

PNB Gilts Limited

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

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Introduction

The Securities and Exchange Board of India ("SEBI") had introduced the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (the Regulations) in order to regulate the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Objective of the Code of Fair Disclosures

The Code of Practices and Procedures for Fair Disclosures is required for the Company to ensure timely and adequate disclosure of unpublished price sensitive information which would impact the price of the Company's securities and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavours to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information.

Definitions

- a) **'Compliance Officer'** for the purpose of these regulations means the Company Secretary assisted by Chief Financial Officer of the Company. In absence of the Company Secretary, Chief Financial Officer of the Company is authorized by the Board of Directors of the Company to discharge the duties of Compliance Officer under the regulations.
- b) **'Chief Investors Relations Officer'** means Compliance Officer of the Company.
- c) **'Company'** means PNB Gilts Limited
- d) **'Legitimate purpose'** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers,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 etc.
- e) **'Unpublished Price Sensitive Information' (UPSI)** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available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 include but not restricted to, information relating to the following:
 - financial results
 - dividends
 - change in capital structure
 - changes in key managerial personnel
 - mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions
 - any such other information which may materially affect the price of securities of the Company.

Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Applicability of the Code

The Code of Fair Disclosure shall be applicable to all the Designated Persons (includes Immediate Relatives) and Insiders of the Company.

In consonance with the principles of fair disclosure specified in SEBI (Prohibition of Insider Trading Regulations), 2015, (**Insider Trading Regulations**) the Company would adhere to following practice and procedure for fair disclosures in respect of unpublished price sensitive information (UPSI) relating to the Company and/ or its securities.

1. Prompt public disclosure of UPSI

Any information that could have a material impact on price of shares/ securities of the Company shall be promptly disclosed to Stock Exchanges where the shares/ securities of the Company are listed and the said information shall also be uploaded on the website of the Company. Such disclosure and uploading shall be in accordance with Company's Board approved policies on 'Determination of materiality of event / information' and 'Web-Archival Policy'.

2. Uniform and Universal dissemination of UPSI

The disclosure of unpublished price sensitive information shall be on a continuous, immediate, uniform basis and will be universally disseminated except when the same has been disclosed for Legitimate Purposes. The Company may consider others ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.

3. Overseeing and coordinating disclosure

The CIRO, for the purpose of these Regulations, shall oversee corporate disclosures and deal with dissemination of information and disclosure of UPSI. The CIRO shall be responsible for ensuring that the Company complies with continuous disclosure requirements and; overseeing and co-ordinating disclosure of unpublished price sensitive information to stock exchanges, on the website of the Company and media. CIRO may decide any other manner, as he/she may deem fit, to facilitate uniform and universal dissemination of UPSI. If information is inadvertently or otherwise disclosed selectively, without prior approval of CIRO, the person responsible shall inform the CIRO immediately, even if the information is not considered unpublished price sensitive. In such event of inadvertent, selective disclosure of UPSI, the CIRO shall take prompt action to ensure such information is generally made available.

4. Responding to market rumours

The CIRO shall promptly respond to queries or requests for verification of market rumours by exchanges.

The CIRO shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then make the disclosure. He/she shall also provide appropriate assistance and fair response to the regulatory authorities including the stock exchanges for verification of news reports and market rumours.

In the absence of the CIRO, the Chief Financial Officer and in his/her absence, the Managing Director shall discharge the role defined in this para.

5. Process of disseminating information in order to make the UPI sensitive information generally available

- Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- Company shall ensure that disclosure to stock exchanges is made promptly.
- The website of the Company may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers

