in the Corporate Lending & Markets Department, Operations - Corporate Lending & Markets, Corporate Legal Department, Secretarial & Compliance Department, Finance & Accounts Department, Treasury Department, IT Department, Risk Department, CEOs Office of the Company at the corporate office;
 - (ix) support staff who have access to UPSI as identified and approved by management committee; and
 - (x) such other persons as may be notified by the Compliance Officer with approval of the management committee from time to time.
- (j) **“Employee(s)”** means all the employees on the payroll of the Company.
- (k) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media;
- (l) **“Immediate Relative(s)”** means a spouse of a person, and includes parent, sibling and child(ren) 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;
- (m) **“Insider(s)”** means any person who is:
- i. a Connected Person; or
 - ii. in possession of or having access to UPSI;
- (n) **“Insider Trading Regulations”** or **“PIT Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- (o) **“Informant Employee”** means an individual who during employment with the Company may become privy to information relating to or become aware of violation(s) of insider trading laws and voluntarily files with SEBI, a voluntary information disclosure form in a manner provided under the Insider Trading Regulations. Informant Employee shall include a director, or regular or contractual Employee of the Company, but does not include an advocate.
- (p) **“Key Managerial Personnel”** or **“KMP”** means persons as defined in the Companies



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Act, 2013.

- (q) **“Legitimate Purpose”** shall have the meaning assigned to it under the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.
- (r) **“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.
- (s) **“Promoter Group”** 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.
- (t) **“Relative(s)”** shall mean the following:
 - (i) spouse of the person;
 - (ii) parent of the person and parent of its spouse;
 - (iii) sibling of the person and sibling of its spouse;
 - (iv) child of the person and child of its spouse;
 - (v) spouse of the person listed at sub-clause (iii); and
 - (vi) spouse of the person listed at sub-clause (iv)
- (u) **“Securities”** shall mean Securities as defined under the Securities Contract (Regulation) Act, 1956 or any modification thereof.
- (v) **“Trading Day(s)”** shall mean a day on which recognised stock exchanges are open for Trading.
- (w) **“Unpublished Price Sensitive Information”** or **“UPSI”** means any information, relating to 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 Securities of the Company and shall ordinarily include but not be 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 business, award or termination of order/contracts not in the normal course of business and such other transactions;
 - (v) changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
 - (vi) change in rating(s), other than ESG rating(s)
 - (vii) fund raising proposed to be undertaken;
 - (viii) agreements, by whatever name called, which may impact the management or control of the Company
 - (ix) fraud or defaults by the Company, its promoter, director, key managerial



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personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the Company, whether occurred within India or abroad;

- (x) resolution plan/restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;
 - (xi) admission of winding-up petition filed by any party/creditors and admission of application by the tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency process against the Company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
 - (xii) initiation of forensic audit, by whatever name called, by the Company or any other entity for detecting misstatements in financials, misappropriation/siphoning or diversion of funds and receipt of final forensic audit report;
 - (xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, promoter or subsidiary, in relation to the Company;
 - (xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the Company;
 - (xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the Company not in the normal course of business; and
 - (xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- (x) **“Working Day”** shall mean the working day when the regular Trading is permitted on the concerned stock exchange where Securities are listed.

Capitalised terms used in this Code but not defined herein shall have the meanings ascribed to them under the PIT Regulations.

3 PURPOSE OF THE CODE

- 3.1 This self-regulated Code is adopted to maintain the highest ethical standards whilst dealing in Securities of the Company.
- 3.2 The provisions of the Code are designed to *inter-alia* prohibit:
- (i) Trading / Dealing by Insider directly or through any agent or on behalf of any other person in Securities when in possession of UPSI; and
 - (ii) Communicating, providing or allowing access directly or indirectly, of any UPSI to any person.

Explanation: The above shall not be applicable to any communication which is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations by an Insider who is in possession of UPSI.

