

Muthoot Finance Securities Trading Rules, 2020

1. INTRODUCTION

Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "Regulations") requires a listed company to formulate code of conduct to regulate, monitor and report trading by its employees and other connected persons. Towards achieving compliance with the said Regulations, Board of Directors of Muthoot Finance Limited has adopted this Muthoot Finance Securities Trading Rules, 2020 (the "Rule") which aims to regulate the handling of price sensitive information within the organisation as well as to regulate, monitor and report trading by its employees and other connected persons

This Rule shall be read together with Code of practices and procedures for fair disclosure of unpublished price sensitive information of Muthoot Finance Limited, and shall be subject to requirement under the Regulations, and all provisions of the Regulations shall be followed and complied by the Company, Designated Persons and employees with utmost responsibility.

It is clarified that these Rules are pursuant to and in furtherance, and not in derogation, of the laws applicable to insider trading in India.

2. APPLICABILITY

2.1. These Rules may be called "Muthoot Finance Securities Trading Rules, 2020" or the "Rules";

2.2. These Rules are made pursuant to the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (hereinafter referred to as 'the SEBI Regulations' / 'the Regulations') and have been framed based on the Model Code specified in Schedule B to the SEBI Regulations without diluting the provisions of the Regulations in any manner.

2.3. The purpose of these Rules is to:

2.3.1. prohibit the communication of unpublished price sensitive information except for legitimate purposes, performance of duties or discharge of legal obligations;

2.3.2. prohibit trading in the securities of the Company while in possession of unpublished price sensitive information;

2.3.3. enable disclosure of trading by Insiders; and

2.3.4. ensure appropriate, fair and timely disclosure of unpublished price sensitive information.

2.3.5. initiate inquiry/ investigation in case of leak or a suspected leak of unpublished price sensitive information.

2.3.6. take disciplinary / penal / corrective actions, if so required, in case of any violation of the Rules.

2.4. The Rules came into effect from 15th February 2020.

2.5. These Rules are mainly applicable to:

2.5.1. Insiders including Designated Persons (defined hereinafter) and

2.5.2. Immediate Relatives of the persons stated in 2.5.1 above.

2.6. It is important to observe these Rules in its true spirit.

3. DEFINITIONS

3.1. Board of Directors or Board

Board means the collective body of Directors of the Company.

3.2. Company

Company for the purpose of these Rules means Muthoot Finance Limited.

3.3. Committee

Committee means the Audit Committee of the Board or such other Committee as may be nominated by the Board for the purpose of these Rules.

3.4. Compliance Officer

Managing Director of the Company shall act as the Compliance Officer who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these rules under the overall supervision of the board of directors of the Company.

3.5. Designated Person(s)

Designated Person(s) means:

3.5.1 All Promoters, Directors & Key Managerial Personnel;

3.5.2 All employees in the rank of Executive Director, Chief General Manager, and CEOs / Heads of various business divisions such as Personal Loan, Business Loan, and Corporate Loan;

3.5.3 All employees in the rank of Deputy General Manager and above in the following functions:

3.5.3.1 Finance Department

3.5.3.2 Treasury Department

3.5.3.3 Accounts & Taxation Department

3.5.4 All employees in the rank of General Manager and above in the following functions:

3.5.4.1 Internal Audit Department

3.5.4.2 Legal Department

3.5.4.3 Investor Relations

3.5.4.4 Corporate Communications

3.5.4.5 IT Department

3.5.4.6 Business Performance Development

3.5.5 All employees in the Company Secretarial Department

3.5.6 All Personal Secretaries/Executive Assistants, of persons mentioned under clause 3.5.1 and 3.5.2, if they are employees of the Company

3.5. Employee

Employee means an employee of Muthoot Finance Limited and shall include any person deputed by Muthoot Finance Limited to any subsidiary entity, trainees and temporary staff.

3.6. Free Period

Free Period means any Period other than the Prohibited Period.

3.7. Generally Available Information

The term "Generally Available Information" means information that is accessible to the public on a non-discriminatory basis.

3.8. Immediate Relative

Immediate Relative means:

- (i) a spouse of a person and
- (ii) child, parent and sibling 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.

