

**Magma HDI General Insurance
Company Limited
("Company")**

To follow best practices, duly compliant with
Applicable Law, in the matter of disclosure of
Unpublished price Sensitive Information

Adoption date: 30.04.2024

Approved by: Board

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Code of Practices and Procedures for Fair Disclosure

Subject: Code of Practices and Procedures for Fair Disclosure	Original Issue Date: 30/04/2024	Effective Date: 30/04/2024
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Base Document	:	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ('PIT Regulations') and amendments thereto
Initial Document Prepared by	:	Ms. Sweta Bharucha
Functional aspects checked by	:	Mr. Amit Raheja
Legal aspects checked by	:	M/s. Vinod Kothari and Company

Version No.	Initial / Change Request by	Memorandum of Change	Adoption / Approval date
1.0	Corporate Secretarial	New Code adopted	30.04.2024

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1. INTRODUCTION

This document forms the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by the Company. This Code is consistent with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”). As per Regulation 8 read with Schedule A of the Regulations the Board of directors of every listed company shall formulate a **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information** (hereinafter referred to as the ‘**Code**’). The Regulation intends to require companies to disseminate ‘Unpublished Price Sensitive Information’ (hereinafter referred to as ‘**UPSI**’) universally and not selectively. This Code is intended to lay down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI that could impact price discovery in the market for its securities.

2. APPLICABILITY

This Code shall apply in relation to disclosure by the Company or its officers. The scope, exceptions as given in PIT Regulations shall be applicable for the purpose of this Code as well.

3. DEFINITIONS

- i. **“Applicable Law”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (including any amendment thereto) or any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and or guidance notes as may be applicable in the matter of trading by an Insider.
- ii. **‘Company’** means Magma HDI General Insurance Company Limited
- iii. **‘Compliance Officer’** means Company Secretary appointed by the Board of Directors from time to time, who is financially literateⁱ¹ and is capable of appreciating requirements for legal and regulatory compliance under the Insider Trading Regulations, and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules of preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of the codes specified under the Insider Trading Regulations under the overall supervision of the Board.
- iv. **‘Connected Persons’ means any person who:**
 - a. 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; or

ⁱ¹“Financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows

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b. 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, -

- an immediate relative of Connected Persons specified in clause (a) above; or
- a holding company or associate company or subsidiary company; or
- an intermediary² as specified in section 12 of Securities Exchange Board of India Act 1992 or an employee or director thereof; or
- an investment company, trustee company, asset management company or an employee or director thereof; or
- an official of a stock exchange or of clearing house or corporation; or
- an official or an employee of a self-regulatory organization ³recognised or authorized by the Board; or
- a banker of the company; or
- 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;

v. **“Chief Investor Relations Officer”** would mean Company Secretary and Compliance Officer appointed by the Board of Directors from time to time to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner.

vi. **“Designated Persons”** shall cover the following:

- All promoters of the Company;
- All Directors of the Company, whether executive, non-executive or independent
- Chief Executive Officer (CEO) and employees upto two levels below Chief Executive Officer
- Key Managerial Personnel (KMP) i.e., Managing Director (MD), Chief Financial Officer (CFO) and Company Secretary (CS) of the Company;
- Functional Heads; and
- Executive assistants to KMPs;
- Employees of, Secretarial, Accounts - CAG, Treasury – Core and Investment Front Officer and Financial Planning and Management Department as determined by MD and CEO on the basis of their functional role or access to unpublished price sensitive information in the organization;
- KMP, any other person of the Holding Company/ies (wherever applicable) who approves key decision/ functions of the Company;
- Any support staff as IT staff who have access to UPSI;
- such connected person as identified by the Compliance Officer from time to time.

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

² As per Section 12 of the Securities and Exchange Board of India Act, 1992 “Intermediary” are persons such as stockbrokers, sub- broker, investment advisers, merchant banker, underwriter, portfolio manager, share transfer agent, registrar to an issue, depositories, custodians of securities, foreign institutional investors, credit rating agencies, asset management companies, venture capital funds, mutual funds and such other intermediaries who may be associated with securities market in any manner.

