

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Disclosure of Unpublished  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

***November 2022***



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Title	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
Date of Approved & Item Note	28.05.2015 & A - 24
Last Reviewed	28.09.2021 & A - 70
No. of Pages	9
Author	Investor Relations Cell

## Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

### 1. Preamble

The Securities and Exchange Board of India [“SEBI”] has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as “PIT Regulations”) on 15<sup>th</sup> January 2015. As per Regulation 8(1) read with Schedule A of the PIT Regulations, every listed Bank has to frame a **Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information.**

The PIT Regulations require the Bank to disseminate Unpublished Price Sensitive Information [“UPSI”] universally, and not selectively. This Code lays down principles, procedures and practices to be followed by the Bank pertaining to uniform and fair disclosure of its UPSI.

### 2. Effective Date

This Code shall have effect from 1<sup>st</sup> April 2019.

### 3. Objective

The objective of this Policy is to devise practices and procedures that would aid in fair disclosure of UPSI in a uniform manner through normal channels for making disclosures of such information so as to ensure that there is no information asymmetry in the securities market. The Code aims to achieve this objective by ensuring that disclosures are made at the same time and of the same information. The Code aims to lay down the practices and procedures for being followed by every person associated with the Bank, who is in possession of UPSI of the Bank or has access to the UPSI of the Bank, without prejudice to the duty each such person owes towards maintenance of confidentiality. The ultimate responsibility for ensuring effective compliance of the requirements of this Policy lies with the Board of Directors.

### 4. Applicability

The Revised Code shall apply to every disclosure of UPSI arising from time to time until it becomes Generally Available Information (“GAI”). The exceptions as given in the PIT Regulations shall be applicable for the purpose of this Code as well.

## 5. Definitions

- a) **Chief Investor Relations Officer (“CIRO”)** means the Chief Financial Officer of the Bank who has been assigned with the specific responsibility to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner. CIRO shall be responsible for determining whether permitted disclosures of any UPSI have been made and whether such disclosures have been made for legitimate purposes as prescribed in this Code.

Board vide its meeting held on 21<sup>st</sup> March 2018 vide Item No: A – 160 has appointed Chief Financial Officer as the CIRO for the purpose of enabling compliance under this Code.

- b) **“Disclosures to Public”** means acting as governance bodies and making disclosures about the Bank and on behalf of the Bank, through press reports or media or interviews or announcements etc.
- c) **“Disclosures to Third Parties”** means making disclosures to persons or entities in the course of the routine performance of duties.
- d) **“Generally Available Information (‘GAI’)** means information that is accessible to the public on a non-discriminatory basis.
- e) **“Corporate Communications Department”** is that department which deals in/ makes any official communication of Bank.
- f) **“Insider”** means any person as defined under Regulation 2[1(g)] of PIT Regulations.
- g) **“Need to Know basis”** means that the person or entity in possession of UPSI should be disclosed only to those within the Bank 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.
- h) **“Permitted Insider”** means the Chairman, Managing Director & Chief Executive Officer and Key Managerial Persons of the Bank.
- i) **“Permitted Employee”** means any other Employee of the Bank who may have access to or be in possession of UPSI but who shall be specifically permitted in writing to make permitted disclosures to third parties only; for Legitimate Purposes. However, no Permitted employee shall suo moto make or be permitted by CIRO to make any disclosures to public on behalf of the Bank.

- j) **“Other Insider”** means an Insider other than Permitted Insider and Permitted Employee. Other insiders are prohibited from making disclosures to public and from making disclosures to third parties with respect to UPSI of the Bank.
- k) **“Trading”** means and includes subscribing, buying, selling, dealing, pledging or agreeing to subscribe, buy, sell, pledge or deal in any securities, and "trade" shall be construed accordingly.
- l) **Unpublished Price Sensitive Information (“UPSI”)** means any information, relating to the Bank 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:
- 1) financial results;
  - 2) dividends;
  - 3) change in capital structure;
  - 4) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - 5) changes in Key Managerial Personnel.
- m) **‘Investor Protection and Education Fund’** means the Investor Protection and Education Fund created by the Board under section 11 of the SEBI Act;

## 6. Functions of the Chief Investor Relations Officer

- A. Ensuring uniform dissemination and public disclosure of UPSI in order to make it GAI.
- B. Determination of questions as to whether any particular information amounts to UPSI.
- C. CIRO would ensure that Management attendees avoid sharing of any UPSI in any meet / call / interviews. Further CIRO would scrutinize the happening of event considering quantitative & qualitative factors enshrined in the “Policy on Criteria for Determining Materiality of Events” to take necessary steps for public disclosure or place the same before the Disclosure Committee for its decision.
- D. Dealing with and providing advise to any query raised by any person or “Insider” about adhering to the provisions of the Code.

