

# **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

## **KAPIL RAJ FINANCE LIMITED**

### **DEFINITIONS**

**“Unpublished Price Sensitive Information” (“UPSI”)** means any information, relating to a company or its securities, directly or indirectly, that is not generally available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 the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
- v. changes in key managerial personnel.

“Legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants in order to perform duty or discharge of legal obligation i.e. on need to know basis, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulation.

### **1. Introduction**

Securities Exchange Board of India (SEBI) vide its notification dated January 15, 2015 had issued SEBI (Prohibition of Insider Trading) Regulation, 2015 and further amended the same vide its notification dated December 31, 2018 to put in place a framework for prohibition of insider trading in securities and strengthen the legal framework thereof.

Regulation 8 requires that the board of directors of KAPIL RAJ FINANCE LIMITED is required to formulate a code of practices and procedures for fair disclosure of unpublished price sensitive information.

Accordingly the Board of Directors of KAPIL RAJ FINANCE LIMITED has formulated the Fair Disclosure Code which would be effective from 1st April, 2019.

### **2. Overseeing and Co-Coordinating Disclosure**

The Board shall appoint the Compliance Officer of KAPIL RAJ FINANCE LIMITED who shall be responsible for overseeing the timely and adequate public disclosure of Unpublished Price

Sensitive Information as required under this Disclosure Code and the Regulations

The responsibilities of the Compliance Officer shall include overseeing and co-ordinating the disclosure of Price Sensitive Information to stock exchanges, analysts, shareholders and the media. Routine disclosures to the stock exchanges shall continue to be made by designated officers who have responsibility for making such disclosures.

Any disclosure / dissemination of Unpublished Price Sensitive Information (unless mandated by the Regulations or the Code of Conduct) on behalf of KAPIL RAJ FINANCE LIMITED shall be first approved by the Compliance Officer. In the case of doubt as to whether any information is Unpublished Price Sensitive Information or not, the same shall be referred to Compliance Officer.

In the event of disclosure / dissemination of Unpublished Price Sensitive Information without the approval of the Compliance Officer by a Insiders, such insiders shall inform the Compliance officer about such disclosure / dissemination as soon as possible.

### 3. Need to Know

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within and outside KAPIL RAJ FINANCE LIMITED who need to know such Unpublished Price Sensitive Information to discharge their duty and whose possession of such Unpublished Price Sensitive Information will not give rise to a conflict of interest or appearance of misuse thereof.

### 4. Responding to Market Rumours

Any query or request for verification of market rumours received from stock exchanges, the press, the media or any other source received by a KAPIL RAJ FINANCE LIMITED shall ordinarily be directed to the Compliance Officer.

If deemed necessary by the Compliance Officer, he shall make a public announcement for verifying or denying the rumours and thereafter make appropriate disclosures.

All requests and queries for verifications of market rumours shall be documented as far as practicable. In this regard, the Compliance Officer shall request for all queries and requests be made in writing.

## 5. Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors

The Compliance Officer shall to the extent possible, be invited to the meetings and conferences with analysts and institutional investors, organized by KAPIL RAJ FINANCE LIMITED.

All Insiders shall adhere to the following guidelines while dealing with analysts and institutional investors:

### Sharing of non-public information

1. Investors and analysts should only be given access to Generally Available Information. However, in the event that any information that is not generally available is provided to an institutional investor, analyst or researcher then KAPIL RAJ FINANCE LIMITED shall ensure that such information is simultaneously made available to the public as well.
2. In any event, disclosure of any information that is not Generally Available Information (irrespective whether such information is price sensitive or not) shall only be made with the prior approval of the Compliance Officer.

### Handling of unanticipated questions

1. Insiders shall take extra care and caution while dealing with unanticipated questions during meetings with analysts, brokers, researchers and / or institutional investors.
2. Unanticipated questions should be noted and only be given considered responses (which have been approved by the Compliance Officer). If responding to such unanticipated questions requires dissemination of Unpublished Price Sensitive Information, then the Compliance Officer shall first disseminate such Unpublished Price Sensitive Information to the public and only subsequently respond to such unanticipated question.

### Simultaneous release of information

1. In the event that KAPIL RAJ FINANCE LIMITED proposes to organise meetings with analysts, brokers, researchers and / or institutional investors, the Compliance Officer shall to the extent possible ensure that all such meetings are webcasted on KAPIL RAJ FINANCE LIMITED website.
2. In the event that webcasting of meetings referred to above is not possible, the Compliance Officer shall ensure that KAPIL RAJ FINANCE LIMITED makes a press release, post relevant information on KAPIL RAJ FINANCE LIMITED website, or release relevant information or through any other effective medium.

## 6. DETERMINATION OF LEGITIMATE PURPOSE

The Guidelines for determination of legitimate purpose shall be under:

- a) Any person in receipt of UPSI for a "legitimate purpose" shall be considered as "insider" for purposes of the Regulations and the Code.
- b) The Designated Person who is sharing the UPSI with anyone shall ensure that the same is shared for legitimate purpose.
- c) The Designated Person shall simultaneously provide details of the person [i.e. Name of the person, Entity, Medium of sharing, Purpose of sharing etc.] with whom such UPSI is shared to the Company Secretary.
- d) Upon receipt of UPSI for legitimate purpose, such person to maintain the confidentiality of UPSI in compliance with the Regulations and the Code.

## 7. Medium of Disclosure / Dissemination

All material disclosures made by KAPIL RAJ FINANCE LIMITED to stock exchanges shall be updated and maintained on its website.

## AMENDMENTS

Any amendment(s) made in SEBI (Prohibition of Insider Trading) Regulations, 2015 and other related Regulations shall apply mutatis mutandis to the Code of Practices & Procedures for Fair Disclosure of UPSI.