



**MUTHOOT CAPITAL SERVICES LIMITED**  
**(MCSL)**

**CIN: L67120KL1994PLC007726**

**CODE OF CONDUCT TO REGULATE,  
MONITOR AND REPORT TRADING BY  
DESIGNATED PERSONS**

**&**

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UNPUBLISHED PRICE SENSITIVE  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

**This Code was approved by the Board of Directors at the meeting held on 25<sup>th</sup> May, 2015 and reviewed by the Board on 18<sup>th</sup> April, 2017 and April 24, 2019**



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PRICE SENSITIVE INFORMATION**

**PREAMBLE**

“Muthoot Capital Services Limited” (the Company) endeavors to preserve the confidentiality of unpublished price sensitive information and to prevent the misuse of such information. The Company is committed to transparency, fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations in force.

The Securities Exchange Board of India (Insider Trading) Regulations, 2015, as amended upto date, make it mandatory for every Listed Company to lay down a Code of Conduct for Prevention of Insider Trading.

Every Director and other Designated Persons of the Company has a duty to safeguard the confidentiality of all information obtained during the course of his or her employment at the Company. No Director and other Designated Persons may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

**PART A**

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED  
PERSONS**

**1. CODE OF CONDUCT**

- 1.1 This Code is formulated to regulate, monitor and report trading by Designated Persons and is applicable to all Designated Persons and Immediate Relatives of Designated Persons of Muthoot Capital Services Limited as defined in this Code.
- 1.2 This Code is formulated under the provisions of Securities and Exchange Board of India (Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and may be modified by the Board of Directors of the Company from time to time.

**2. DEFINITIONS**

- a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- b) "Regulations" means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time;

- c) “Stock Exchange” means a Stock Exchange which is recognized by the Central Government or SEBI under Section 4 of Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- d) “the Company” means Muthoot Capital Services Limited (MCSL);
- e) “Board of Directors” or “the Board” means the Board of Directors of Muthoot Capital Services Limited.
- f) “Director” means a member of the Board of Directors of the Company;
- g) “Promoter” or “Promoter Group” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- h) “Key Managerial Personnel” or “KMP”, means person as defined in Section 2 (51) of the Companies Act, 2013;
- i) “Code” means this Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as modified from time to time;
- j) “Compliance Officer” for the purpose of this Code is the Company Secretary of the Company;
- k) “Designated Persons” means a person occupying any of the following position in the Company:
  - 1) All Promoters and or members of promoter group;
  - 2) All Directors;
  - 3) Key Managerial Personnel (KMP);
  - 4) Chief Operating Officer (COO);
  - 5) All employees equivalent or above the rank of General Manager;
  - 6) Person heading the IT Department, Collection, Human Resources, Risk & Products Department;
  - 7) All employees in the Secretarial Department;
  - 8) All employees equivalent or above the rank of Deputy Manager in the Finance & Accounts Department;

- 9) Internal Auditors, Statutory Auditors, Secretarial Auditors and any consultant firms;
- 10) Persons who is in the opinion of the Managing Director(s) of the Company, has access to or is likely to have access to Unpublished Price Sensitive Information relating to the Company.
- l) "Connected person" means,
- i) any person who is or has during the six months prior to the concerned act been associated with the 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.
  - ii) 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:
    - (a) an immediate relative of connected persons specified in clause (i) above; or
    - (b) a holding company or associate company or subsidiary company; or
    - (c) an intermediary as specified in Section 12 of the Act 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 recognized 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 10% of the holding or interest;
- m) “Immediate Relatives” 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;
- n) “Insider” means any person who is,
  - i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information.
- o) “Generally Available Information” means information that is accessible to the public on a non-discriminatory basis; (Information published on the website of a stock exchange, would ordinarily be considered generally available.)
- p) “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 the 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, de listings, disposals and expansion of business and such other transactions;
  - v) changes in key managerial personnel; and
  - vi) any other information which in the opinion of Compliance Officer, is to be treated as price sensitive information and notified accordingly.
- q) “Unpublished” means information which is not published by the Company or its Agents and is not specific in nature.