- 3.3 This Code is adopted to regulate, monitor and report Trading by Designated Persons towards



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achieving compliance with the PIT Regulations. The Code also serves to implement the requirements of the Insider Trading Regulations on such matters.

4 COMPLIANCE OFFICER

- 4.1 Compliance Officer shall report to the Board of Directors of the Company and shall provide reports to the chairman of the Audit Committee of the Company at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.
- 4.2 The Compliance Officer shall be responsible for:
- (i) setting forth policies, procedures, monitoring, adherence to the rules for the preservation of UPSI;
 - (ii) grant of pre-trading approvals to the Designated Persons for Trading in the Company's Securities by them / their Immediate Relatives
 - (iii) monitoring trades by Designated Persons and their Immediate Relatives in the Securities of the Company and implementation of this Code under the overall supervision of the Board/ Audit Committee;
- 4.3 The Compliance Officer shall maintain a record of Designated Persons and Immediate Relatives updated from time to time in consultation with the human resources department / functional heads of the Company.
- 4.4 The Compliance Officer shall assist all Designated Persons in addressing any clarifications regarding the Insider Trading Regulations and the Code.
- 4.5 Designated Persons and Employees shall be responsible to ensure compliance with this Code by their Immediate Relatives/ such other person(s) for whom they take Trading decisions, wherever such compliance is prescribed in this Code.

5 ACCESS TO UPSI

- 5.1 Insiders shall maintain the confidentiality of all UPSI, to the extent available with them. They shall not pass on such information to any person directly or indirectly whether by way of making a recommendation for the purchase or sale of Securities or otherwise.
- 5.2 All information shall be handled within the Company on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information lays down the Company's policy on determination of "legitimate purpose".
- 5.3 Chinese Wall
- In order to prevent impermissible uses of UPSI, the Company has established "Chinese Walls" procedure that separates those Insiders which routinely have access to UPSI, considered as inside areas from those persons, which are forming part of the public areas.
- As per the said procedure –
- (i) The Designated Persons in the inside areas are not permitted to communicate any UPSI to any persons in the public areas.



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- (ii) The Designated Persons in the inside areas may be physically separated from the persons in the public areas.
- (iii) The demarcation between inside areas and public areas shall be decided by the Compliance Officer in consultation with the Managing Director.
- (iv) In exceptional circumstances, the persons from public areas may be brought over the wall and given UPSI on a need-to-know basis with the prior intimation to the Compliance Officer.

6 PREVENTION OF MISUSE OF UPSI AND RESTRICTION ON COMMUNICATION OF UPSI

- 6.1 No Insider shall either on his own behalf or on behalf of any other person trade in Securities of the Company when in possession of UPSI, except as may be permitted under the Insider Trading Regulations and this Code. Such trades, if executed, would be presumed to have been motivated by knowledge and awareness of such UPSI.
- 6.2 An Insider shall maintain confidentiality of all UPSI in his possession. Insiders/ Designated Persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards:
 - a. files containing confidential information shall be kept secure.
 - b. computer files must have adequate security of login through a password.
 - c. follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the information technology function.
- 6.3 No person shall procure from or cause an Insider to/ or an Insider shall not communicate, provide, or allow access to UPSI directly or indirectly, to any person including other Insider(s), except where such communication is in furtherance of Legitimate Purposes, performance of duties, discharge of legal obligations or for transactions mentioned Regulation 3(3) of the Insider Trading Regulations, subject to compliance with the Insider Trading Regulations and this Code.
- 6.4 The Insider shall prior to/ upon communication of UPSI, submit nature of UPSI shared, list of recipients (persons/ entities) of UPSI along with their Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available and email id of such person(s)/ entities to the Compliance Officer. The Compliance Officer shall ensure that such identified persons/ entities are given notice to maintain confidentiality of UPSI in compliance with the Insider Trading Regulations. Such database with the nature of UPSI, the name of the persons who have shared the UPSI, the name of the person with whom UPSI is shared, along with permanent account number or any other identifier authorized by law where Permanent Account Number is not available shall be maintained with adequate internal controls and checks such as time stamping, audit trails to ensure non-tampering of the database. The entry of information, not emanating from within the Company, in database will be done not later than 2 calendar days from the receipt of such information. The database shall be preserved for a period of not less than 8 (eight) years after completion of the relevant transactions and in the event of receipt of any information from SEBI regarding any investigation or enforcement proceedings, the relevant information in the database shall be preserved till the completion of such proceedings.