Note : It is hereby clarified that "Spouse" of a person will be considered immediate relative irrespective of whether he/she is financially dependent or consults such person in taking decisions relating to trading in securities.

3.9. Insider

Insider means any person who is:

- (i) a connected person ; or
- (ii) in possession of or having access to unpublished price sensitive information.

3.10. The term "Connected Person" referred in this definition of Insider means:

- (i) any person who is or has during the six (6) months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including the following, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access:
 - a. by reason of frequent communication with its officers; or
 - b. by being in any contractual, fiduciary or employment relationship; or
 - c. by being a director, officer or an employee of the company; or
 - d. holds any position including a professional or business relationship between himself and the company whether temporary or permanent.

3.11. Deemed to be a Connected Person

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 3.11 or

- b. a holding company or associate company or subsidiary company or
- c. an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, 1992 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;

3.12. Key Managerial Personnel or KMP

Key Managerial Personnel or KMP means the following officers of the Company:

- a. Managing Director & Chief Executive Officer;
- b. Chief Financial Officer;
- c. Company Secretary;
- d. Such other officer as may be designated by the Board as a KMP and
- e. Such other officer as may be prescribed under the Companies Act, 2013.

3.13. Managing Director & Chief Executive Officer or MD & CEO

MD & CEO means the Managing Director and Chief Executive Officer appointed by the Company as such.

3.14. Material Subsidiary

A subsidiary in relation to the Company shall be considered as “material”, if its income or net worth exceeds ten percentage of the consolidated income or net worth respectively of the Company in the immediately preceding accounting year.

3.15. Officer

Officer includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.

3.16. Prohibited Period

3.17.1. Prohibited Period shall mean the following:

a.	In respect of announcement of Quarterly/Half Yearly/ Yearly Financial Results by the Company	<p>The period commencing from the end of every quarter and ending forty-eight hours after the financial results for the respective quarter/half year/year, as the case may be, is made generally available by the Company.</p> <p>ILLUSTRATION: For the quarter ended September 30, 2019: Date of commencement of Prohibited Period: End of Day on September 30, 2019</p> <p>Date of conclusion of Prohibited Period: 48 hours after the Financial Results are made generally available by the Company.</p> <p>or</p> <p>Such other period as may be specified by the Compliance Officer from time to time after consultation with the MD & CEO or as may be directed by the Board or the Committee.</p>
b.	In respect of UPSI other than (a) above	<p>Such period as the Compliance Officer, after consultation with the MD & CEO or as directed by the Board or the Committee, declares as a prohibited period, when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.</p> <p>Such prohibited period shall end 2 trading days after the unpublished price sensitive information is made generally available by the Company.</p>

3.18. Promoter

Promoter means Promoter as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time and shall include Promoter Group as defined therein.

3.19. Rules

Rules means the Muthoot Finance Securities Trading Rules, 2020 as amended from time to time.

3.20. SEBI

SEBI means the Securities Exchange Board of India.

3.21. SEBI Act

SEBI Act means the Securities & Exchange Board of India Act, 1992

3.22. SEBI Regulations

SEBI Regulations means the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

3.23. SEBI LODR Regulations

SEBI LODR Regulations means the SEBI (Listing Obligations and Requirements) Regulations, 2015, as amended from time to time.

3.24. SEBI Takeover Regulations

SEBI Takeover Regulations means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

3.25. Securities

Securities shall have the meaning assigned to it under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 or any modification thereof except units of a mutual fund;

3.26. Subsidiary

Subsidiary shall have the same meaning as defined under section 2(87) of the Companies Act, 2013.

3.27. Trading day

Trading day means a day on which the recognized stock exchanges are open for trading;

3.28. Trading in Securities

Trading in securities means and includes:

- a) Subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any security of the Company and "trade" shall be construed accordingly;
- b) Pledging of the securities of the Company including revocation/invocation of the pledge
- c) a gratuitous transfer of any securities of the Company;

- d) trading in the securities of the Company through a portfolio management account whether discretionary or otherwise and on the basis of investment advice rendered by any other investment advisor.

Provided that the above sub-rule would not apply to dealing through Mutual Funds.

