



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UNPUBLISHED PRICE SENSITIVE INFORMATION**

(Version: V4)

## I. INTRODUCTION

1. In compliance with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (the “**PIT Regulation**”) and pursuant to the requirement under Regulation 8 of the PIT Regulations, the Company has formulated this Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the “**Code**”). This Code 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.
2. For the purpose of this Code, the Company has identified and designated a Compliance Officer to administer this Code and the Company’s code of conduct for prohibition of Insider Trading and internal procedures formulated by the Company pursuant to the requirements of Regulation 9 of the PIT Regulations (“**Insider Trading Code**”) and other requirements under the PIT Regulations.

## II. DEFINITION

- (a) “**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.
- (b) “**Code**” means this Code of Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as amended from time to time.
- (c) “**Company**” or “**IndoStar**” or “**ICFL**” means IndoStar Capital Finance Limited and shall include its successors/assigns.
- (d) “**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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the Code under the overall supervision of the Board of Directors.
- (e) “**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, 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.



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- (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 Securities and Exchange Board of India Act, 1992 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).
- (f) **“Insider(s)”** means any person who is:
- (i) a Connected Person; or
  - (ii) in possession of or having access to UPSI.
- (g) **“Securities”** shall mean securities as defined under the Securities Contract (Regulation) Act, 1956 or any modification thereof.
- (h) **“PIT Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
- (i) **“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;
- (j) **“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



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ordinarily include but not be restricted to, information relating to the following:

- (iii) financial results;
- (iv) dividends;
- (v) change in capital structure;
- (vi) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- (vii) changes in key managerial personnel.

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

### III. PRINCIPLES FOR FAIR, TIMELY AND ADEQUATE DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

1. The Company will 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.
2. The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall ensure prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.
5. It is hereby clarified that the Company will make public disclosure with respect to any matter only after it has taken a concrete or definitive decision. Accordingly, the Company shall not make any public disclosures in case where any proposal is in progress, or there are impending negotiations or where requisite approvals is awaited from any statutory/ regulatory authority or where such disclosure would not be appropriate or where it could prejudice the Company's interest.
6. The Company will provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
7. The Company will ensure that information shared with analysts and research personnel is not unpublished price sensitive information.

8. The Company will develop and implement 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.
9. The Company will handle all Unpublished Price Sensitive Information on a need-to-know basis. The Company will communicate or procure any UPSI only for furtherance of a legitimate purpose or performance of duties or discharge of legal obligations.

The Board of Directors may stipulate further guideline(s), procedure(s), code(s) in order to ensure fair disclosure of Unpublished Price Sensitive Information.

#### **IV. POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE**

1. No insider shall communicate, provide or allow access to any unpublished price sensitive information relating to the Company or its securities to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
2. The term 'legitimate purpose' shall include sharing of Unpublished Price Sensitive Information in the ordinary course of business or on a need to know basis by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, promoters and / or its affiliates / associates / group entities, subsidiaries or governmental or statutory authorities, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulation.

Mentioned below is the illustrative list of events where sharing of Unpublished Price Sensitive Information would be considered as sharing for 'legitimate purpose':

- a) sharing pursuant to obligations under various laws, regulations, directions, notifications, guidelines, applicable to the Company;
- b) sharing under the direction of any court, judicial or quasi-judicial, regulatory or statutory authority;
- c) sharing pursuant to obligations arising out of any contracts, agreements or arrangements entered by the Company;
- d) Sharing of relevant UPSI with consultants, advisors, intermediaries, auditors and other parties engaged by the Company in relation to the subject matter of the proposed deal / assignment / mandate in relation to such UPSI; where such consultants, advisors, intermediaries, auditors are bound by confidentiality obligations with respect to the UPSI;
- e) sharing for business requirement including requirement for the purposes of promoting the business and strategies of business, which may include sharing with promoters and / or its affiliates / associates / group entities;
- f) sharing with promoter and / or its affiliates / associates / group entities for statutory consolidation requirements or mandatory disclosure obligations as per laws applicable to them.



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3. Whether sharing of Unpublished Price Sensitive Information for a particular purpose will qualify as 'legitimate purpose' would entirely depend on the specific facts and circumstances of each case.
4. In case of any doubt, the Designated Person intending to share UPSI may consult the respective Head of the Department or Compliance Officer in order to confirm if the sharing of such UPSI is for a legitimate purpose.
5. Any person in receipt of unpublished price sensitive information pursuant to a 'legitimate purpose' shall be considered an 'insider' for the purposes of the Regulation and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the Regulation.
6. Before sharing of the UPSI, the concerned person sharing the UPSI shall ensure that names and other details as required of the recipients of UPSI are entered in the Structured Digital Database maintained by the Company.

### V. SHARING OF UPSI IN CERTAIN CASES

Notwithstanding anything contained in the PIT Regulation and this Code, an Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–

- (i) entail an obligation to make an open offer under the takeover regulations where the board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the company;
- (ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the company and the information that constitute Unpublished Price Sensitive Information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

### VI. STRUCTURED DIGITAL DATABASE UNDER REGULATION 3(5) OF THE REGULATIONS

In terms of Regulation 3 (5) of the Regulations, a Structured Digital Database shall be maintained inter-alia containing the nature of UPSI and the names of such persons who have shared the information and also the names of the persons or entities, as the case may be, with whom unpublished price sensitive information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Structured Digital Database shall contain the

information as prescribed under the Regulations. Such database shall not be outsourced and shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The structured digital database shall be 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 SEBI regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceeding.

#### **VII. ISSUE OF NOTICE TO THE RECIPIENT OF UPSI UNDER OF REGULATION 3 (2B) OF THE REGULATIONS**

Any person in receipt of such UPSI pursuant to a “legitimate purpose” shall be considered as an “insider” in terms of Regulation 3 (2B) of the PIT Regulations and due notice shall be given to such person(s) with regard to their obligation to maintain confidentiality of such UPSI, in compliance with the PIT Regulations.

The said notice shall be given to such insider to inform:

- a. that the information shared with him / her, is an UPSI relating the Company.
- b. his / her duties and responsibilities upon receipt of such UPSI and the liability attached to any misuse or unwarranted disclosure / misuse of such UPSI, on his / her part or by person acting on his behalf.
- c. to maintain confidentiality of such UPSI, in compliance with the Regulations, failing which, the Company would have the right to initiate appropriate legal action.

#### **VIII. PENALTY FOR CONTRAVENTION OF THE CODE**

In the event of any breach of this Code, then the penalty procedure as specified in paragraph 13 of the Code will be followed.

#### **IX. DISCLOSURE AND AMENDMENTS**

1. This Code shall be published on the website of the Company.
2. This Code is subject to review from time to time. This Code and every amendment thereto shall be intimated to the stock exchange(s) where the securities of the Company are listed.
3. The Board shall have the power to review and amend this Code from time to time. The effectiveness of the internal practices and procedures for fair disclosure of UPSI shall be subject to evaluation and review by the Company on a periodic basis in accordance with the PIT Regulations.

4. **THIS POLICY IS ONLY AN INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES FOR FAIR DISCOLSURE OF UPSI. 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 AND INDIVIDUALS OTHERWISE IN POSSESSION OF HAVING ACCESS TO UPSI TO ENSURE COMPLIANCE WITH THE PIT REGULATIONS AND OTHER RELATED STATUTES FULLY.**