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- 6.5 Instances of leak/ suspected leak of UPSI shall be reported under the whistle blower policy / vigil mechanism of the Company in the form of 'Protected Disclosure(s)' as defined therein. Inquiry of such instances shall be carried out in the manner as 'Protected Disclosures' are investigated under the whistle blower policy / vigil mechanism of the Company.

7 TRADING WINDOW

- 7.1 The Designated Persons and/or their Immediate Relatives shall not trade in Securities of the Company when the Trading window is closed. The Trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Person(s) can reasonably be expected to have possession to UPSI. Such closure shall be imposed in relation to such Securities to which such UPSI relates. Provided that, for UPSI not emanating from within the Company, trading window may not be closed.
- 7.2 Without prejudice to the foregoing, the Trading window shall be closed from the end of every quarter. The Trading window shall be re-opened when it is so determined by the Compliance Officer, which in any event shall not be earlier than 48 (forty-eight) hours after the information becomes generally available or after declaration of financial results. In respect to declaration of financial results, the Company will ensure that the gap between clearance of accounts by the Audit Committee and subsequent meeting of the Board should be as narrow as possible and preferably on the same day, to avoid leakage of material information.
- 7.3 Restriction on Trading when Trading window is closed shall not be applicable to the following trades subject to compliance with the Insider Trading Regulations and other laws applicable to the Company:
- trades undertaken pursuant to exercise of stock options,
 - pledge of shares for a *bona fide* purpose such as raising of funds,
 - acquisition by conversion of warrants or debentures,
 - subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time,
- such other trades as prescribed in the Insider Trading Regulations.

8 PRE-CLEARANCE OF TRADES

- 8.1 When the Trading window is open, the Designated Persons or their Immediate Relatives who intend to trade in the Securities of the Company shall undertake transactions only after obtaining prior approval of the Compliance Officer by writing to sjain4@indostarcapital.com (refer Annexure III). Application for pre-clearance shall be in the form prescribed and intimated by the Compliance Officer. Such application should be complete and correct in all respects and should be accompanied by such undertakings and declaration as may be prescribed by the Compliance Officer from time-to-time. In case of Trading by the Compliance Officer or his Immediate Relatives, prior approval for Trading in Securities of the Company shall be obtained from the chief financial officer or Managing Director of the Company.
- 8.2 No pre-clearance shall be required for exercise of stock options.



