

National Asset Reconstruction Company Ltd (NARCL)

Code Of Conduct For Prohibition Of Insider Trading

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1. Introduction

Insider trading means dealing in securities of a company listed/traded on any stock exchange in India by an Insider based on or when in possession of Unpublished Price Sensitive Information (UPSI).

The Securities Exchange Board of India (SEBI) through its gazette Notification issued SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations), as amended from time to time.

Pursuant to Regulation 9(2) of the Regulations every other person who is required to handle UPSI in the course of business operations shall formulate a code of conduct to regulate, monitor and report trading by employees and other connected persons towards achieving compliance with these regulations by adopting minimum standards set out in Schedule B to the Regulations, without diluting the provisions of the Regulations in any manner.

In reference to the above context, National Asset Reconstruction Company Limited "NARCL" has formulated the Code of Conduct for Prohibition of Insider Trading (Code).

These guidelines are applicable to all the Employees/Connected Persons of National Asset Reconstruction Company Limited "NARCL" and their immediate relatives as defined under these guidelines.

2. Definition

- a) "Companies" means all listed/ proposed to be listed companies & whose debt is acquired and/ or being acquired by NARCL in the Restricted List and/or Grey List defined under clause 9 & 10.
- b) "Compliance Officer" means the officer appointed by "NARCL" pursuant to clause 3 for compliance of the guidelines issued by National Asset Reconstruction Company Limited "NARCL" for prohibition of insider trading.
- c) "Dealing in Securities" means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities by any person, either as principal or agent.
- d) "Employee" means employee of "NARCL", and shall include any person deputed to or by "NARCL", contractual employees and placement trainees.
- e) "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.
- f) "Unpublished Price Sensitive Information" or "UPSI" means any information, relating to a company or its securities, directly or indirectly, that is not generally available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 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, delisting, disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel; and
 - vi. material events in accordance with the listing agreement.
- g) "Generally available information" means information that is accessible to the public on a non-discriminatory basis.
- h) "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund.
- i) "Connected Person" means any person who is or has during the six months prior to the concerned act been associated with "NARCL", 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 "NARCL" or holds any position including a professional or business relationship between himself and "NARCL" 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 including inter alia Nominee Directors appointed by "Name of the Company" on the Board of borrower companies.
- j) "Trading day" means a day on which recognised stock exchanges are open for trading.

3. Compliance Officer

- 3.1 The Company Secretary of "NARCL" shall be the Compliance Officer for the purpose of this Code. In the absence of the Company Secretary, any other person as may be designated by the CEO & Managing Director or CFO, shall be the Compliance Officer for the purpose of this Code.
- 3.2 The Compliance Officer shall be responsible in this regard for all communication to Employees/Connected Persons with regard to change/modification of policies/guidelines from time to time, monitoring/adherence to the rules for the preservation of Price Sensitive Information, declaration by Employees/Connected Person & their immediate relatives trades, and addressing any clarifications/difficulties regarding the Code.

4. Preservation Of Price Sensitive Information

- 4.1 All the Employees/Connected Person shall maintain the confidentiality of all UPSI in their possession.
- 4.2 Employees and other connected persons shall not advise, communicate, counsel, inform or pass on such information to any person, directly or indirectly, other than communication required to be made/done in the ordinary course of business, or under any law.
- 4.3 UPSI shall be handled on a "need-to-know" basis, i.e., UPSI should be disclosed only to those within "NARCL" who need the information to discharge their duty and/or functions.
- 4.4 In case of Employee/Connected Person the onus of establishing, that they were not in possession of UPSI, shall be on such Employee/Connected Persons.

5. Limited Access To Unpublished Price Sensitive Information

- 5.1 All files, papers and records containing UPSI shall be kept secure.
- 5.2 In case of UPSI being available in the computer files, the same shall be secured by restricted user access.

