



Code of Conduct for Fair Disclosure of
unpublished Price Sensitive Information
(UPSI)

[THIS POLICY WAS APPROVED IN 256th MEETING OF THE BOARD OF DIRECTORS OF NABARD HELD ON 19 March 2024]

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
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Code of Conduct for Fair Disclosure of UPSI

Main Document

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Version Approval

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1			The Code is framed as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.	Board of Directors

1. Preface

Securities and Exchange Board of India (SEBI) vide Gazette notification no. LAD-NRO/GN/2014-15/21/85 dated 15th January 2015 had issued **Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**. As per the said Regulations, the Board of Directors of every entity, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI).

The Board of Directors of NABARD is empowered to review and amend this Code from time to time.

2. Objective

The Code of Practises and Procedures for UPSI (hereafter Code) is framed as per the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

3. Definition

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

3.2 “**Audit Committee**” means the audit committee constituted by the Board.

3.3 “**Bank**” means the National Bank for Agriculture and Rural Development (NABARD).

3.4 “**Board**” means the Board of Directors of NABARD.

3.5 “**Code**” means this Code of conduct for regulation / prohibition of Insider trading.

3.6 “**Connected person**” means -

- (i) any person who is or has during the six months prior to the concerned act been associated with NABARD, 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 NABARD or holds any position including a professional or business relationship between himself and NABARD whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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

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- 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 recognized or authorized by the Board; or
 - i) a banker of NABARD; or
 - j) a concern, firm, trust, Hindu undivided family, Bank or association of persons wherein a director of the NABARD or his immediate relative, has more than ten percent of the holding or interest;
- 3.7 **“Designated Persons”** The following persons or class of persons will be treated as Designated Persons for the purpose of the Code:
- (i) All the Directors of NABARD
 - (ii) All the officers in the grade of Chief General Manager or above
 - (iii) **Employees based on functional role and access to UPSI –**
All the officers in the grade of Assistant Manager and above in the following departments of NABARD at Head Office
 - a) Chairman Secretariat
 - b) Deputy Managing Directors’ Secretariat
 - c) Finance Department, Accounts Department, Secretary’ Department, Inspection Department and Corporate Planning Department.
 - d) Employees posted at Department of Information Technology (DIT), identified by the Chief General Manager, DIT HO, from time to time based on their access to unpublished price sensitive information.
 - e) Other employees as may be designated.
- 3.8 **Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- 3.9 **“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.
- 3.10 **“Insider”** means any person who is:
- i) a connected person; or

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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 leveling 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.

3.11 Key Managerial Personnel” or “KMP”, in relation to the Bank means:

- (i) Chairman;
- (ii) Managing Director;
- (iii) Deputy Managing Directors;
- (iv) Company Secretary;
- (v) Chief Financial Officer;
- (vi) such other officers, designated by the Board as KMP but are not below the grade of General Manager;

3.12 “Unpublished Price Sensitive Information (UPSI)” means any information, relating to NABARD 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) Mergers, de-mergers, acquisition, delistings, disposals and expansion of business and such other transactions;
- (iv) Changes in Key Managerial Personnel;
- (v) Resource Mobilization Plan

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.

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4. Preservation of Unpublished Price Sensitive Information (UPSI):

- 4.1 No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to NABARD 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.
- 4.2 Department Heads shall identify all the UPSI available in their departments and shall ensure its confidentiality as per the requirement of this code.
- 4.3 Adequate restrictions shall be placed by the Department Head on communication or procurement of UPSI.
- 4.4 No UPSI shall be shared with Analysts and Research personnel.

5. Limited access to Confidential Information:

- 5.1 All files containing confidential information shall be kept secured under lock and key.
- 5.2 Confidential documents/files shall be marked “**Confidential**” and access to such documents/files shall be made available on need to know basis.
- 5.3 Confidential Computer files shall have adequate security of login and Passwords.
- 5.4 Documents/Files containing confidential information should be deleted/ destroyed after its use. Shredders should be used wherever necessary for the destruction of physical files.
- 5.5 Chinese Wall Procedure and process as detailed hereinafter shall be followed by departments dealing with confidential information.

6. 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 NABARD or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

7. Chief Investor Relations Officer (CIRO):

An official not less than the Grade of Chief General Manager shall be designated as Chief

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Investor Relations Officer (the “**CIRO**”). The CIRO shall deal with uniform and universal dissemination of information and disclosure of unpublished price sensitive information. CIRO shall ensure that appropriate and fair response is given to queries on news reports related to the Bank. He shall also ensure that appropriate and fair response is given to requests for verification of market rumours by regulatory authorities)

8. 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 NABARD 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.

9. Dissemination of Unpublished Price Sensitive Information:

- 9.1 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. The third parties shall be required to execute agreements incorporating confidentiality and non-disclosure obligations on the part of such parties and shall not otherwise trade in securities of NABARD when in possession of unpublished price sensitive information.
- 9.2 NABARD shall adopt a Chinese wall procedure to prevent the misuse of confidential information, which separates those areas of NABARD which routinely have access to confidential information.
- 9.3 Department Heads to satisfy that UPSI is shared only for legitimate purposes among the authorized employees on need to know basis.
- 9.4 A platform be created for maintaining Structured Digital Database (SDD) as per the guidelines laid down in the PIT Regulations. The data base shall be containing the nature of UPSI and names of such persons who have shared the information and also the names of such persons or entities as the case may be with whom Unpublished Price Sensitive Information is shared under this Code along with the Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available. Such databases shall have adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- 9.5 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

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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 for updation of the SDD.

- 9.6 Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

10. Determination of Legitimate Purpose

- 10.1 **Meaning of Legitimate Purpose:** The term legitimate purpose 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, rating agencies or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibition of this Code.

The determination of 'legitimate purpose' shall be made by the Compliance Officer on a case to case basis. Such an assessment would be subjective and would be generally evaluated based on the nature, need to know and the extent of UPSI proposed to be shared, whether the same is commensurate with the objective sought to be achieved. It is to be noted that the information shared with analysts and research personnel is not UPSI.

- 10.2 **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.

11. Disclosures

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

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