*Explanation: - Speculative Reports in print or electronic media shall not be considered as published information.*

- r) “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;

- s) "Dealing in Securities" means an Act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principle or agent.
- t) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and "trade" shall be construed accordingly;
- u) "Trading Day" means a day on which the recognized stock exchanges are open for trading where securities of the Company are listed;
- v) "Trading Window" means a trading period for trading in Company's Securities. All days shall be the trading periods except when trading window is closed;
- w) "Insider Trading" means when insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions.
- x) "Prohibited Period" means the period effective from the date on which the Company sends intimation to the Stock Exchange(s) advising the date of the Board Meeting, up to 48 hours after the price sensitive information is submitted to the Stock Exchange(s).
- y) All other words and phrases will have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules & regulations made thereunder shall have the meanings respectively assigned to them in that legislation.

### **3. APPLICABILITY**

- 3.1 This Code is applicable to all Designated Persons and Immediate Relatives of Designated Persons as defined in this Code.
- 3.2 This Code will be applicable to any transactions, made by the Designated Persons and Immediate Relatives of Designated Persons, in securities of the Company exceeding 20,000 shares or ₹ 10 lakhs in value or 1% of the total holdings in the Company, whichever is lower (in a trading day).

### **4. COMPLIANCE OFFICER**

- 4.1 Company Secretary shall be the Compliance Officer for the purpose of this Code. The Compliance Officer shall designate a Senior Official of the Company to act as Compliance Officer in his absence.

- 4.2 The Compliance Officer shall be responsible for setting forth the policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades, pre-clearance of trades to be entered into by the Designated Persons and the implementation of this Code under the overall supervision of the Board of Directors of the Company.
- 4.3 The Compliance Officer shall intimate Designated Persons, about Closure of Trading Window etc. from time to time. The trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results. Such closure shall be imposed in relation to such securities to which such UPSI relates. In other cases, the Compliance Officer shall decide the closing and re-opening of the trading window. Designated Persons and their Immediate Relatives shall not trade in securities when the trading window is closed.
- 4.4 The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 hours after the information becomes generally available.
- 4.5 The Compliance Officer shall assist Designated Persons and their Immediate Relatives in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulations, 2015 and this Code of Conduct.
- 4.6 The Compliance Officer shall maintain a record of the Designated Persons and their Immediate Relatives and any changes made in the list of Designated Persons.
- 4.7 The Compliance Officer shall oversee the entire corporate disclosures. He shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-coordinating disclosure of Price Sensitive Information to Stock Exchanges, Analysts, Shareholders and Media and educating staff on disclosure policies and procedure. Information/disclosure/dissemination may normally be approved in advance and if information is accidentally disclosed without prior approval, the person responsible may inform the Compliance Officer, immediately, even if the information is not considered price sensitive.
- 4.8 The Compliance Officer shall make the employees of the Company aware of their duties and responsibilities attached to the receipt of inside information and the liabilities attached to misuse or unwarranted use of such information under this Code.
- 4.9 The Compliance officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide the reports to the Chairman of Audit Committee,

immediately on the next Board/Audit Committee meeting on becoming aware of such insider trading.

## **5. DISCLOSURE BY DESIGNATED PERSONS**

5.1 Designated persons shall disclose the names and Permanent Account Number (PAN) or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when there is a change in information already furnished:

- a) immediate relatives;
- b) persons with whom such Designated Persons shares a material financial relationship;
- c) phone, mobile and cell numbers which are used by them;

*Explanation: 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 during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income, but shall exclude relationships in which the payment is based on arm's length transactions.*

5.2 In addition, the names of educational institutions from which Designated Persons have graduated and names of their past employers shall be disclosed on a one-time basis.

## **6. PRESERVATION OF UPSI**

6.1 All Designated Employees and Connected Persons shall maintain the confidentiality of price sensitive information. All information shall be handled within the organization on a need-to-know basis and no UPSI shall be communicated to any person including insiders except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.

"Need-to-know" basis means that UPSI should be disclosed only to those within the Company 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.

All non-public information directly received by any employee should immediately be reported to the Head of the Department.

6.2 No insider shall communicate, provide or allow access to any UPSI, relating to the Company or 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 and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

- 6.3 No Designated Person shall pass on any UPSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.
- 6.4 Notwithstanding anything contained in the Code, the UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
- (i) entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company;
  - (ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company and the information that constitute UPSI is disseminated to be made generally available at least two trading days prior to the sharing of such information being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.
- 6.5 All Designated Persons will have to keep the files containing confidential information relating to UPSI fully secured. Computer files must be kept with adequate security with login and password etc.
- 6.6 For the purpose of prompt public disclosure of UPSI, the Company also adopts the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information set out in **PART-B**.