6. Prevention Of Misuse Of Unpublished Price Sensitive Information

- 6.1 Notwithstanding anything contained in the Code, Employees/Connected Person shall not engage in dealing in Securities, whether on their own account, the account

of the immediate relatives or "NARCL" account, and further shall ensure that their immediate relatives shall also not engage in Dealing in Securities on their own account, if such Employee/ other connected persons (or in case of immediate relative, the concerned Employee) is in possession of any UPSI.

- 6.2 "NARCL" reserves the right to access and use relevant information in order to ensure compliance with the Code.

7. Reporting Requirements

- 7.1 All the Employees and other connected persons shall be required to forward to the Compliance Officer following details in respect of the Securities held by them and their respective immediate relatives:

Initial Disclosure of holding in the Securities of the companies in the Restricted List on the date of joining "NARCL", in Form I, within seven working days from the date of joining or approval of this policy whichever is later

Initial Disclosure of holding in the Securities of the companies in the Grey List on the date of joining "NARCL" in the Investment Team, Company Secretarial Group, Risk & Compliance Middle Office Group, Legal Team, Chief Financial Officer (CFO), Managing Director's office and as a Director on the Board of "NARCL" in Form I, within seven working days from the date of joining or approval of this policy whichever is later.

All dealings and statement of holding in the Securities in the Restricted List and the Grey List (Grey List declaration only by Acquisition Team, Company Secretarial Group, Risk & Compliance Group, Legal Team, CFO, Managing Director's office, and Directors of "NARCL" to be submitted by all the employees/Connected Person & their immediate relative for each quarter in Form II, on or prior to April 15, July 15, October 15, January 15 every year.

7.2 Pre-clearance:

- Employees/ connected persons and their respective immediate relatives shall be allowed to purchase/sell the securities appearing in the Restricted List subject to pre-clearance from the Compliance Officer in Form III. Pre-clearance pertaining to purchase/sell of securities by the Compliance Officer shall be obtained from CEO & MD.
- No employee/connected person shall apply for pre-clearance of any proposed trade on his/her behalf or on behalf of his/her immediate relative, if such employee/connected person is in possession of or access to or reasonably expected to have access to UPSI in the securities appearing in the Restricted List.
- Prior to pre-clearance, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession

of any UPSI. The Compliance Officer shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

- d) The purchasing/selling of the securities for which pre-clearance is obtained from the Compliance Officer shall be executed with seven trading days of such approval granted. In case the trade is not executed, a fresh pre-clearance would be needed for the trades to be executed.
- e) The Compliance Officer needs to be timely informed by the respective Group Head or dealing officer about any restructuring proposal under discussion or any specific information which may be considered as Unpublished Price Sensitive Information for companies under Restricted List.
- f) The Compliance Officer shall be required to grant or deny pre-clearance within two trading days from the application being received by the Compliance Officer. If the pre-clearance is not granted within the specified period, the request shall be deemed to have been rejected. Any decision on pre-clearance by the Compliance Officer would be final and an appeal, if required, would be made to the Chairman of the Audit Committee.

7.3 The Compliance Officer shall maintain records of all the declarations/undertakings/forms as mentioned in this Code, and received from time to time, for a period of three years.

7.4 The Compliance Officer, if required, under specific circumstances & instances shall have an access to the Holding Statement of an Employee/Connected Person & their immediate relatives so as to ensure the reliability of the declarations given by them.

7.5 The Compliance Officer shall place on a quarterly basis all the details of the Dealing in Securities by the Employees/Connected Person and their immediate relatives before the Audit Committee.

8. Penalty For Contravention Of The Guidelines

8.1 All Employees/Connected Person shall be individually responsible for complying with the Code to the extent applicable.

8.2 Any Employees/Connected Person who violates the Code shall be subject to disciplinary action, which may include freeze on emoluments, termination of service/contract, or any other action as may be deemed fit by "NARCL" and shall not preclude SEBI from taking any action in case of violation of the Regulations.

8.3 Any violations under the SEBI Insider Trading Regulations and this Code shall be reported by the Compliance Officer to the Chairman of the Board for suitable action and if required, to SEBI.