3.29. Unpublished Price Sensitive Information or UPSI

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 be, ordinarily including but not restricted to, the information relating to the following:-

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. corporate actions like mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel and
- vi. material events in accordance with the Company's Policy for Determination of Materiality of Events or Information

Words and expressions used and not defined in these Rules but defined in the "SEBI LODR Regulations", the SEBI Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013), and rules and regulations made thereunder, as amended from time to time, shall have the meanings respectively assigned to them in those legislations.

These Rules will be governed by the applicable laws and any provision(s), if not specifically provided herein, will operate as per the provisions of applicable laws.

4. RESTRICTION ON COMMUNICATION AND TRADING BY INSIDERS

4.1. RESTRICTION ON COMMUNICATION OR PROCUREMENT OF UPSI

- 4.1.1. 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.
- 4.1.2. No person shall procure from or cause the communication by any insider of UPSI, relating to the Company or its securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.1.3. A policy for determination of "legitimate purpose" is covered under the code of practices and procedures for fair disclosure of unpublished price sensitive information.
- 4.1.4. Insiders should handle the UPSI with care and deal with the UPSI when transacting their business on a "need to know" basis.

“Need to know” basis would infer disclosure of UPSI only to those within or outside the Company who need the information to discharge their duty and whose possession of such information will not, in any manner, give rise to a conflict of interest or likelihood of the misuse of the information.

4.1.5. UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–

(a) entail an obligation to make an open offer under the SEBI Takeover Regulations where the Board is of informed opinion that the sharing of such UPSI is in the best interests of the Company;

(b) not attract the obligation to make an open offer under the SEBI Takeover Regulations but where the Board is of informed opinion that the sharing of such UPSI is in the best interests of the Company and the information that constitutes UPSI is disseminated to be made generally available at least two (2) trading days prior to the proposed transaction being effected in such form as the Board may determine to be adequate and fair to cover all relevant and material facts to rule out any information asymmetry in the market.

4.1.6. For purposes of clause 4.1.5., the Board shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Clause 4.1.5., and shall not otherwise trade in securities of the company when in possession of UPSI.

4.2. PROHIBITION ON TRADING WHILE IN POSSESSION OF UPSI

4.2.1. No Insider shall trade in the securities of the Company listed or proposed to be listed when in possession of UPSI.

In the case of Connected Persons, the onus of establishing that they were not in possession of UPSI, shall be on such Connected Persons.

4.2.2. Trading in the securities of other companies

While discharging their role, employees may become aware of any UPSI relating to the Company’s clients, customers, suppliers or joint ventures. Such employees shall not deal in the securities of such client, customers, supplier or joint venture companies if they possess any UPSI in relation to that other company.

For example, if a person is aware that the Company is close to or is negotiating a significant/material investment or any corporate structuring transaction or an alliance with another company or any contract or transaction which qualifies to be UPSI, he should not deal in the securities of either Muthoot Finance Limited or of the other company.

4.3. PROHIBITION ON TRADING DURING PROHIBITED PERIOD

4.3.1. Designated Persons/class of designated persons (including their immediate relatives) shall not deal in the securities of the Company during the Prohibited Period or sell shares allotted upon exercise of such stock options.

4.3.2. The restrictions in the Prohibited Period shall not be applicable to the following transactions:

- 4.3.2.1. off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of these Rules or SEBI Regulations and both the parties have made a conscious and informed trade decision.

Provided that such unpublished price sensitive information is not obtained under Rule 4.1.5 of these Rules.

Provided further that such off-market trades shall be reported by the insiders to the Company within two working days. The Company shall notify the particulars of such trades to the stock exchanges within two trading days from receipt of the disclosure or from becoming aware of such information;

- 4.3.2.2. transaction carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of these Rules and the SEBI Regulations and both the parties have made a conscious and informed trade decision;

Provided that such unpublished price sensitive information is not obtained by either person under Rule 4.1.5 of these Rules of these regulations;

- 4.3.2.3. transaction carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction;

- 4.3.2.4. transaction undertaken pursuant to the exercise of stock options issued by the Company;

- 4.3.2.5. the trades are pursuant to a trading plan set up as per the SEBI Regulations;

- 4.3.2.6. pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance in accordance with Rule 4.5 of the Rules; and

- 4.3.2.7. transactions undertaken in accordance with the respective regulations made by SEBI such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buyback offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.