### **E. Safeguarding the Disclosure Policy:**

- i. The CIRO shall ensure that if an Insider selectively, inadvertently or otherwise discloses any UPSI to any person/s, then prompt disclosure of such information shall be made by the CIRO to the public and all necessary steps shall be taken to make the UPSI a GAI. Such disclosure must be made immediately when the CIRO learns that communication of such UPSI has taken place.
- ii. In order to identify such a disclosure, CIRO shall establish mechanisms to constantly interact with Persons or Entities designated by the Compliance Officer designated under Internal Code of the Bank formulated as per Regulation 9 of PIT Regulations.
- iii. CIRO shall corroborate the information found to have been disclosed on the basis of information from any source and ascertain if such disclosure has been made for legitimate purposes only. If it is found to have emanated from an unauthorised source, CIRO shall do a deeper probe so as to ensure that there is no leakage of information that is UPSI.
- iv. The CIRO shall also intimate the Compliance officer designated under Internal Code of the Bank formulated as per Regulation 9 of PIT Regulations about such "Insiders" disclosing themselves to be one; or those identified by CIRO; based on coming to his notice.

### **F. Monitoring Permitted Disclosures**

CIRO shall ensure that any UPSI about the Bank may be disclosed to third parties only for the following purposes and these shall be deemed as "Permitted Disclosures" for the purpose of this Code.

- i. For legitimate business purposes
- ii. For performance of routine or assigned duties
- iii. To discharge statutory obligations.
- iv. To Persons or Entities who have expressly executed Non-Disclosure Agreements or agreed in writing to keep the information confidential, such as potential customers, joint venture partners and vendors who are material in nature, and who have undertaken to be bound by such agreements and who are committed not to trade in the securities of the Bank on the basis of such UPSI.

Disclosures to public shall be considered as Permitted Disclosures in case it is made to ensure that UPSI becomes GAI.

Permitted disclosures shall not include communication of UPSI in connection with a transaction that would entail applicability of any of the provisions of SEBI [Substantial Acquisition of Shares and Takeovers] Regulations, 2011. Further sharing of Permitted disclosures shall not be carried out to evade or circumvent the prohibitions of the PIT regulations.

Other Insiders shall when in possession of UPSI not make any disclosures to third parties unless they specifically seek written consent from CIRO prior to making disclosure of UPSI as permitted disclosure and for legitimate purposes.

### **G. Modes of Disclosures**

Subject to the provisions of the PIT Regulations, methods adopted by the Bank and its Permitted insiders for making disclosures to Public, shall be in a form, manner and mode that ensures uniform distribution. Such mode of disclosure shall include all or either of the following:

- i. Dissemination through Press Releases in newspapers, broad-based electronic, print, television and other media.
- ii. Creating or participating in webinars or webcasts by authorised officials of the Bank.
- iii. Filings to the Stock Exchanges including reporting through System Driven Disclosures.
- iv. Uploading the information on the website of the Bank.
- v. Any other method that ensures wide distribution of the news or announcements related to the Bank, which may otherwise be deemed as UPSI and not as GAI.

MD & CEO, President & COO, CFO shall address/ attend to the investor conferences.

In case if any Price sensitive or material information is discussed in the meets/calls, a prompt disclosure of such information shall be made to Stock Exchange with in the timelines prescribed after apply the thresholds as per Policy on criteria for determining Materiality of Events.

Corporate communications department shall be responsible for ensuring that accurate modes of disclosure are adopted and the information published or made generally available about the Bank are true and factual. Corporate communications department shall

seek approvals from CIRO before publishing UPSI which is proposed to be made generally available about the Bank. Corporate communications department shall ensure that no erroneous or incorrect information are being made generally available and that there is no misrepresentation of facts about the Bank.

#### **H. Monitoring of Disclosures and ensuring Maintenance of Records**

The CIRO shall ensure that the following best practices are adopted by the Bank before making any disclosures to the public:

- i. Permitted Insiders shall in consultation with CIRO make disclosures to public and third parties in accordance with the code.
- ii. CIRO may provide guidance to the Permitted Insiders as to how unanticipated questions regarding a particular information can be tackled as a consequence of making a disclosure.
- iii. CIRO shall ensure that information shared with analysts & research personnel is not UPSI and also transcripts or records of proceedings of meetings with analysts, investors and conferences are made and uploaded on the official website of the Bank to ensure official confirmation and documentation of disclosures made by the Bank.
- iv. CIRO shall uploading any Power Point Presentation or similar material used by the analyst in the abovementioned meetings, on the website of the Bank.
- v. Any earnings guidance or any other similar material distributed during press conference on the website of the Bank shall be uploaded by CIRO.
- vi. The Bank's website shall be monitored by CIRO regarding, update of any material information about business plans of the Bank provided in response to analyst queries or during discussions in a meeting or any other information which may lead to price discovery has been shared or not.
- vii. Publication of policies on the website which have an impact on investors or securities markets like dividend policy etc shall be ensured by CIRO.