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- 8.3 No Designated Person shall apply for pre-trading approval if such person is in possession of UPSI, even if the Trading window is not closed.
- 8.4 The Compliance Officer shall either clear the requested trade or decline the requested trade within three (3) Working Days of the receipt of the application. In case the Compliance Officer declines the requested trade, he shall assign reasons in writing for doing so. If the Designated Person(s) or their Immediate Relatives do not receive any response from the Compliance Officer within the aforesaid period of three (3) Working Days, the requested trade shall be deemed to have been declined by the Compliance Officer.
- 8.5 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant applying for pre-clearance is not in possession of any UPSI related to Securities of the Company for which pre-clearance is sought. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 8.6 The Designated Person(s) or their Immediate Relatives shall execute their trade in Securities of the Company, for which pre-clearance is given, within 7 (seven) Trading Days after the approval of pre-clearance is given. If the trade is not executed within 7 (seven) Trading Days after the approval is given, the Designated Persons or their Immediate Relatives must pre-clear the transaction again.
- 8.7 The Designated Person(s) or their Immediate Relatives shall report to the Compliance Officer at sjain4@indostarcapital.com details with respect to trades executed after securing pre-clearance, decisions not to trade after securing pre-clearance along with reasons for such decisions in the form as prescribed and intimated by the Compliance Officer. The Compliance Officer shall, with the approval of the Managing Director / chief financial officer/ chairman of the Audit Committee, be entitled to seek declarations, demat account statement(s), bank account statement(s) etc, in order to verify the details submitted by the Designated Person(s) or their Immediate Relatives with respect to execution / non-execution of pre-cleared trade(s).
- 8.8 The Designated Person shall file, within 2 (two) Trading Days of the execution of the trade, the details of such trade with the Compliance Officer in the prescribed form (refer Annexure IV). In case the transaction is not undertaken, a report to that effect shall be filed.
- 8.9 If a trade is not executed by the concerned Designated Person / Immediate Relatives pursuant to the approval granted by the Compliance Officer within 7 (seven) Trading Days, the Designated Person shall within 3 Trading Days of expiry of the above mentioned 7 (seven) Trading Days, file the details of such 'not executed' trades in the prescribed format (refer Annexure VI). Further, such Designated Person shall apply once again to the Compliance Officer for pre clearance of the transaction covered under the said approval if he intends to continue with the trade along with the filing made by such Designated Person in Annexure VI.

9 TRADING PLANS

- 9.1 Designated Persons and Insiders shall be entitled to formulate a Trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
- 9.2 Such Trading plan shall:



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- a. not entail commencement of Trading on behalf of the Designated Person or Insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;
- b. not entail overlap of any period for which another Trading plan is already in existence;
- c. set out following parameters for each trade to be executed;
 - (i) either the value of trade to be effected or the number of securities to be traded;
 - (ii) nature of the trade;
 - (iii) either specific date or time period not exceeding five consecutive Trading Days;
 - (iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
 - A. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the Trading plan and upto twenty per cent higher than such closing price;
 - B. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the Trading plan and upto twenty per cent lower than such closing price. and
- d. not entail Trading in Securities for market abuse.

9.3 The Compliance Officer shall review the Trading plan to assess whether the plan would have any potential for violation of the PIT Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved Trading plan.

Provided further that Trading window norms shall not be applicable for trades carried out in accordance with an approved Trading plan.

9.4 The Trading plan once approved shall be irrevocable and the Designated Person or Insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the Securities outside the scope of the Trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.

Provided that the implementation of the Trading plan shall not be commenced if any UPSI in possession of the Designated Person or Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation. Provided further that if the Designated Person or Insider has set a price limit for a trade under sub-clause (iv) of clause (c) of Paragraph 9.2 above, the Designated Person or Insider shall execute the trade only if the execution price of the Security is within such limit. If price of the Security is outside the price limit set by the Designated Person or Insider, the trade shall not be executed.

The Compliance Officer shall approve or reject the Trading plan within two Trading Days of receipt of the Trading plan and shall notify the approved plan to the stock exchanges on which the Securities are listed, on the day of approval.



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10 RESTRICTIONS ON OPPOSITE TRANSACTION / CONTRA TRADE

- 10.1 The Designated Persons or their Immediate Relatives, who buy or sell any Securities of the Company shall not enter into an opposite transaction/contra trade in the same Securities of the Company for a period of not less than 6 (six) months.
- 10.2 Restrictions on opposite transaction / contra trade shall not be applicable to trade undertaken pursuant to exercise of stock options.
- 10.3 The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the Insider Trading Regulations. Should an opposite transaction/contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by it under the Act.

11 DISCLOSURES

11.1 Initial Disclosure

Every person on appointment as Key Managerial Personnel or Director or upon becoming a Promoter or member of Promoter Group of the Company, shall disclose to the Company, in such form and such manner as may be specified by SEBI from time to time, details of Securities of the Company held as on date of appointment or becoming a Promoter or member of Promoter Group, by him, his Immediate Relatives and such other person(s) for whom he takes Trading decisions, within 7 (seven) days of such appointment or becoming a Promoter or member of Promoter Group, as the case may be (refer **Annexure V**).