4.4. MINIMUM HOLDING PERIOD/OPPOSITE TRANSACTION

- 4.4.1. Designated Persons (including their immediate relatives) who buy or sell securities shall not enter into an opposite transaction during the next 6 (six) months following the prior transaction (hereinafter called "Opposite Transaction"). However, the restriction on Opposite Transaction shall not apply to:

- a) the exercise of options granted under ESOP Plan announced by the Company from time to time;
- b) the sale of shares acquired under ESOP Plan, provided that the Designated Person is not in possession of UPSI at the time of such sale. However, once the shares acquired under the ESOP Plan are sold by the person, any subsequent purchase (other than exercise of ESOPs) will be subject to the aforesaid restriction of Opposite Transaction.

c) buy back offers, open offers, rights issues, Further Public Offers, bonus, exit offers etc.

4.4.2. The Compliance Officer or MD & CEO or the Committee, as the case may be, is empowered to grant relaxation from the strict application of the minimum holding period, for reasons to be recorded in writing in this regard, based on an application made by the Designated Person, provided such waiver does not violate the SEBI Regulations.

4.4.3. In case an Opposite Transaction is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the applicable law.

4.4.4. Designated Persons (including their immediate relatives) shall not take positions in derivative transactions in the securities of the Company at any time.

4.4.5. Designated Persons (including their immediate relatives) are strictly prohibited from entering into speculative transactions in the securities of the Company.

4.5. PRE CLEARANCE OF TRADES

4.5.1. Every Designated Person (including his immediate relative) who intends to trade in the securities of the Company, shall seek pre-clearance of transactions(s) before entering into such transaction(s) as per the pre-clearance procedure described hereafter, if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 Lacs.

Illustration:

<i>Mr. X (Designated Person) holds 25,000 equity shares of the Company as at March 31, 2015. Mr. X intends to sell 5,000 equity shares in three lots as under: Lot 1 comprising 1,000 equity shares</i>	<i>During quarter ended June, 2015</i>	<i>Assuming Muthoot's Share Price was Rs. 380</i>	<i>Traded value of shares would be Rs. 3,80,000</i>
<i>Lot 2 comprising 2,000 equity shares</i>	<i>During quarter ended June, 2015</i>	<i>Assuming Muthoot's Share Price was Rs. 385</i>	<i>Traded value of shares would be Rs. 7,70,000</i>
<i>Lot 3 comprising balance 2,000 equity shares</i>	<i>During quarter ended September, 2015</i>	<i>Assuming Muthoot's Share Price was Rs. 390</i>	<i>Traded value of shares would be Rs. 7,80,000</i>

Mr. X need not obtain pre-clearance for selling the first lot (as the traded value does not exceed Rs. 10 Lacs during a calendar quarter). However, before the sale of the second lot of 2,000 shares Mr. X shall pre-clear the transaction as the aggregate traded value of his dealings exceeds the threshold of Rs. 10 Lacs during a calendar quarter.

During the calendar quarter ended September, 2015, Mr. X may execute sale of 2,000 shares in lot 3 without requiring pre-clearance i.e. he can enter into fresh sale transaction(s) provided the traded value of such fresh transaction is upto Rs. 10 Lacs during that quarter, without seeking pre-clearance.

4.5.2. No Designated Person shall apply for pre-clearance of any proposed trade if such person is in possession of unpublished price sensitive information.

4.5.3. The authority for pre-clearance of trades shall be as under:

Trading by following Designated Persons (including by their immediate relatives)	Authority for Pre-clearance
Directors/Promoters	The Committee
Members of Executive Committee	MD & CEO
Compliance Officer	MD & CEO
Other Designated Persons	Compliance Officer

4.5.4. The approval shall be granted within 7 (seven) trading days or such further time from the date of acknowledgement of application for pre-clearance. In exceptional circumstances, approval may not be given if there are reasons to believe that the proposed transaction is on the basis of possession of any unpublished price sensitive information. There shall be no obligation to give reasons for any withholding of approval.

