

Kotak Mahindra Investments Limited  
Policy on Sharing of Unpublished Price  
Sensitive Information

Approval authority	Board
Approved on	January, 2022
Owner of the policy	Secretarial
Review frequency	Once in two years
Previous Version	1.01 dated Jan, 21

## **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPS)**

Kotak Mahindra Investment Limited's policy is to maintain an active and open communication with the shareholders, institutional investors, analysts and potential investors regarding the Company's historical performance and future prospects. The Company is committed to fair disclosure of information to its investors in compliance with all applicable laws. The Company believes that when information is equally available to all, there is no distinct advantage that insiders can capitalize on.

### **Prompt public disclosure of unpublished price sensitive information**

The Company would disclose the events and occurrences that would affect price discovery in the market no, sooner than credible and concrete information comes into being in order to make such information generally available. Following is the indicative list of events, which are material and/or price sensitive and would require disclosure:

<b>Sr. No.</b>	<b>Events &amp; Occurrences which are material and/or price sensitive</b>
1	Financial results
2	Commencement, Acquisitions, Scheme of Arrangement (amalgamation/merger/demerger/restructuring) or sale/disposal of any division/business/subsidiary
3	Dividends
4	Material effects arising out of change in the applicable regulatory framework
5	Revision in ratings
6	Change in capital structure
7	Miscellaneous events <ul style="list-style-type: none"><li>• Change in directors/KMPs, Auditors, Compliance Officer</li><li>• Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals</li></ul>
8	Change in general character or nature of business -
9	Arrangements for strategic, technical, manufacturing, marketing or financial tie-up
10	Material disruption of operations of the Company due to natural calamity, force majeure and events such as strikes, lockouts
11	Litigation/dispute/regulatory action with a material impact
12	Material fraud/defaults etc. by directors/employees/agents of the Company
13	Adoption of new line of business except lending
14	Any other event as approved by Chief Executive Officer (CEO)

### **Uniform and universal dissemination of unpublished price sensitive information**

The Company would disclose the events/release the information immediately to the Stock Exchange(s) first before releasing it to others.

In case where the unpublished price sensitive information - which has not been given to the Stock Exchanges but has been released to a section of the market viz. at the investor/analyst meet or at the media briefing or through its publication on a website or in social media, the Company should immediately give the information to the Stock Exchanges for release to the market.

Chief Financial Officer would deal with dissemination of information and disclosure of unpublished price sensitive information to the stock exchanges, analysts, shareholders and media. Information

disclosure/dissemination needs to be approved in advance by the Chief Financial Officer. If information is accidentally disclosed without prior approval, the person responsible may inform the Chief Financial Officer immediately.

### **Appropriate and fair response to comments, speculation in media and market rumours**

The Company will make appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities. However, this should not compromise sharing of UPSI and the Company will ensure to comply with all its disclosure obligations.

### **Sharing of unpublished price sensitive information (UPSI) – Policy for determination of ‘Legitimate Purpose’**

#### **Definition of Legitimate Purpose**

The term “legitimate purpose” shall include sharing of unpublished price sensitive information (UPSI) in the ordinary of business by an insider with the partners, collaborators, lenders, customers, suppliers, merchant Bankers, legal advisors, auditors, credit rating agencies, statutory/regulatory authorities, directors, vendors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibition of the Regulations.

#### **Determination of Legitimate Purpose**

The assessment of whether sharing of UPSI for a particular instance would tantamount to ‘legitimate purpose’ would depend on the specific facts and circumstances of such case.

In respect of the proposed transactions which are required to be specifically approved by the Board of Directors, the Board shall approve and permit communicating, providing, allowing access to UPSI where it is of the informed opinion that the sharing of such information is in the best interest of the Company and is for the legitimate purpose with respect to those proposed transactions.

Where the information is required to be shared in the ordinary course of business, the CFO in consultation with the CEO is authorized to evaluate the specific instances of sharing of UPSI under this Policy based on the following guiding principles:

- Whether sharing of UPSI is on need-to-know basis and not to evade or circumvent the prohibition of the Regulations;
- Whether the sharing of UPSI is in the best interest of the Company and mandatory for performance of duties or discharge of legal obligations;
- Whether sharing of UPSI is with intermediaries/fiduciaries for assisting/advising the Company in relation to a proposal/deal;
- Whether sharing of UPSI is with persons for legitimate business purposes;
- Whether sharing of UPSI is with persons with whom a Non-Disclosure Agreement / Confidentiality Agreement has been entered into for keeping the information confidential.

The CFO shall take care to ensure that he/she is reasonably satisfied that UPSI being shared is for a legitimate purpose in the ordinary course of business and not to evade or circumvent the prohibitions of the Regulations. The CFO may also consult the CEO while determining legitimate purpose. The Secretarial Department would need to centrally maintain the data in this regard, in a digital form that is time stamped and having requisite trails.

### **Sharing of UPSI**

Until such time the UPSI becomes generally available, it can be shared only on need-to-know basis and for legitimate purpose in relation to the subject matter of proposal, and for performance of duties or discharge of legal obligations.

Once the UPSI is shared, the Recipient of UPSI essentially becomes an “Insider” as per the Company’s Trading Code of Conduct and the Regulations.

The concerned official of the Company shall before sharing the UPSI ensure the following:

- Compliance of the process for protection of UPSI as laid down.
- Sharing of UPSI to be in line with the Company’s Policy for determination of ‘Legitimate Purpose’.
- Notice to be given to the recipient of UPSI to maintain confidentiality by way of execution of confidentiality/non-disclosure agreements.
- Recipient of UPSI to be sensitized or informed about the confidentiality of the matter in order to avoid any leakage.
- Recipient of UPSI to be given a copy of the Company’s Trading Code of Conduct.
- Obligations under the Company’s Trading Code of Conduct and the Regulations to continue till the information continues to be UPSI and to cease when it becomes generally available.
- Details of the Provider and Recipient of UPSI to be maintained by the Company digitally, including the Permanent Account Number (PAN) or any other identifier authorised by law where PAN is not available. The records should be time stamped and having requisite trails.
- Utmost care would be taken to ensure that the information shared with analysts/research personnel/large investors like institutions is not unpublished price sensitive information.
- Presentations/Transcripts/records of proceedings of the meetings with analysts and other investor relations conferences would be made available on the Company’s website.

### **Amendment to the Code**

In case of any subsequent changes in the regulatory provisions, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every two years and updated accordingly.