11.2 Continual Disclosure:

- a. The Designated Persons (which includes Promoters and Director(s)) and member(s) of Promoter Group) shall disclose to the Company, in such form and such manner as may be specified by SEBI from time to time, the number of Securities of the Company acquired or disposed of by Designated Persons or member(s) of Promoter Group or their Immediate Relatives or such other person(s) for whom they take Trading decisions, within 2 (two) Trading Days of such transaction (refer **Annexure IV**).
- b. The Company shall notify the particulars of such Trading, if the value of such Securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten Lakhs) or such other value as may be specified, to the stock exchange on which the Securities of the Company are listed in such form and such manner as may be specified by SEBI from time to time, within 2 (two) Trading Days of receipt of the disclosure or from becoming aware of such information.

11.3 Annual Disclosure:

The Designated Persons shall make following Annual Disclosures to the Company:

- a. **Annexure V** for holding in Securities of the Company, by such Designated Persons and their Immediate Relatives and such other person(s) for whom such Designated Persons take Trading decisions, as on 31 March every year. Such disclosure shall be submitted by 30 April of that year.



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- b. Name, phone, mobile & cell numbers and Permanent Account Number / or any other identifier authorized by law, for himself, Immediate Relatives, persons with whom Designated Person shares a material financial relationship, in the form and manner set out in Annexure VII.

“material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a Designated Person during the immediately preceding 12 (twelve) months, equivalent to at least 25% (twenty five percent) of the annual income of such Designated Person but shall exclude relationships in which the payment is based on arm’s length transactions.”

- c. Information submitted under Clause 11.3.2. shall be updated by the Designated Person, immediately in case of any change.
- d. The disclosures required under this clause 11.1, clause 11.2 and clause 11.3 may also be made through electronic filing by sending e-mails to sjain4@indostarcapital.com or in accordance with such systems as may be approved by the Compliance Officer.

11.4 The Company may at its own discretion require any person including a Connected Person or class of Connected Person(s) to make such disclosures of holdings and / or Trading in the Securities of the Company in such form and manner and at such frequency as may be determined by the Company in order to monitor compliance with the Insider Trading Regulations and this Code.

11.5 Internal Controls System

The Managing Director of the Company shall in consultation with the management committee and the Compliance Officer put in place adequate and effective internal control system to ensure compliance with the requirements given in the Insider Trading Regulations and this Code.

11.6 Reporting to the Audit Committee:

- a. The Audit Committee shall, at periodic intervals (half yearly / annually), review status of compliance with the Insider Trading Regulations and this Code and also verify that the internal control system are adequate and operating effectively. The Compliance Officer shall place necessary reports, information and documents, as may be required by the Audit Committee for the purpose of periodic review.
- b. The Compliance Officer shall maintain records of all the declarations / disclosures in appropriate forms submitted under this Code for a minimum period of 5 (five) years.

11.7 Code for Fair Disclosure and Conduct

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information which is published on the website of the Company, www.indostarcapital.com.

12 PROTECTION TO AN INFORMANT EMPLOYEE

The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against an Informant Employee. Protection against discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination shall be provided to an Informant Employee, caused by



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the reason of:

- a. filing a voluntary information disclosure form under the Insider Trading Regulations;
- b. testifying in, participating in, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- c. breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

