

“श्री जी”



National General Industries Ltd.

An ISO 9001 : 2015 Certified Company

CIN No. : L74899DL1987PLC026617

Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information

(“Fair Disclosure Code”)

Preamble

National General Industries Limited (the “**Company**” or “**NGIL**”) has always stood for a fair and equitable flow of economic benefit to its shareholders. In its communication with investors, it has always endeavored to provide a healthy level of disclosure, with responsibility and caution in discussion about the future, transparency and equal dissemination of information to all its investors and analysts, current or prospective. The focus has and always will be on delivering performance rather than projection of future results. The Company welcomes enhanced sensitivity to equality in shareholder communication and has formalized its principles into a Code of Fair Disclosure.

The Securities and Exchange Board of India has formulated the SEBI Insider Regulations to prescribe a legal framework for prohibition of insider trading. In terms of the provisions of Regulation 8(1) of SEBI Insider Regulations, every listed company is required to formulate a Code of practices and procedure for fair disclosure of Unpublished Price Sensitive Information. Accordingly, the Company has formulated this Code of Fair Disclosure to ensure timely and adequate disclosure of Unpublished Price Sensitive Information.

Objective

This policy is adopted by National General Industries Limited (hereinafter referred to as the “**Company**” or “**NGIL**”), pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**SEBI Regulations**”), to the extent applicable. The objectives of this Code are:

- (i) to lay down general rules for prohibition of insider trading;
- (ii) to ensure fair and prompt public disclosure of Unpublished Price Sensitive Information; and
- (iii) to determine “legitimate purpose” for which UPSI may be shared by an ‘insider’ with persons outside the Company (example partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants).

Definition

“**Act**” means the Securities and Exchange Board of India Act, 1992.

“**Connected person**” means –

- (i) any person who is or has during the six months prior to the concerned act been associated with a company, 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 Company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such

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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 the company or his immediate relative, has more than ten percent of the holding or interest;

“Designated Persons” The following class of persons will be treated as Designated Persons for the purpose of the Code:

- (i) Promoters
- (ii) All the Directors of the Company
- (iii) **Employees based on functional role and access to UPSI** - All the officers (Scale I and above) of following departments:
 - a) Finance and Accounts
 - b) Strategy
 - c) Management Information System (MIS)
 - d) Treasury
 - e) Risk Management
 - f) Compliance
 - g) Stressed Asset Management
 - h) Audit and Inspection
 - i) Board Secretariat
 - j) MD & CEO's Secretariat
 - k) Executive Directors' Secretariat
 - l) Secretaries of all Chief General Managers (CGMs)/General Managers (GMs) posted at Central Office of the Bank
 - m) Employees posted at Department of Information Technology (DIT), identified by the Chief General

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Manager/General Manager (DIT) on quarterly basis based on their access to unpublished price sensitive information.

(iv) **Employees upto two levels below Board of Directors** of the company and its material subsidiary irrespective of their functional role in the company or ability to have access to unpublished price sensitive information.

**The employees referred above in sub-clause (iii) and (iv) are hereinafter referred to as “Designated Employees” for the purpose of the Code.*

“**Generally available information**” means information that is accessible to the public on a non-discriminatory basis.

“**Immediate relative**” means any of the following who is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities–

- a) Spouse
- b) Father
- c) Mother
- d) Brother
- e) Sister
- f) Son (including step-son)
- g) Daughter (including step-daughter)

“**Insider**” means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information.

Note: It may be clarified here that anyone in possession of or having access to unpublished price sensitive information should be considered an “insider” regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person levelling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

“**Unpublished Price Sensitive Information (UPS)**” 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 the securities and shall, ordinarily including but not restricted to,

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information relating to the following:

- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisition, delisting, disposals and expansion of business and such other transactions;
- (v) Changes in Key Managerial Personnel;

Information is “non-public” or “unpublished” until it has been widely disseminated to the public or is accessible to the public on a non-discriminatory basis and the public has had a chance to absorb and evaluate it.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

Background

General rules for prohibition of insider trading:

SEBI Regulations prohibit the communication of UPSI to any person except in compliance with applicable law. Further, trading (directly or indirectly through other persons) in the securities of any company when in possession of UPSI is also prohibited under law. Violations of the SEBI Regulations and the securities laws subject insiders to severe penalties including disgorgement of proceedings, fines and imprisonment as per law.

Fair and prompt public disclosure of UPSI:

Selective or exclusionary disclosure of certain non-public and price sensitive information is prohibited under the SEBI Regulations governing insider trading. This Policy is to ensure that such information is disseminated in an accurate, fair and timely manner to our shareholders and the financial markets; and that such information is not selectively disclosed to any one group of stakeholders, to the disadvantage of other stakeholders. Therefore, this Policy requires that, whenever the Company (or a person acting on its behalf) intentionally discloses UPSI to certain specified persons (including broker-dealers, analysts and security holders), the Company must simultaneously disseminate the information to the public.

Use of social media platforms to disclose material non-public information is considered selective disclosure and would violate provisions of this policy.

If the Company learns that it (or certain persons acting on its behalf) has unintentionally published price-sensitive information, the Company must publicly disseminate the information promptly and not later than 24 hours after discovering the unintentional disclosure.