## **7. TRADING RESTRICTIONS WHEN IN POSSESSION OF UPSI**

- 7.1 No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI.
- 7.2 When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.
- 7.3 Trading in securities of the Company by an insider is allowed if such transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of Clause 5 of this Code and both the parties had made a conscious and informed decision.

Provided that such UPSI was not obtained under Clause 5.4 of this Code.

- 7.4 Such off-market trades shall be reported by the insiders to the Company within two working days. Every Company shall notify the particulars of such trades to the Stock Exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

## **8. TRADING WINDOW**

- 8.1 The trading window shall be closed as per clause 4.3 inter-alia, before Board Meeting/or any other meeting is held to consider:

- a) Declaration of financial results (quarterly, half yearly and annually);
- b) Recommendation/declaration of dividends (interim and final);
- c) Issue of securities by way of public/rights/bonus, etc.;
- d) Any major expansion plan (i.e., capacity expansion beyond 25%) or execution of new project;
- e) Amalgamation, mergers, takeovers and buy back;
- f) Disposal of the whole or substantially whole of the undertaking;
- g) Any changes in policies, plans or operations of the Company which may substantially affect share prices of the Company;

- 8.2 The trading window shall be re-opened as per clause 4.4. The Designated persons and their Immediate Relatives shall not trade in securities when the trading window is closed.

- 8.3 All Designated Persons and Immediate Relatives of Designated Persons Shall conduct all their trading in the securities of the Company only in a valid trading window and shall not trade in Company's securities during the periods when trading window is closed, as referred to in clause 8.1 or during any other period as may be specified by the Company from time to time.

- 8.4 The trading window restrictions shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

- 8.5 The Compliance Officer shall intimate the closure of trading window to all the Designated Persons of the Company and in addition, the trading window closure notice shall be placed on the website of the Company and intimated to the Stock Exchanges to enable the

Designated Persons and Immediate Relatives of Designated Persons to disseminate the information regarding the trading window closure.

## **9. PRE-CLEARANCE OF TRADES**

9.1 When the trading window is open, trading by Designated Persons shall be subject to pre-clearance by the Compliance Officer, if the transactions in securities of the Company exceeds 20,000 shares or ₹ 10 lakhs in value or 1% of the total holdings in the Company, whichever is lower.

9.2 Procedures for Pre-Clearance:

a) The Designated Persons shall make an application for pre-clearance to the Compliance Officer in the format prescribed in **Annexure 1**.

b) An undertaking in the format prescribed in **Annexure 2** shall be executed by the Designated Persons in favour of the Company incorporating inter-alia the following clauses, as may be applicable:

- That the Designated Persons does not have any access to or receives UPSI upto the time of signing the undertaking;
- That in case the Designated Persons has access to or receives UPSI after the signing of the undertaking but before the execution of the transaction, he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public;
- That he/she has not contravened the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as notified by the Company from time to time, at the time of pre-clearance;
- That he/she has made a full and true disclosure in the matter, at the time of Pre-clearance.

9.3 Based on the application, the Compliance Officer may issue pre-clearance order to the Designated Person in the format prescribed in **Annexure 3** only after receiving the clearance, the transaction should be carried out.

9.4 The execution of the order in respect of the securities of the Company will have to be completed within 7 trading days of approval of pre-clearance failing which fresh pre-clearance would be needed for the trades to be executed;

9.5 After completing the deal, the Designated Person shall intimate the Compliance Officer about the transactions in the format prescribed in **Annexure 4**. In case the transaction is not undertaken, a report to that effect shall be submitted to the Compliance Officer.

9.6 A Designated Person who is permitted to trade shall not execute a contra trade during the next six months following the prior transaction. The Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade has been executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

9.7 In case of subscription in the primary market (initial public offers), the abovementioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

9.8 In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance Officer after recording in writing his/her reasons, in this regard.

## **10. OTHER RESTRICTIONS**

10.1 The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.

10.2 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.

10.3 The Compliance Officer shall maintain records of all the declarations given by the Designated Persons under this Code for a minimum period of 5 years.

## **11. TRADING PLANS**

11.1 An Insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

11.2 Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

11.3 Such trading plan shall:

- a) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- b) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
- c) entail trading for a period of not less than twelve months;
- d) not entail overlap of any period for which another trading plan is already in existence;
- e) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- f) not entail trading in securities for market abuse.