13 PENALTY FOR CONTRAVENTION OF THE CODE

- 13.1 Without prejudice to the above, any Insider who trades in any Securities of the Company or communicates any information for Trading in Securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.
- 13.2 Insiders who violate the Code may also be subject to disciplinary action by the Company. The penalty may include financial and other penalties including but not limited to fine, disgorgement, wage freeze, suspension, recovery, clawback etc.
- 13.3 Penalties as mentioned in Annexure I shall be levied by the Board of Directors / Audit Committee / management committee for any and all instances of violations of the Policy and/or the Insider Trading Regulations.
- 13.4 Any amount collected pursuant to disciplinary action shall be remitted to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.
- 13.5 The action taken by the Company shall not preclude SEBI / stock exchanges from taking any action in case of violation of the Insider Trading Regulations.
- 13.6 In case it is observed by the Company / Compliance Officer that there has been a violation of the Insider Trading Regulations, stock exchange(s) where the concerned Securities of the Company are traded, shall be informed by the Company promptly in such form and such manner as may be specified by SEBI from time to time.
- 13.7 The effectiveness of internal controls set out in respect to prohibition of insider trading shall be subject to evaluation and review by the Company on a periodic basis.
- 13.8 **THIS POLICY IS ONLY AN INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. YOU ARE REQUESTED TO UNDERSTAND AND OBSERVE THE SPIRIT AND THE INTENT BEHIND THIS CODE. IT IS THE RESPONSIBILITY OF EACH AND EVERY INDIVIDUAL IN THE ORGANISATION TO ENSURE COMPLIANCE WITH INSIDER TRADING REGULATIONS AND OTHER RELATED STATUTES FULLY.**



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Annexure I

Following penalties shall be levied by the Board of Directors / Audit Committee / management committee for any and all instances of violations of the Policy and/or the Insider Trading Regulations:

(Amount in INR)

Nature of non-compliance / violation	Promoter	Board of Directors	Senior Vice President and above	Employees below Senior Vice President
Category	1	2	3	4
Communication of Unpublished Price Sensitive Information (“UPSI”) which is otherwise than in furtherance of legitimate purposes, performance of duties or discharge of legal obligations	2,00,000	2,00,000	1,00,000	50,000
Trading in Securities when trading window is closed	1,00,000	1,00,000	50,000	25,000
Entering into an opposite transaction during the next 6 months following the prior transaction	1,00,000	1,00,000	50,000	25,000
Trading in Securities without pre-clearance when trading window is open	50,000	50,000	50,000	25,000
Failure to inform trading details within two Trading Days of executing transaction requiring intimation under this Policy / Insider Trading Regulations	25,000	25,000	25,000	15,000

1. For violations by Immediate Relative of a Designated Person or violations by person for whom Designated Person takes trading decisions, the concerned Designated Person will be subjected to penalty.
2. In case of repeat offences, the penalty to be levied on concerned Designated Person shall be two times of the aforesaid amounts.
3. For any other non-compliance and violations, the Designated Person shall be given warning letters however repeat violation of same nature shall be subjected to penalty of INR 5,000/- for each instance of repeat violation.
4. In addition to above, in case of sale of Securities in violation of this Policy and/or the Insider Trading Regulations, the Designated Person shall also be subjected to



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disgorgement of profits i.e. any profit made by the Designated person in the transaction under review, shall be levied as penalty.



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Forms:

ANNEXURE II - FORMAT - REGISTER OF DESIGNATED PERSONS

ANNEXURE III - FORMAT FOR APPLICATION FOR PRE-TRADING APPROVAL AND UNDERTAKING/ DECLARATION TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-TRADING

ANNEXURE IV - FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS UNDERTAKEN

ANNEXURE V - FORMAT OF STATEMENT OF HOLDINGS BY PROMOTER / KEY MANAGERIAL PERSONNEL/ DIRECTOR/ DESIGNATED PERSON AND THEIR IMMEDIATE RELATIVES

ANNEXURE VI - FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS NOT UNDERTAKEN

ANNEXURE VII – FORMAT FOR DISCLOSURE OF DETAILS OF IMMEDIATE RELATIVES AND PERSON WITH WHOM DESIGNATED PERSON SHARES A MATERIAL FINANCIAL RELATIONSHIP