³ As per Section 2(k) of the SEBI (Self-Regulatory Organizations) Regulations, 2004, “self-regulatory organizations” means an organization of intermediaries which is representing a particular segment of the securities market and which is duly recognised by the Board under these regulations but excludes a stock exchange.

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- viii. **“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;
- ix. **"Insider"** means any person who is:
- a. a connected person; or
 - b. in possession of or having access to unpublished price sensitive information;
- Further, any person in receipt of unpublished price sensitive information pursuant to a Legitimate Purpose shall be considered as “Insider” for the purpose of these regulations.
- x. **“Legitimate Purposes”** includes 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, or regulatory bodies, courts, quasi-judicial bodies on the basis of any order issued by them, provided that such sharing has not been carried out to evade or circumvent the prohibitions of PIT Regulations.
- xi. **“Selected Group of Persons”** includes securities analysts or selected institutional investors, brokers and dealers or their associated persons, investment advisers and institutional managers, investment companies, hedge funds or any other person.
- xii. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund; For the purpose of this code, the term Securities shall refer to the Non-Convertible Debentures of the Company which are listed.
- xiii. **"Trading"** means and includes subscribing, redeeming switching, buying, selling, dealing, pledging or agreeing to subscribe, redeem, switch, buy, sell, deal, pledge in any securities, and "trade" shall be construed accordingly;
- xiv. **“Trading day”** means a day on which BSE Limited and/or National Stock Exchange of India Limited are open for trading.
- xv. **"Unpublished Price Sensitive Information" (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 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

All the other terms used in this Code shall have the same meaning as assigned to them under the Regulations.

4. SHARING OF UPSI FOR LEGITIMATE PURPOSE

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- UPSI is in the nature of information relating to the Company, directly or indirectly, of precise nature that can have an impact on the prices of the securities of the Company if made public.
- Till the UPSI becomes a generally available information, UPSI can be shared only on a need-to-know basis and for legitimate purpose as provided hereunder and not to evade or circumvent the prohibitions of the Regulations
 - Sharing of relevant UPSI with consultants, advisors engaged by the Company in relation to the subject matter of the proposed deal/ assignment in relation to UPSI;
 - Sharing of relevant UPSI with intermediaries/ fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of the UPSI;
 - Sharing of relevant UPSI with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants);
 - Sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the company's securities on the basis of such information
 - Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.
- The determination of 'legitimate purpose' for sharing of UPSI will be specific in each situation. However, the following factors can be taken into consideration:
 - if it is in the ordinary course of business and/or required to be shared with other entity for discharge of commercial obligations;
 - whether sharing the information is in the best interest of the Company or necessary for the furtherance of business transactions;
 - whether the information is required to be shared for enabling the Company to discharge its legal obligations;
 - Required to be done in furtherance of fiduciary duties or in fulfilment of any statutory obligation.
- Before sharing of the UPSI, the concerned person sharing such UPSI shall comply with the requirements in relation to circumstances and procedure for bringing people 'Inside' as provided in Code of Conduct for prohibition of insider trading.
- The Compliance Officer in consultation with the Chief Compliance Officer and Chief Financial Officer shall maintain record of the details of the recipients including their PAN, Address etc. of UPSI on legitimate purpose as per format provided in Annexure A including the following:
 - a. Whether the concerned UPSI is required to be shared?
 - b. Why the information is required by the recipient?
 - c. Who had shared the UPSI and whether he was authorised to do so?
 - d. Whether the Compliance Officer was intimated before such sharing of UPSI?

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- e. Whether non- disclosure agreements were signed?
- f. Whether notice to maintain confidentiality of the shared UPSI has been given?

5. FUNCTIONS OF THE CHIEF INVESTOR RELATIONS OFFICER:

- Dealing with universal dissemination and disclosure of UPSI.
- Determination of questions as to whether any particular information amounts to UPSI.
- Determination of response, if any, of the Company to any market rumour in accordance with this Code.
- Dealing with any query received by any Insider about any UPSI.
- Providing advice to any Insider as to whether any particular information may be treated as UPSI.
- In case of leakage of UPSI, make disclosure to Exchange where the securities are listed.

