

CSFB.2023-2024/503

February 20, 2024

**BSE Limited
Listing Compliance
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Maharashtra**

**National Stock Exchange of India Limited
The Listing Department,
Exchange Plaza,
Bandra Kurla Complex,
Mumbai - 400 051
Maharashtra**

Subject: Intimation pursuant to Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015

Dear Sir/Madam,

Pursuant to the Regulation 8 read with Schedule A and other applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, please find attached herewith "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" as adopted by the Board of Directors of the Bank.

This is for your information and kindly take the same on your record.

Thanking You,

**For and in behalf of
Capital Small Finance Bank Limited**

**Amit Sharma
Company Secretary and Compliance Officer
F10888**

Encl: as above



Capital Small Finance Bank Limited

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www.facebook.com/capitalbankindia | CIN : U65110PB1999PLC022634



CAPITAL SMALL FINANCE BANK LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

CAPITAL SMALL FINANCE BANK LIMITED

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1. Introduction

- 1.1.** The Securities Exchange Board of India ("SEBI") notified the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- 1.2.** Pursuant to Regulation 8(1) of the Regulations, the Capital Small Finance Bank Limited ("the Bank" or "Bank") is required to formulate a code of practices and procedures for fair disclosure of unpublished price sensitive information ("Fair Disclosure Code"). Accordingly, the Board of Directors of the Bank ("Board") has formulated this Disclosure Code.

2. Scope

- 2.1.** The Bank endeavors to preserve the confidentiality of unpublished price sensitive information (UPSI) and to prevent its misuse. To achieve these objectives, and in compliance with the Regulations, Bank has adopted this Fair Disclosure Code.
- 2.2.** This Code ensures timely and adequate disclosures of UPSI which would impact the price of its securities and to maintain uniformity, transparency and fairness in dealing with all its stakeholders.
- 2.3.** The Bank is committed to timely and accurate disclosure based on applicable legal and regulatory requirements.

3. Definitions

- 3.1. "Chief Investor Relation Officer"** means Compliance Officer of the Bank.
- 3.2. "Compliance Officer"** means Company Secretary or such other senior officer, reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these SEBI PIT Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the codes specified in these SEBI PIT Regulations under the overall supervision of the Board of Directors of the Bank. Compliance officer will function as "Chief Investor Relations Officer" for the purpose of this Fair Disclosure Code and for the relevant Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders.
- 3.3. "Connected Person"** (i) any person who is or has during the six months prior to the concerned act been associated with the bank, directly or indirectly, in any capacity 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 bank or holds any position including a professional or business relationship between himself and the bank whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information 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. an Immediate Relative of connected persons specified in clause (i); or
 - b. a holding company or associate company or 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 the Board; 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 a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

3.4. "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis;

3.5. "Immediate Relative" means a spouse of a person, and includes parent, sibling, and child 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;

3.6. "Insider" means any person who is:

- i. a Connected Person; or
- ii. in possession of or having access to Unpublished Price Sensitive Information;

3.7. "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

3.8. "Unpublished Price Sensitive Information" or "UPSI" means any information, relating to the Bank 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, delistings, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel

Words and expressions used and not defined in this policy but defined in the SEBI (Prohibition of Insider Trading Regulations), 2015 or in any other regulation or the Companies Act, 2013 and rules made thereunder, shall have the meanings respectively assigned to them in those legislation/Act.

4. Responsibility of CIRO

CIRO shall be responsible for dissemination of information and disclosure of Unpublished Price Sensitive Information ("UPSI").

In the temporary absence of the CIRO for any reason whatsoever, the Managing Director & Chief Executive Officer shall nominate any other official of the Bank to be responsible for dissemination of information and disclosure of UPSI.

5. Disclosure under this code

- 5.1.** The Bank shall promptly give 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.

Timelines stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or in any other regulations as may be applicable or as amended from time to time, with respect to prior intimations / notices / notifications and disclosures shall be strictly observed by the CISO to ensure prompt public disclosure of Unpublished Price Sensitive Information.

- 5.2.** CISO shall ensure uniform and universal dissemination of UPSI to avoid selective disclosure.
- 5.3.** CISO shall promptly disseminate Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 5.4.** Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 5.5.** Ensuring that information shared with analysts and research personnel is not UPSI.
- 5.6.** Developing 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.
- 5.7.** Handling of all unpublished price sensitive information on a need-to-know basis.

6. Determination of legitimate purpose

6.1. Sharing of Information

No insider shall communicate, provide, or allow access to any UPSI, relating to the Bank or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

No person shall procure from or cause the communication by any Insider of UPSI, relating to the Bank or securities listed or proposed to be listed, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.

All information shall be handled within the Bank 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 board of directors or head(s) of the department of every person required to handle UPSI shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this Policy along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The board of directors or head(s) of department of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is 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 Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings

For sharing of UPSI Information with personnel of other departments of the Bank or with outsiders, appropriate wall-crossing procedure as stipulated in Code of Conduct (Share dealing) shall be followed.

7. Sharing of 'UPSI' for Legitimate Purpose

7.1. Legitimate purpose shall include sharing of UPSI 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, provided that such sharing has not been carried out to evade or circumvent the prohibitions of Insider Trading regulations.

7.2. The determination of 'legitimate purpose' would be a subjective assessment, and would have to be evaluated on a case by case basis. As such, it would not be possible to prescribe an exhaustive list of circumstances that would be considered 'legitimate' at all times, for the purposes of sharing UPSI.

Any person in receipt of UPSI pursuant to Legitimate Purpose shall be considered an Insider for the purpose of these regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations.

8. Manner of dealing with Media, Analysts and Investors

8.1. Media Interactions: In cases of interactions with the Media by any of the function in the Bank in the course of undertaking business of the Bank, the concerned function head may carry out such interactions as required, subject to compliance with this Code of Fair Disclosure and any internal communication policy as may be made applicable to them.

8.2. Handling of unanticipated questions: Unanticipated questions from Analysts or any Investors may be taken on record by the Bank representatives and a considered response shall be given by the CISO at a later stage. If the answer includes UPSI, a public announcement shall be made by the CISO before responding to such question.

8.3. Rumours and speculation about the Bank: Rumours and speculation about the Bank can cause significant damage in the form of disruptions, negative publicity, loss of business and undermining of confidence in the Bank. As a general rule, the Bank policy is not to comment on such rumours and speculation. Any employee who becomes aware of such rumour or speculation should immediately inform the CISO. The CISO will decide on the course of action that may be necessary, including issue of a public announcement as soon as possible or any other written form of communication. Responding to queries raised on news reports and requests for verification of market rumours by the regulatory authorities/media should only be done by the CISO or his/ her designee(s)

9. Review of Code

This Code will be reviewed by the Board of Directors and may be amended, from time to time, in line with any amendments made to the Bank's policies, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the SEBI (Prohibition of Insider Trading) Regulations, 2015 and such other guidelines issued by SEBI.

10. Disclosure

This Code and any subsequent amendment(s) thereof shall be published on the Bank's official website (www.capitalbank.co.in) and shall also be promptly intimated to the Stock Exchange(s). The Board of Directors of the Bank is authorized to approve changes / amend this Code from time to time.