4.5.5. Designated Persons who seek pre-clearance shall execute the trade(s) in respect of securities of the Company within 7 (seven) trading days from the date of the approval for pre-clearance or such shorter period as may be specified in the pre-clearance approval. If the transaction is not executed within the time specified in the pre-clearance approval, the person shall, after complying with clause no.4.5.8. below, pre-clear the transaction again for executing the trade.

4.5.6. Designated Persons who have dealt in the securities of the Company after obtaining pre-clearance as aforesaid, shall within 2 (two) trading days of such trading, inform the actual details of their transaction(s) to the Compliance Officer.

4.5.7. Designated Persons who have not traded in the securities of the Company after obtaining pre-clearance shall within 2 (two) trading days from the last date accorded for trading in the pre-clearance approval, inform to the Compliance Officer about his/her decision of not trading in the securities.

4.5.8. Designated Persons (including their immediate relatives) trading in the securities of the Company below or at the threshold limit specified in para 4.5.1 shall within 2 (two) trading days of such trading inform to the Compliance Officer details of the trading.

4.6. DISCLOSURE AND REPORTING REQUIREMENTS

Disclosures required to be made under this Rules or SEBI (PIT) Rules shall include those relating to the trading by such person's immediate relatives and by any other person from whom such person takes trading decisions.

4.6.1. INITIAL DISCLOSURE

4.6.1.1. Any person who becomes a Designated Person, or a member of Promoter Group shall disclose the following to the Compliance Officer, as on the date of becoming a Designated Person, within 30 (thirty) days of his/her so becoming a Designated Person.

4.6.1.1.1. His/her Permanent Account Number, contact details, educational institutions of graduation and name of the past employer(s);

4.6.1.1.2. Name, Permanent Account Number or any other identifier authorized by law and contact details of his/her immediate relatives;

4.6.1.1.3. Name, Permanent Account Number or any other identifier authorized by law and contact details of persons with whom he/she shares a material financial relationship and

4.6.1.1.4. the number of securities of the Company held by him/her and his/her immediate relatives.

The term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding 12 (twelve) months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions.

4.6.2. CONTINUAL DISCLOSURE

4.6.2.1. Every Designated Person and member of Promoter Group shall affirm to the Compliance Officer, the details given by him as per 4.6.1 on an annual basis within 30 (thirty) days after the close of the financial year.

4.6.2.2. Every Designated Person and member of Promoter Group shall inform to the Compliance Officer of any change in the details given by him stated above under clause 4.6.1.1 or clause 4.6.2.1 within 30 (thirty) days of such change.

4.6.2.3. Every Designated Person and member of Promoter Group of the Company shall disclose to the Company, in the format prescribed under the SEBI Regulations, the number of such securities acquired or disposed of within two (2) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rupees Ten (10) Lacs. The above disclosures shall be made in such form and such manner as may be specified by the Board from time to time.

For avoidance of doubt, it is clarified that the disclosure obligation under Clause 4.6.2.3 is in addition to the pre-clearance obligation and disclosure obligation set out in Clause 4.5.

4.6.3. DISCLOSURE BY OTHER CONNECTED PERSONS

The Compliance Officer may at his discretion require any other Connected Person or Deemed to be Connected Person to make disclosures of holdings and trading in securities of the Company in such form and at such frequency as he deems fit in order to monitor compliance with these Rules and the SEBI Regulations.

4.6.4. The disclosures to be made by any person under Clause 4.6 shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

5. TRADING PLANS

5.1. The SEBI Regulations contain provisions enabling an Insider to formulate trading plan(s) and present it to the Compliance Officer pursuant to which trades may be carried out on his behalf in accordance with such plan. The provisions enable the formulation of a trading plan by an Insider to enable him to plan for trades to be executed in future.

5.2. The provision intends to give an option to persons who may be perpetually in possession of UPSI and enabling them to trade in securities in a compliant manner.

5.3. Insiders desiring to formulate Trading Plan(s) may do so in accordance with the provisions of the SEBI Regulations.

6. COMPLIANCE OFFICER

6.1. In addition to the duties provided under the SEBI Regulations and the Rules, the Compliance Officer shall have the following duties/powers:

6.1.1. The Compliance Officer shall report to the Board and in particular to the Chairman of the Committee at such frequency as may be required by the Board.