If an Insider receives a query about any UPSI related to the Company, he shall not comment on the same and shall forward such query to the Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with Applicable Law and this Code.

6. PRINCIPAL OF FAIR DISCLOSURE ADOPTED BY THE COMPANY

The Company shall ensure:

- Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- Uniform and universal dissemination of UPSI to avoid selective disclosure.

If an Insider 'selectively'/'inadvertently' discloses any UPSI to any person including the Selected Group then prompt disclosure of such information shall have to be made by the Chief Investor Relations Officer to the public. Such disclosure must be made not later than 48 hours after the Chief Investor Relations Officer learns that communication of such UPSI has taken place.

UPSI about the Company may be disclosed for:

- legitimate business purpose;
- broad-based electronic, print, television and other media.

Subject to Applicable Law methods of public disclosure of information to ensure uniform distribution shall include either of the following:

- Distributing through Press Releases in newspapers or media including electronic media.
- Filing with the Stock Exchanges.
- Any other method that ensures wide distribution of the news such as publicly accessible webcasts and webinars.
- Uploading the information on the website of the company.

7. THIRD PARTY DEALINGS

The Chief Investor Relations Officer shall ensure that best practices of making transcripts or records of proceedings of meetings with analysts and other investor relations conferences on

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the official website to ensure official confirmation and documentation of disclosures made are developed by the Company.

The best practices shall include uploading the following information on the website of the Company-

- Any Power Point Presentation or similar material used by the analyst in such meeting on the website of the Company.
- Any earnings guidance or any other similar material distributed during press conference.
- Any material information about business plans of the company 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.

In addition, the following guidelines will be adopted by the Company while dealing with Analysts/Institutional investors:

- The Company will provide only public information to analysts/Research persons/large investors/Institutions.
- At least two officers of the Company will be present at the meetings with Analysts, Brokers, Institutional Investors and the discussions with them will be recorded, if deemed necessary
- Questions outside the intended scope of discussions by the Analysts or requiring internal discussion will not be answered normally but the same may be taken on notice and a considerable response given later.

The information filed by the Company with the Stock Exchanges will also be made available on the website of the Company.

8. RUMOURS: VERIFICATION OF MARKET RUMOURS AND RESPONSE TO QUERIES

The Chief Investor Relations Officer shall provide appropriate and fair responses to queries in relation to UPSI including any news reports. A 'No Comment' policy must be maintained by the Company and the Chief Investor Relations Officer shall not comment on market rumours except when requested by regulatory authorities to verify such rumours. Further the Company can also record the queries / requests for verification that are received from the regulatory authorities and preserve such records as per the Record Retention Policy.

9. NEED TO KNOW HANDLING OF UPSI

Company 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. All insiders shall adhere to conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.

10. REVIEW AND REVISION

This Code will be reviewed by the Audit Committee and Board of Directors at least on an annual basis or whenever there is revision, whichever is earlier. Further, every amendment to this Code shall be promptly intimated to stock exchanges where the securities are listed.

11. GENERAL

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- 11.1 Words or phrases not defined here will have their respective meanings as per the SEBI Act read with the Regulations made thereof.
- 11.2 This Code shall be posted on the website of the Company.

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ANNEXURE- A

**Contents of Digital Database of recipients of UPSI
[See Regulation 3(4) and 3(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015]**

Sl. No.	Name and category of the recipient with whom UPSI is shared	PAN	Address	Name of Immediate relative along with their PAN or of Affiliates, in case the recipient is an entity or company	Details/ Nature of UPSI along with reason of sharing thereof	Name of the person who shared such UPSI	Whether NDA has been signed and Notice of confidentiality has been given?	Person making the entry	Remarks, if any

Note 1:

The categories of recipients shall include:

- a. Employees of the Company who are not Designated Persons (DPs);
- b. Persons who are neither employees nor DPs but may come into contact with the DPs and other insiders of the Company;
- c. Affiliates shall mean the promoter and promoter group, associates and JVs of the entity/ company.

Note 2:

- a. The database shall be maintained under the supervision of the Compliance Officer of the Company;
- b. The database shall be reviewed by the Compliance Officer on a periodic basis.