6. Manner of dealing with research analyst and personnel

- a. The analyst calls shall be organized by the CIRO and CFO of the Company in consultation with the Managing Director of the Company, from time to time.
- b. Only public information to be provided- ensure that information shared with analysts and research personnel is not UPSI.
- c. Record of discussion- In order to avoid misquoting or misrepresentation, it is desirable that at least two Company's representative be present at meetings with analysts, brokers or institutional investors and discussion should preferably be recorded.
- d. Handling of unanticipated questions - The Company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes unpublished price sensitive information, a public announcement should be made before responding.
- e. Simultaneous release of information - When the Company organizes meetings with analysts, it shall make a press release or post relevant information on its website after every such meet.
- f. In case any disclosure of UPSI is inadvertently made at a meeting with analysts or at any investors relation conference, which if made public could materially impact the price of the securities of the Company on the stock exchange(s), would be promptly communicated to the stock exchanges on which the securities of the Company are listed, so as to ensure such information is generally available to the public.
- g. CIRO will be person who will be overall responsible for handing such analyst calls and he can be reached out by analysts, institutional investors for necessary queries.
- h. Pre-intimation and post transcript of analyst calls etc. shall be made available to the public in compliance with the provisions of the Insider Trading Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. General available information

The Company will promptly disclose the following information on the website of the Company and to the stock exchange in accordance with its policy on 'Determination of materiality of event / information':

- Declaration of Financial results (quarterly, half-yearly and annual)
- Declaration of dividends (interim and final)
- Issue of securities by way of public rights/bonus, etc.
- Any major expansion plans or winning of bid or execution of new projects
- Amalgamation, mergers, takeovers and buy-back
- Disposal of whole or substantially whole of the undertaking etc.

8. UPSI on Need-to-Know basis

Any information that may be classified as UPSI would be dealt with by the Designated Persons (includes their Immediate Relatives) and Insiders of the company on 'Need to Know' basis only i.e. no Insider (includes Designated Person) shall communicate, provide, or allow access to any UPSI relating to the company or its securities to any person including other Insider (includes Designated Person) except where such communication is in furtherance of legitimate purposes, performances of duties or discharge of legal obligations.

9. Determination of Legitimate purpose

- a. Following factors must be satisfied while determining what constitutes a Legitimate purpose
 - Must be shared in the ordinary of course of business or for Corporate Purpose;
 - Required to be done in furtherance of fiduciary duties or in fulfilment of any statutory or contractual obligation;
 - The information shared is in a manner which is considered as fair and transparent;
 - Information shared is in the interest of Company doesn't result in any personal gain to the Insider.; and
 - Such sharing has not been carried out to evade or circumvent the prohibitions of the Insider Trading Regulations or of any other Regulations that may be in force for the time being.
- b. While sharing unpublished price sensitive information for Legitimate purpose(s), following should be adhered to strictly:
 - The Insider before communicating any UPSI to any person for legitimate purpose shall first approach the "Authorised Person" who shall be responsible for assessing the need to share such information. The Authorised Person shall be Managing Director & CEO or in his absence, the relevant person second in command . The Authorised Person on being satisfied shall give a written confirmation to the Insider upon which the Insider may communicate the UPSI after entering the below details in Structured Database of the Company -
 - a. Details of UPSI shared.
 - b. Details of persons with whom such UPSI is shared (along with their Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available)
 - c. Details of persons who have shared the information (along with their Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available) - This would include the details of both recipient firm/co./organisation and the authorised person with whom the UPSI will be shared,; and
 - d. Such other details as may be prescribed under the Regulations.

For example: The listed company (X) has appointed a Law firm or Merchant Banker (Y) in respect of fund raising activity and (A) from listed company has shared the said UPSI with (B) of Law firm or Merchant Banker. The structured digital database of (X) should capture the nature of UPSI shared, details of (A), (Y) and (B), along with their PAN or other unique identifier (in case PAN is not available).

- Such database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

The Compliance Officer and Chief Financial Officer shall be responsible for maintaining the said database.

- The Company shall execute a non-disclosure agreement with the Recipient that the recipient will abide by the Regulations. A copy of said non-disclosure agreement shall be kept in record both by the relevant Department and the Compliance Officer. If the said agreement is not entered, then the Company, while sharing the unpublished price sensitive information with Recipient, shall give due notice to the Recipient to maintain confidentiality of such unpublished price sensitive information in compliance with these Regulations.
- UPSI shall be shared through secured email or other secured digital medium as approved by the Authorised Person.

10. Disclosure of Code on Public Domain

This Code and any amendment thereof will be published on the Company's website www.pnbgilts.com.

This Code and any subsequent amendment(s) thereto, shall also be promptly intimated to the Stock Exchange where the securities of the Company are listed.