

NHPC LIMITED

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to Regulation 8 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

A. OBJECTIVE OF THE CODE

The objective of this code is for fair and prompt public disclosure of UPSI by NHPC Limited, (hereinafter referred to as the “Company”).

B. UNIFORM AND UNIVERSAL DISSEMINATION OF UPSI

The Company has adopted a Policy for Determination of Materiality of Events/Information for Disclosure to Stock Exchanges (Policy) in line with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Policy defines Material Events & Material Information for disclosure to Stock Exchanges. Prompt public disclosure of Unpublished Price Sensitive Information (UPSI) shall be done no sooner than credible and concrete information comes into being in order to make such information generally available. Material Events mean events that a reasonable stakeholder dealing with the Company would consider important in deciding to engage and deal with the Company, its services and in its securities. Whether any particular information could be considered Material by a reasonable stakeholder depends on specific circumstances existing at a particular point of time.

Material Information- Material Information shall mean Material Events meeting the requirements of the Policy. When a Material event or Material Information triggers disclosure, the Company shall promptly furnish the Material Information to all stock exchanges where its Securities are listed. Information published on the website of a stock exchange, would ordinarily be considered generally available information. The information released by the Company to the stock exchanges may also be released to the press for wider circulation. The information released by the Company to the stock exchanges is also to be hosted on the Company website www.nhpcindia.com.

C. INTERACTIONS WITH ANALYSTS & INVESTORS

The Company shall ensure that the following guidelines are followed while dealing with analysts and institutional investors. In order to maintain a transparent and effective two-way communication between a Company, the financial community, the Management shall interact with equity research analysts, investors and other members of the investing community from time to time.

During these interactions, the Company will ensure that no UPSI is disclosed selectively to any one or group of research analysts or investors, to the disadvantage of other stakeholders. Recording of the proceedings in suitable media will be made available on the official website for a period of 5 years.

Handling of unanticipated questions

The Company shall promptly and carefully deal with analysts' questions that raise material issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes UPSI, a public announcement shall be made before responding.

Medium of disclosure/dissemination

Disclosure and dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination. All disclosures to the stock exchanges must be made promptly.

Company's website

The Company's website www.nhpcindia.com may provide a means of giving a direct access to analyst briefing material, significant background information and questions and answers.

D. PROMPT DISSEMINATION OF UPSI THAT IS DISCLOSED SELECTIVELY

In the event of selective disclosure of UPSI, inadvertently or otherwise the Company shall respond promptly to ensure prompt dissemination of the UPSI as per clause B above. The Company Secretary and / or Chief Investor Relations Officer shall respond promptly and fairly upon learning of the selective disclosure. In this context, rumors or media speculation (including quotes of unnamed persons) shall not be considered as selective disclosure.

Exception: Sharing of UPSI by an Insider to any person including other Insiders in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

E. RESPONSE TO REGULATORY AUTHORITIES

The Company shall respond appropriately and fairly to queries on news reports and requests for verification of market rumours by regulatory authorities. The Company will endeavor to respond promptly to such requests.

F. OVERSEEING AND COORDINATING DISCLOSURE

The prime responsibility for overseeing and disclosure in the Company shall be on the Chief Investor Relations Officer (CIRO) (General Manager (Finance) & above level) as nominated by Chairman & Managing Director from time to time. The CIRO shall deal with the dissemination of information and disclosure of UPSI in-coordination with Company Secretary.

The CIRO shall be responsible for;

- (i) Complying with continuous disclosure requirements;
- (ii) Overseeing and coordinating disclosure of UPSI to stock exchanges, analysts, Shareholders and media;
- (iii) Educating staff on disclosure policies and procedure with assistance of T&HRD Division.

The information filed by Company with stock exchanges under a continuous disclosure requirement may be made available on the Company's website.

G. RESPONDING TO MARKET RUMOURS

All the stock exchanges where the securities of the Company are listed are required to be informed well in advance the name and address of the CISO/ Company Secretary to whom the exchanges may refer any market rumours for verification. Such a communication to the stock exchanges may include telephone number and email id of the CISO/Company Secretary. On receipt of requests from any of the stock exchanges for verification of market rumours, the CISO/Company Secretary shall ascertain the factual position and thereafter appropriately and fairly respond to such queries or requests. At the time of making such response, the CISO / Company Secretary may decide as to whether a public announcement is necessary for verifying or denying rumours and then make the disclosure.

H. POLICY ON HANDLING OF UPSI AND DETERMINATION OF “LEGITIMATE PURPOSES”

The Company will handle all UPSI on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. Policy for determination of Legitimate Purposes is given at **Annexure-I**.

I. PROCESS IN CASE OF LEAK OF UPSI

In case of leak of UPSI, following process shall be adopted:-

- (i) Appropriate inquiries shall be initiated on becoming aware of leak of UPSI or suspected leak of UPSI.
- (ii) Procedure for inquiries shall be in accordance with provisions contained under Conduct, Discipline and Appeal Rules of the Company.
- (iii) The Board of Directors of the Company and SEBI shall be promptly informed about such leaks, inquiries and results of such inquiries.
- (iv) In case of leak of UPSI by persons other than employees, the instances of leak shall be reported to concerned regulatory authorities/bodies.

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

- (i) *Unpublished Price Sensitive Information (UPSI) may be shared only for the legitimate purposes on 'need to know basis'*

The 'legitimate purposes' shall include sharing of UPSI in the ordinary course of business by an insider with another insider, 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 prohibitions of these Regulations.

The indicative list of 'legitimate purposes' for which UPSI can be shared is as under:

1. Sharing of information with auditors, debenture trustees or any other person during preparation of financial results.
2. Sharing of information with Merchant Bankers/Consultants in respect of capital restructuring such as buy-back of shares.
3. Sharing of information with Auditors/bankers/Consultants for declaration of dividend.
4. Sharing of information with Legal Advisors/Consultants for obtaining legal advice.

- (ii) *UPSI can be shared with the following in furtherance of the conduct/performance of their legal obligations/duties.*

- Statutory Auditor(s)
- Secretarial Auditor(s)
- Internal Auditors and Cost Auditors
- Legal Advisors/Consultants
- Dividend Bankers
- Intermediaries like Registrar & Share Transfer Agent, Credit Rating Agency, Merchant Bankers etc.,
- Bankers/Financial Institutions
- Regulatory Authorities / Government Departments
- Any other person not covered above who may require access to UPSI to reasonably discharge his functions

- (iii) The UPSI may emanate from any Division within the Company and hence the onus shall be on the concerned Head of Department who is the originator of such UPSI to justify the need to share it with other person on the basis of their functional/legal requirement.

- (iv) The concerned HOD also needs to notify the Compliance Officer about sharing the UPSI and also ensure that due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with Regulations. The parties sharing UPSI under legitimate purposes shall execute agreements to maintain confidentiality and provide non-disclosure obligations and such parties shall keep information so received confidential. Parties shall not trade in securities of the company when in possession of UPSI.

- (v) The nature of the UPSI, name of the person who have shared the UPSI and name of the person with whom the UPSI is shared shall be provided promptly to the Compliance Officer along with Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available for monitoring compliance with this Code. Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as "insider" for purposes of this Code. In accordance with Regulations, a Structured Digital Database (SDD) has been implemented in the Company to capture the flow of UPSI inside or outside the organization. It will be responsibility of the concerned HOD to capture the flow of UPSI in the SDD.