- viii. Corporate communication department shall assist CIRO in performing the function of uniform dissemination of UPSI.

#### **I. Verification of Market Rumours and response to queries**

- i. 'No Comment' would be maintained by the Bank and the CIRO shall by order ensure that no comment is passed by any Permitted Employee or Other Insider of the Bank on market rumours. Only Permitted Insiders shall provide comments on market rumours in case of request from regulatory authorities to verify such rumours.
- ii. The CIRO shall provide appropriate and fair responses to queries raised in relation to determine whether any information is a UPSI or not. The CIRO shall also respond to any news reports that may raise questions on any announcements made by the Bank in consultation with the Managing Director & Chief Executive Officer of the Bank.

#### **J. Need to know handling of UPSI**

- i. Bank and its insiders shall handle UPSI only on a need to know basis. UPSI shall be provided only when needed for legitimate purposes, performance of duties or discharge of legal obligations.
- ii. All insiders shall adhere to conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.
- iii. If an Insider receives a query about any UPSI or whether any information is a UPSI related to the Bank, such Insider shall not comment on the same and shall forward the query to the CIRO. The CIRO shall deal with such query in accordance with the PIT Regulations and the prescriptions of this Code.

#### **K. Reporting to Audit Committee**

CIRO shall report to the Audit Committee of the Board on a half yearly basis about status of Compliance of this Code. The report shall, inter alia, include a confirmation that, the UPSI that has become GAI is in accordance with the code, the instances of non-adherence to this Code including breach of confidentiality undertaking and the penalty that may be imposed on the persons who have failed to adhere to this Code and shall also set out any modifications to be made to this Code and the reasons thereof and if any such modification

is required on account of any regulatory changes, the report shall make a reference to such changes too.

## **7. Determination of “Legitimate Purposes”**

While the Code stipulates “Permitted Disclosures” in Para 6E above, the PIT regulations require that the Board of Directors of the Bank shall from time to time identify and incorporate criteria for determination of legitimate purposes for which sharing of UPSI shall be treated as being in the ordinary course of business by an Insider.

The following shall be treated as legitimate purposes for sharing of UPSI by Insiders in addition to those listed as “Permitted Disclosures”:

- A. To Lenders [predominantly Government of India and or Financial Institutions] with respect to continuation of sanctioned limits or fulfilment of covenants etc
- B. To Agents, Sub agents, Business Correspondents, in the ordinary course of business or as stipulated under statutes
- C. To Credit Rating Agencies for assessment and evaluation of rating
- D. To Trustees for protection of interest of debt holders and deposit holders [if any]
- E. To Suppliers/Vendors who are material in nature of goods or services or Outsourced activities specifically to critical areas like Information Technology providers that are core to the functioning of the Bank.
- F. To Market Intermediaries in case of identification and validation of proposals for organic growth.
- G. To Legal advisors in case of handling of any disputes.
- H. To Auditors to enable performance of their duties.
- I. To Investors with respect to transactions that may trigger an open offer under Takeover Regulations or otherwise but shall be in the best interests of the Bank.
- J. To consultants and other advisors with respect to restructuring of any inside departments or core structures or frameworks of the Bank.

K. To Insolvency professionals in case of restructuring and recovery of credits of/from borrowers.

The Permitted Insiders and Permitted Employees of the Bank shall ensure and report to the Compliance Officer the execution of Non-Disclosure and Confidentiality Agreements prior to sharing of UPSI with the third parties mentioned above. They shall also seek confirmation to ensure that these third parties report adherence of Regulation 9(2) of PIT Regulations, to the extent applicable, and report it further to the CIRO.

The Board of Directors may from time to time determine and add more clarity to criteria for determining legitimate purposes.

## **8. Amendments to the Code**

The Compliance officer shall review the regulatory requirements in relation to the Code from time to time and shall make necessary amendments for submission to the Board for approval.

## **9. Intimation to Stock Exchange**

Company Secretary of Bank is authorized to disseminate the information and disclosure of UPSI to the stock exchanges in line with the internal processes and policies of the Bank.

This code including every amendment thereto shall be promptly intimated to the Stock Exchanges where the securities of the Bank are listed.

## **10. Posting of the Code**

This Code shall be posted on the website of the Bank.

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