

**CODE OF PRACTICE AND PROCEDURES FOR FAIR
DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

National Securities Depository Limited

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2	13 th August 2024	1.1	Vice President, Head - Legal & Compliance Officer	Amendment pursuant to SEBI Prohibition Of Insider Trading) (Amendment) Regulations, 2024
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CODE OF PRACTICE AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. Introduction

Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (hereinafter referred to as “**PIT Regulations**”), the Board of Directors of a company, whose securities are listed on a stock exchange, is required to formulate and publish on its official website, a Code of practices and procedures for fair disclosure of Unpublished Price Sensitive Information (UPSI). Accordingly, National Securities Depository Limited (hereinafter referred to as “**NSDL**” or the “**Company**”) has framed the NSDL Code of practices and procedures for fair disclosure of UPSI (hereinafter referred to as “**Code**”).

2. Objective

This Code intends to formulate a stated framework and policy for fair disclosure of events and occurrences that could probably have impact in the price discovery, in the market for securities of the Company. Principles such as, equality of access to information, publication of policies such as those on dividend, inorganic growth pursuits, calls and meetings with analysts, publication of transcripts of such calls and meetings, and such other events. This Code and every amendment thereto shall be promptly intimated to the stock exchanges where the securities are listed to promote transparency amongst the investors.

3. Applicability

This Code shall be applicable to all the persons of the Company who could possess Unpublished Price Sensitive Information relating to the Company.

4. Definitions:

The definitions of some of the key terms used in this Code are given below. Terms not defined herein shall have the meaning assigned to them under the PIT Regulations.

4.1. “**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 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;

NOTE: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

4.2. **"Generally available information"**¹ means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media;

4.3. **"Insider"** means any person who is:

- a) a Connected Person; or
- b) in possession of or having access to unpublished price sensitive information;

¹ Amended w.e.f August 13, 2024. Prior to this amendment, Clause 4.2 read as follows:

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

- 4.4. **“Unpublished Price Sensitive Information”** or **“UPSI”**² 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 including but not restricted to, information relating to the following:
- a) financial results;
 - b) dividends;
 - c) change in capital structure;
 - d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions; and
 - e) changes in key managerial personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor
 - f) change in rating(s), other than ESG rating(s);
 - g) fund raising proposed to be undertaken;
 - h) agreements, by whatever name called, which may impact the management or control of the company;
 - i) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
 - j) resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
 - k) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
 - l) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
 - m) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
 - n) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
 - o) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;

² Amended on September 18, 2025 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2025. Prior to this amendment clause 4.4 read as follows.

4.4 “Unpublished Price Sensitive Information” or “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 including but not restricted to, information relating to the following:

- a) financial results;
- b) dividends;
- c) change in capital structure;
- d) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
- e) changes in key managerial personnel.

- p) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1- For the purpose of sub-clause (i):

- a) 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b) 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.

5. Principles of fair disclosure of Unpublished Price Sensitive Information

5.1. Preservation of UPSI:

5.1.1. No insider shall communicate, provide, or allow access to any UPSI relating to the Company or its 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.

5.2. Chief Investor Relations Officer:

The Company Secretary and Compliance Officer of NSDL appointed for the purpose of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be designated as Chief Investor Relations Officer (the "CIRO").³The Chief Investor Relations Officer shall be responsible for ensuring that the Company complies with disclosure requirements and co-ordinating disclosure of unpublished price sensitive information to stock exchanges and on the website of the company. If unpublished price sensitive information is accidentally disclosed without informing the Chief Investor Relations Officer, the person responsible may immediately inform the Chief Investor Relations Officer. In such event of inadvertent, selective disclosure of unpublished price sensitive information the Chief Investor Relations Officer shall take prompt action to ensure such information is generally available.

³ Amended w.e.f September 18, 2025 Prior to this amendment clause 5.2 read as follows.

The Company Secretary and Compliance Officer of NSDL appointed for the purpose of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be designated as Chief Investor Relations Officer (the "CIRO"). The CIRO shall be responsible for timely, adequate, uniform and universal dissemination of information and disclosure of UPSI to avoid selective disclosure. The CIRO shall also be responsible for educating employees on disclosure policies and procedures.

5.3. **Need to know:**

The UPSI 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.

5.4. **Dissemination of UPSI:**

5.4.1. UPSI may be communicated, provided, or allowed access to any employee or to third parties, if such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

5.4.2. Prompt 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.

5.4.3. The Company shall typically not respond to speculative media articles or enquiries regarding any activities of the Company and shall provide appropriate and fair response to queries from ⁴[Stock Exchange and] regulatory authorities on news reports or verification of market rumors.

5.4.4. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.

5.4.5. Develop best practices to make 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.

6. **Determination of Legitimate Purpose**

6.1. **Meaning of Legitimate Purpose:**

The term 'legitimate purpose' 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 prohibition of this Code or the PIT Regulations.

6.2. **Recipient of UPSI pursuant to legitimate purpose to be deemed Insider:**

Any person in receipt of UPSI 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 UPSI in compliance with this Code.

⁴ Inserted w.e.f September 18, 2025.

6.3. Illustrations of legitimate purpose:

In following cases, which are illustrative in nature, sharing of UPSI would be considered as legitimate purpose:

6.3.1. Statutory or Government Requirement:

For inspection, audit, investigation, inquiry or request for information by regulatory, statutory or governmental authorities or any other administrative body recognized by law; Example: Any call for information or query received from Government Authorities, Central Government, Securities and Exchange Board of India, Stock Exchanges etc.

6.3.2. Legal Requirement:

As part of compliance with applicable laws, regulations, rules and requirements or under any proceedings or pursuant to any order of courts or tribunals; Example: Court of Law, National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.

6.3.3. Contractual Requirement:

Arising out of any contractual obligations or arrangement entered by NSDL set forth in any contract, agreement, arrangement, settlement, understanding or undertaking. Example: Due diligence for any kind of restructuring, namely mergers & acquisitions, joint venture agreements, share purchase agreements, franchisee agreement, etc.

6.3.4 Auditing Purpose

For audit by statutory, internal, concurrent, secretarial, management auditors or any other auditor as per the scope of audit.

6.3.5 Corporate restructuring

Sharing of UPSI with parties during transactions such as takeovers, mergers and acquisitions involving trading in securities, change of control to assess potential investment, sharing of information with service providers with whom the Company has a contractual relationship where such service providers require access to UPSI in order to discharge their commercial obligations provided that such sharing has not been carried out to evade or circumvent the prohibitions under PIT Regulations.

Note: The list is for illustration purpose only and is indicative in nature, this shall not be considered as exhaustive.

7. Disclosures

This Code and every amendment thereto shall be promptly intimated to the stock exchanges where NSDL's securities are listed or proposed to be listed and shall be published on NSDL's official website.

8. Review of this Code

This Code shall be reviewed annually. In case there are any regulatory changes requiring modifications to this Code, the Code shall be reviewed and amended accordingly. However, the amended regulatory requirements will supersede this Code till the time it is suitably amended.

⁵Any new regulation / circular issued by SEBI shall be deemed to have been included in the Code immediately upon their issuance, without waiting for formal approval of the Board. The provisions in the Code are in addition to, and not in derogation of, other applicable law.

⁵ Inserted w .e. f. September 18, 2025.