9. Restricted List

9.1 Restricted List will contain the names of the companies whose securities are listed or proposed to be listed & whose debt is acquired by "NARCL". The Compliance Officer

will communicate the Restricted List to all Employees/ Connected Persons. The list will be updated on an ongoing basis.

10. Grey List

10.1 In order to monitor Dealing in Securities of the Companies, the Compliance Officer shall maintain a list designated as Grey List. Whenever the Investment Team considers any proposal/deal w.r.t. acquisition of financial assets of any Company whose securities are listed or proposed to be listed, the Compliance Officer needs to be informed about the same. Thereafter, the same shall be included in the Grey List.

10.2 Upon materializing of the proposal/deal, the Investment Team shall notify the Compliance Officer to move the Company from the Grey List to the Restricted List. However, if the proposal is not materialized then the Compliance Officer should be informed accordingly and the Company shall be removed from the Grey List. The Compliance Officer will communicate the Grey List to the Investment Team, Company Secretarial Group, Risk & Compliance Middle Office Group, , Legal Team, CFO, Managing Director's office, and all the Directors of "NARCL" to ensure timely submission of their disclosures.

11. Trading

11.1 When any Securities of the Company are on the Restricted List, dealing in Securities by Employees/ Connected Persons and their immediate relatives shall be allowed subject to pre-clearance as specified in 7.2.

11.2 When any Securities of the Company are on the Grey List, dealing in Securities by Employees and Directors of "NARCL" as specified in 10.2 and their immediate relatives shall be disallowed.

12. Contracts With Other Agencies

12.1 All the agencies with whom "NARCL" enters into a contract shall be required to sign a non-disclosure agreement ("NDA") which would cover non-disclosure of UPSI & will also be required to follow this Code during the duration of the contract.

12.2 "NARCL" shall stipulate suitable restrictive clause in all engagement letters issued to such external agencies/service providers and may obtain confirmation thereof before awarding the contract/job to such agencies during the duration of the contract.

FORM NO I
National Asset Reconstruction Company Limited "NARCL"
(See Clause 7.1)
INITIAL DISCLOSURE OF DETAILS OF SECURITIES HELD IN THE COMPANIES
IN THE RESTRICTED LIST/GREY LIST

To: The Compliance Officer
"NARCL"

Date: _____

I. DETAILS OF IMMEDIATE RELATIVE

Sr. No.	Name of the immediate relative	Relation

II. DETAILS OF SECURITIES IN THE GREY/ RESTRICTED LIST HELD BY EMPLOYEE/ CONNECTED PERSONS IN HIS OWN NAME (WHETHER SINGLY OR JOINTLY)

Sr. No.	Name of the entity in which Securities held	No. description & of Securities held as on [•]	Folio No./DP ID/Client ID

III. DETAILS OF SECURITIES IN THE GREY/ RESTRICTED LIST HELD BY IMMEDIATE RELATIVE(S) [WHETHER SINGLY OR JOINTLY]

Sr. No.	Name of immediate relative	Relation	Name of the entity in which Securities held	No. description & of Securities held as on [•]	Folio No./DP ID/Client ID

I declare that above details are true, correct and complete in all respect.

Signature: _____
Name: _____
Designation: _____
Group: _____

Please sign and return with "Nil" statement even if you have nothing to declare.

"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

Form No. II
National Asset Reconstruction Company Limited "NARCL"
(See clause 7.1)
DISCLOSURE OF DEALINGS & HOLDINGS IN SECURITIES OF THE COMPANIES BY
EMPLOYEES/CONNECTED PERSONS

Date: _____

To: The Compliance Officer
"NARCLNAME OF THE COMPANY"

I. DETAILS OF DEALINGS & HOLDINGS IN THE GREY/ RESTRICTED LIST BY
EMPLOYEE/ CONNECTED PERSONS IN HIS OWN NAME (WHETHER SINGLY OR
JOINTLY)