11.4 Parameters of such trading plan may inter-alia provide the following information such as acquisition or disposal of securities, value of securities or the number of securities to be invested or divested and specific dates or specific time intervals of transactions.

11.5 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

11.6 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

11.7 The implementation of the trading plan shall not be commenced if any UPSI in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information.

11.8 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the Stock Exchanges on which the securities are listed.



## 12. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

### 12.1 Initial Disclosure

- a) Every Promoter, member of promoter group, Key Managerial Personnel, Director, Officers, Designated Persons of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in **FORM A** prescribed by SEBI in pursuant to Regulation 7 (1) (a) read with Regulation 6 (2).
- b) Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter or member of promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a Promoter or member of promoter group, to the Company within seven days of such appointment or becoming a Promoter or member of promoter group. Such Disclosure shall be in **FORM B** prescribed by SEBI in pursuant to Regulation 7 (1) (b) read with Regulation 6 (2).

### 12.2 Continual Disclosures

- a) Every Promoter, member of promoter group, Designated Person and Director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two 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 ₹ 10 Lakhs.

The disclosure shall be made within 2 working days of:

- (i) the receipt of intimation of allotment of shares, or
- (ii) the acquisition or sale of shares or voting rights, as the case may be.

**Note:** Disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.

- b) The Disclosure under Clause 11.2 (a) shall be in **FORM C** prescribed by SEBI in pursuant to Regulation 7 (2) read with Regulation 6 (2).
- c) Within 2 days of the receipt of intimation under Clause 11.2 (a), the Compliance Officer shall disclose the information received, to all Stock Exchanges on which the Company is listed.

### **12.3 Disclosures by other Connected Persons**

The Compliance officer on his discretion may require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities of the Company in such form and at such frequency as may be determined by the Compliance Officer in order to monitor compliance with this Regulations / Code. Such disclosure shall be in **FORM D** prescribed by SEBI in pursuant to Regulation 7 (3).

### **13. DISSEMINATION OF PRICE SENSITIVE INFORMATION**

13.1 No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.

13.2 Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors.

13.3 The following guidelines shall be followed while dealing with analysts and institutional investors:

- a) Only public information to be provided;
- b) At least two Company representatives are present at meetings with analysts, media persons and institutional investors;
- c) Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding; and
- d) Simultaneous release of information after every such meet.

### **14. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT**

14.1 Every Designated Persons and Immediate Relatives of Designated Persons who trades in securities or communicates any information for trading in securities in contravention of this Code of Conduct will be penalized and appropriate action will be taken against them by the Company after giving reasonable opportunity to them to show cause.

14.2 All the employees and Designated Persons violating this Code of Conduct shall also be subject to disciplinary action, as approved by the Managing Director of the Company, which may include wage or salary freeze, suspension, recovery, claw back, withholding of increment in salary/promotions, ineligibility of future participation in stock options, etc.

14.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015 as amended from time to time.

14.4 In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, by the Designated Persons, the Company shall inform the Board, at the earliest.

***This policy is only internal code of conduct and one of the measures to avoid insider trading. It will be the responsibility of each Designated Persons to ensure compliance of SEBI guidelines and other related statutes fully.***

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## **PART B**

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

The code aims at prompt public disclosure of Unpublished Price Sensitive Information (UPSI) that would impact price discovery so as to make such information generally available. The disclosure shall be done no sooner than credible and concrete information comes into being. The code also covers the practices and procedures for fair disclosure of UPSI.

#### **1. CORPORATE DISCLOSURE POLICY**

- 1.1 Uniform and universal dissemination of UPSI shall be ensured to avoid selective disclosure. In case of selective dissemination of UPSI inadvertently or otherwise, it shall be ensured promptly to make such information generally available.
- 1.2 The Chief Finance Officer shall be the Chief Investor Relations Officer (CIRO) of the Company under this Code to deal with dissemination of information and disclosure of UPSI.
- 1.3 CIRO / any other authorized person shall ensure that the information shared with analysts and research personnel is not UPSI and that the principles such as, equality of access to information, calls and meetings with analysts etc. are being followed.
- 1.4 CIRO shall ensure development of best practices to make transcripts or records of proceedings of meetings with analysts / other investor relations conferences available on the official website to ensure official confirmation and documentation of disclosures made.
- 1.5 The CIRO or any officer authorized by the Managing Director shall be invited to meetings / conferences organized by the Company with the analysts / institutional investors. Apart from CIRO, no person, except those authorized by the Managing Director shall disclose any information relating to the Company's Securities to analysts and institutional investors.
- 1.6 In line with the Company practice, the Authorised Person who makes official communication shall ensure release of all official press releases simultaneously to Stock Exchanges and media with a copy to CIRO and Company Secretary. These press releases shall also be posted on the website of the Company.
- 1.7 The Authorised Person who makes official communication shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities / stock exchanges in consultation with Head of the

concerned department to which the news report / market rumor pertains and the CIRO.