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Legitimate Purpose:

Under the SEBI Regulations, there has to be a 'legitimate purpose' for which UPSI can be shared in the ordinary course of business by an insider with persons outside the company (example partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants).

Other relevant Policies:

This Policy is in line with the Company's Policy for Determining Materiality for Disclosures, which has been adopted pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), and the listing rules of the exchanges on which the Company's shares trade. The said Policy defines material events/information, and the criteria to determine the same. When a material event or information triggers disclosure, the Company shall promptly make disclosures to the stock exchanges as per law.

Code

1.1 Preservation of Unpublished Price Sensitive Information (UPSI):

1.1.1 No insider shall communicate, provide, or allow access to any unpublished price sensitive information, 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.

1.1.2 Department Heads shall identify all the UPSI available in their departments and shall ensure its confidentiality as per the requirement of this code.

1.1.3 Adequate restrictions shall be placed by the Department Head on communication or procurement of UPSI.

1.2 Limited access to Confidential Information:

1.2.1 All files containing confidential information shall be kept secured under lock and key.

1.2.2 Confidential documents/files shall be marked "**Confidential**" and access to such documents/files shall be made available on need to know basis.

1.2.3 Confidential Computer files shall have adequate security of login and Passwords.

1.2.4 Documents/Files containing confidential information should be deleted/ destroyed after its

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use. Shredders should be used wherever necessary for the destruction of physical files.

1.2.5 Chinese Wall Procedure and process as detailed hereinafter shall be followed by departments dealing with confidential information.

1.3 Prohibition on Unlawfully Procuring Possession of UPSI:

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

1.4 Chief Investor Relations Officer (CIRO):

Company Secretary (“CS”) shall be designated as Chief Investor Relations Officer (the “CIRO”). The CIRO shall deal with uniform and universal dissemination of information and disclosure of unpublished price sensitive information.

1.5 Need to know:

‘Unpublished Price Sensitive Information’ shall be handled on a ‘need to know’ basis. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

All non-public information directly received by any Employee should be reported to the head of his/her department/Compliance Officer immediately.

1.6 Dissemination of Unpublished Price Sensitive Information:

- 1.6.1 Unpublished price sensitive information may be communicated, provided, or allowed access to any employee other than the designated employee or to third parties if such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 1.6.2 The Company shall adopt a Chinese wall procedure to prevent the misuse of confidential information, which separates those areas of the Company which routinely have access to confidential information.
- 1.6.3 Department Heads to satisfy that UPSI is shared only for legitimate purposes among the authorised employees on need to know basis.

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- 1.6.4 Prior approval from CIRO shall be obtained by all the Departments before sharing any Unpublished Price Sensitive Information with any person or entity. CIRO shall after approving sharing of such information, send the details viz. nature of UPSI, names of such persons who have shared the information and names of such persons or entities with whom UPSI is shared along with the PAN or any other identifier authorized by law where Permanent Account Number is not available to Investor Services Division, Board Secretariat for updating the database.
- 1.6.5 Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 1.6.6 Appropriate and fair response of queries on news reports and requests for verification of market rumours by regulatory authorities by Compliance Officer as per information provided by the Department Heads whose departments such information pertains to.
- 1.6.7 Transcripts or records of proceedings of meeting with analysts and other investor relations conferences may be made available on the official website to ensure official confirmation and documentation of disclosures made.
- 1.6.8 An unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would: -
 - a. 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;
 - b. 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;
 - c. for purposes of para 5.6.5, the parties shall be required to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of para 4.6.1 and shall not
 - d. otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

2. Determination of Legitimate Purpose

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2.1 Meaning of Legitimate Purpose:

The term legitimate purpose includes 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, provided that such sharing has not been carried out to evade or circumvent the prohibition of this Code.

2.2 Recipient of UPSI pursuant to legitimate purpose to be deemed Insider:

Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered as an “insider” for purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with this Code by the person sharing such information.

2.3 Digital Data Base:

The Compliance Officer (“The Company Secretary of the Company”) under the supervision of Board of the Directors shall maintain, the nature of UPSI, names of the persons who have shared the information, and also the names of such persons with whom information is shared, along with their PAN (or any other identifier where PAN is not available) in a digital database. (Requirement of PAN or any other identifier is not applicable to statutory requisitions). A digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database and non-leakage of UPSI. This database shall be kept confidential and shall not be outsourced.

The Board of Directors 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.

2.4 Performance of Duties:

Performance of duties includes any task or performance that qualifies as a duty under a person’s course of employment.

2.5 Discharge of legal obligations:

Discharge of legal obligations includes situations where a person communicates any unpublished information of a company to an outsider as he is bound by the law. Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

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3. Disclosures

Code of Conduct for Fair Disclosure of UPSI and every amendment thereto shall be promptly intimated to the stock exchanges where Company securities are listed and Code shall be published on Company official website.

4. Limitation and amendment

In the event of any conflict between the provisions of this Policy and of the Act or SEBI (Prohibition of Insider Trading) Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI (Prohibition of Insider Trading Regulations) or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in this Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.