Name of the entity	No. & Description of Securities Transacted			Date of Transaction	No. of Securities held as on	Folio No./DP ID/Client ID	No. and date of Pre-clearance (Securities in Restricted List)
	Purchase	Sale	Others (specify)				

II. DETAILS OF DEALINGS & HOLDINGS IN THE GREY/ RESTRICTED LIST BY
IMMEDIATE RELATIVE [WHETHER SINGLY OR JOINTLY]

Name of Person	Relation	Name of the entity	No. & Description of Securities Transacted			Date of Transaction	No. of Securities held as on	Folio No./DP ID/Client ID	No. and date of Pre-clearance (Securities in Restricted List)
			Purchase	Sale	Others (specify)				

I declare that I have not violated the provisions of "NARCL's Code for Prohibition of Insider Trading.

I declare that above details are true, correct and complete in all respect.

Signature: _____

Name

Designation

Please sign and return with "Nil" statement even if you have nothing to declare.

Form No. III
National Asset Reconstruction Company Limited "NARCL"
(See Clause 7.2)
PRE-CLEARANCE DECLARATION FOR PURCHASING/SELLING OF SECURITIES HELD
IN THE COMPANIES IN THE RESTRICTED LIST

Date: _____

To: The Compliance Officer
 National Asset Reconstruction Company Limited

From: Name of Employee/Connected Person:
 Employee Code:
 Branch/Department:

I hereby give notice that I/ my immediate relative Mr. /Mrs. _____ propose to purchase/sell the following securities:-

I. DETAILS OF IMMEDIATE RELATIVE

Sr. No.	Name of the immediate relative	Relation

III. DETAILS OF DEALINGS IN SECURITIES IN THE RESTRICTED LIST BY EMPLOYEE/ CONNECTED PERSONS IN HIS OWN NAME (WHETHER SINGLY OR JOINTLY)

Name of the entity	No. & Description of Securities to be Transacted			No. of Securities held as on	Folio No./DP ID/Client ID
	Purchase	Sale	Others (specify)		

IV. DETAILS OF DEALINGS IN SECURITIES IN THE RESTRICTED LIST BY IMMEDIATE RELATIVE(S) [WHETHER SINGLY OR JOINTLY]

Name of Person	Relation	Name of the entity	No. & Description of Securities Transacted			Date of Transaction	No. of Securities held as on	Folio No./DP ID/Client ID
			Purchase	Sale	Others (specify)			

In this connection, I do hereby represent and undertake as follows:-

- a. That I am aware of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations) and the National Asset Reconstruction Company Limited "NARCL" Code for Prohibition of Insider Trading made thereunder and have not contravened the Regulations and the Code/procedures laid down for prevention of insider trading as notified by the National Asset Reconstruction Company Limited "NARCL" from time to time.
- b. That I do not have any access nor have I received any "Unpublished Price Sensitive Information" as defined in the Code and that I would completely refrain from dealing in the securities of the company till the time such information becomes generally available or ceases to be price sensitive.
- c. I agree to comply with the provisions of the Code and provide any information relating to the trade as may be required by the Compliance Officer and permit the Company to disclose such detail to SEBI, if so required by SEBI.
- d. That I have made a full and true disclosure in the matter and declare that above details are true, correct and complete in all respect.
- e. I will indemnify and hold harmless National Asset Reconstruction Company Limited "NARCL" and its Directors/Officers from and against any and all actions, claims, demands, proceedings and any and all losses, liabilities, damages, costs, charges and expenses (including legal fees) made or alleged against, or which are suffered or incurred by National Asset Reconstruction Company Limited "NARCL" and which relates to or arise from, directly or indirectly, trading in the above security(ies).

<p>Signature: _____</p> <p>Name of Employee/Other Connected Person: _____</p> <p>Designation: _____</p> <p>Employee No.: _____</p>	<p style="text-align: center;">APPROVED / REJECTED</p> <p>Signature: _____</p> <p>Designation: Compliance Officer</p> <p>Date: _____</p> <p>Reason for Rejection: _____</p> <p>Pre-clearance No.: _____</p>
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