6.1.2. The Compliance Officer shall promptly inform the stock exchange(s) where the securities are traded, any instances of violation under the Rules, in such form and such manner as may be specified by the Board from time to time.

6.1.3. The Compliance Officer shall maintain all records under these Rules and the SEBI Regulations for a minimum period of five (5) years.

6.1.4. The Compliance Officer shall notify the Stock Exchanges within two (2) trading days of receipt of disclosure or becoming aware of any trading in the securities of the Company by any Designated Person(s) including their immediate relatives in excess of the thresholds prescribed under clause 4.5.1

6.1.5. The Compliance Officer shall assist all employees in addressing any clarifications regarding SEBI Insider Regulations and these Rules.

6.1.6. The Compliance Officer shall ensure that prohibited period is intimated to all concerned at least 24 hours before the commencement of the said period.

6.1.7. The Compliance Officer shall promptly inform SEBI of any instances of violation of the SEBI Regulations after consultation with the Committee.

6.2. ALTERNATE COMPLIANCE OFFICER

6.2.1. During the temporary absence of the Compliance Officer, the Committee or the MD & CEO may appoint/ designate any other person to be an 'Alternate Compliance Officer' who shall act as the Compliance Officer for the purpose of these Rules and the SEBI Regulations, during such temporary absence of the Compliance Officer.

7. NOTICE OR CONFIDENTIALITY & STRUCTURED DIGITAL DATABASE

7.1. NOTICE OR CONFIDENTIALITY

- 7.1.1. Any person in receipt of UPSI in furtherance of a legitimate purpose shall be considered as an insider for the purpose of these Rules and the SEBI Regulations;
- 7.1.2. The Designated Persons and Employees, sharing UPSI in furtherance of legitimate purposes, shall issue a due notice or enter into a confidentiality / non-disclosure agreement with such insider to maintain confidentiality of the UPSI in compliance with these Rules and the SEBI Regulations.

7.2. STRUCTURED DIGITAL DATABASE

- 7.2.1. The Designated Persons and employees, sharing UPSI in furtherance of legitimate purposes, shall inform to the Compliance Officer, the Name and Permanent Account Number or such other identifier authorized by law or such other details, as may be required, of such persons or entities with whom UPSI is shared under these Rules;
- 7.2.2. The details so obtained shall be maintained in a digital database with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

8. CHINESE WALL PROCEDURES

8.1. All Designated Persons must maintain the confidentiality of all UPSI coming into their possession or control. To comply with this confidentiality obligation, the Designated Persons shall not:

- (i) pass on any UPSI to any person directly or indirectly by way of making a recommendation for the trading in the securities of the Company; or
- (ii) disclose UPSI to their family members, friends, business associates or any other individual, or
- (iii) discuss UPSI in public places, or
- (iv) disclose UPSI to any Employee who does not need to know the information for discharging his or her duties, or
- (v) recommend to anyone that they may undertake trading in the securities of the Company while being in possession, control or knowledge of UPSI, or
- (vi) be seen or perceived to be trading in the securities of the Company on the basis of UPSI.

8.2. Files containing UPSI shall be kept secure under lock and key. Computer files must have adequate security of login and password etc. All Designated Persons must follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the information technology function. Each department shall nominate a member of the department who shall be responsible to ensure compliance with this clause.

9. PENALTY FOR CONTRAVENTION

9.1. ACTION BY THE COMPANY

- 9.1.1. An Insider who deals in the securities in contravention of the provisions of these Rules, shall be guilty of insider trading.
- 9.1.2. Any violation under these Rules shall attract disciplinary action by the Company.
- 9.1.3. An Insider who violates the provisions of these Rules or SEBI Regulations shall be liable to following penal/disciplinary actions by the Company:

Sl. No.	Categories of Non-Compliances	Penal/ Disciplinary Actions that may be taken by the Board of Directors
A	Substantive Non-Compliances:	
1	Trading during Prohibited Period	An amount up to the higher of the following: two times the amount of gain made or loss avoided or Rs.1,50,000 and / or Termination from service.
2	Trading on the basis of UPSI	
3	Undertaking Opposite transactions/ Derivative Transactions	
4	Making recommendation directly or indirectly on the basis of UPSI	
5	Communication of UPSI in violation of these Rules or the SEBI Regulations.	
6	Trading without seeking pre-clearance of trades	
B	Procedural Non-Compliances:	
1	Non Reporting/Delayed reporting of transactions required to be reported post trading.	Warning Notice for the first instance of non-compliance. For every repeated act – a fine up to Rs. 25,000.
C	Any other Non – Compliances (e.g. Sharing of UPSI without issuing due notice or a due notice or enter into a confidentiality agreements, Delay in filing of Initial/continual disclosures etc.)	Penalty as decided by the Audit Committee, based on the circumstances of each case

- 9.1.4. In addition to the above penalties/actions, the Insider who violates these Rules, shall be liable for such other disciplinary action by the Company which may include salary freeze, suspension, recovery, claw back, ineligibility for future participation in employee stock option plans, stock appreciation rights, etc. Any amount collected with respect to the same shall be remitted to the Board for credit to the Investor Education and Protection Fund administered by the Board under the Act.
- 9.1.5. The above actions of Company will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such the defaulting Insider.
- 9.1.6. All cases of Substantive Non-Compliances as defined in clause 9.1.3.(A), Procedural Non-Compliances as defined in 9.1.3.(B) and any other Non-Compliances as defined in 9.1.3.(C) hereinabove involving any Insider, other than cases referred to in clause 9.1.9., hereinafter, shall be reported to the Board of Directors and the Board of Directors shall adjudicate all such matters involving the Designated Person(s), other than those referred to in clause 9.1.9.

9.1.7. Board of Directors may levy penalty within the specified limits and it may take appropriate disciplinary/remedial action against the defaulting Insider and the decision of and the action taken by Board of Directors shall be final and binding upon the defaulting Insider.

9.1.8. All cases of Substantive Non-Compliances as defined in clause 9.1.3.(A) and Procedural Non-Compliances as defined in 9.1.3.(B) and any other Non-Compliances as defined in 9.1.3.(C) hereinabove involving the following persons shall be reported to and adjudicated by the Board of Directors which may levy penalty within the specified limits and/or take appropriate disciplinary/remedial action against the defaulting Insider and decision of the Board of Directors shall be final and binding upon such person:

- i. Promoter
- ii. Director or KMP
- iii. Senior management personnel

9.2. ACTION BY STATUTORY AUTHORITIES

In the event of violation of the Companies Act, 2013 or the SEBI Regulations, no penalty levied or other action taken by the Company will preclude the SEBI or other appropriate authority(ies) from taking action under the relevant legislations.

10. INQUIRY/INVESTIGATION AND REPORTING OF ACTUAL OR SUSPECTED LEAK OF UPSI

10.1. On receipt of a complaint, the BOARD OF DIRECTORS shall take cognizance of the same and promptly nominate an Investigation Team ("Team") as it may deem fit, to conduct a preliminary inquiry pertaining to instance of actual leak/ suspected leak of UPSI as reported in the complaint. The BOARD OF DIRECTORS may also engage an external investigator / advisor to assist / conduct an inquiry.

10.2. Within one week of completion of the preliminary inquiry, the Team shall submit its report to the BOARD OF DIRECTORS containing details of the alleged leak/ suspected leak and whether such complaint is prima facie genuine or frivolous.

10.3. Based on the findings of the preliminary inquiry, if the BOARD OF DIRECTORS has a reason to believe that there is an actual leak or a suspected leak of UPSI. The BOARD OF DIRECTORS shall proceed with the final inquiry by directing the Team and/ or the external agency, as the case may be, to conduct the same.

10.4. Within one week of the completion of the final inquiry, the Team/ external agency shall submit its report to the BOARD OF DIRECTORS containing its final findings regarding the reported complaint.

10.5. Within one week of submission of the report by the Team/ external agency on its findings of the final

10.6. The Compliance Officer shall promptly inform the SEBI regarding the actual or suspected leak of UPSI, inquiry / investigation conducted thereon and results thereof.

11. GENERAL

- 11.1.1. These Rules would be subject to revision/ amendment in accordance with the applicable laws.
- 11.1.2. The Company reserves its rights to alter, modify, add, delete or amend any of the provisions of the Rules.
- 11.1.3. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under these Rules, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the Rules shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.