- 1.8 Company Secretary shall ensure that disclosures of shareholding pattern as required under Listing Agreement with Stock Exchanges are made in a timely and adequate manner.
- 1.9 Company Secretary shall ensure that disclosure with regard to quarterly & annual financial results, dividend and record date/book closure, etc., as required under SEBI (LODR) Regulations, 2015 are made in a timely and adequate manner.
- 1.10 Appointment of Directors shall be promptly disclosed to the Stock Exchanges. With regard to other changes in KMP, the same shall be disclosed to the Stock Exchanges on the date of such change taking place. However, trading window shall not be closed in this regard unless Compliance Officer decides otherwise.
- 1.11 The Board may, if deemed fit, advise any additional disclosure with respect to decision on any agenda item placed before the Board. Company Secretary shall ensure prompt disclosure of the same in accordance with Board's directions.
- 1.12 Any other material event having bearing on the performance / operations of the Company as well as price sensitive information pertaining to any specific function / division / unit shall be promptly reported to CIRO by concerned functional head or unit / division head. Compliance Officer after taking approval of Managing Director shall communicate the same to Stock Exchanges, under intimation to CIRO.
- 1.13 It shall be ensured that all UPSI shall be handled within the Company on a need-to-know basis and shall not be communicated, provided or allowed access to, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. Sharing of UPSI for legitimate purposes shall be subject to the prior approval of the Compliance Officer under this Code.

*Explanation: "Legitimate Purpose" shall include 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, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.*

Persons in receipt of UPSI pursuant to a "legitimate purpose" shall be considered an "insider" for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations.

The Board of Directors of the Company shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared for legitimate purposes under this Code along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

## **2. RESPONDING TO MARKET RUMORS**

- 2.1 The Company shall have clearly laid down procedures for responding to any queries or requests for verification of market rumors by exchanges.
- 2.2 The official designated for corporate disclosure shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

## **3. SUBMISSION OF DISCLOSURES AND PRESCRIBED FORMS**

All submissions, forms etc., envisaged in this Code should be addressed to the Compliance Officer and forwarded to the Secretarial Department of the Company at its Corporate Office, for administrative purpose and taking appropriate action.

The Secretarial Department shall acknowledge the receipt of declaration/form.

## **4. COMMUNICATIONS AND AMENDMENTS**

This Code be communicated to each Designated Persons, Connected Persons and Directors by email or by hand and will be displayed in the website of the company.

The Board of Directors shall have the full authority to amend or modify these guidelines and waive any procedural requirements of the Policies subject to the guidelines issued by SEBI from time to time.

## **5. ACKNOWLEDGEMENT OF RECEIPT**

I hereby acknowledge that I have received a copy by email of the '***Procedures and guidelines governing Insider Trading***' and agree to comply with its terms. I understand that violation of the Insider Trading laws and regulations may subject me to civil as well as criminal penalties and that violation of the terms of this Policy may subject me to discipline by Muthoot Capital Services Limited.

.....

**APPLICATION FOR PRE-CLEARANCE**

Date:

To,  
Compliance Officer  
Muthoot Capital Services Limited, Kochi

Dear Sir/Madam,

**Sub: Application seeking pre-clearance approval for trading in securities of the Company**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**, I seek approval to purchase / sale / subscription of \_\_\_\_\_ equity shares of the Company as per details given below:

A	Name of the Applicant	
B	Designation, if any	
C	Number of securities held as on date	
D	Folio No. / DP ID / Client ID No.	
E	The Proposal is for	a) Purchase of Securities b) Subscription of Securities c) Sale of Securities
F	Proposed date of dealing in Securities	
G	Estimated number of Securities proposed to be acquired / subscribed / sold	
H	Price at which the transaction is proposed	
I	Current Market price (as on date of application)	
J	Whether the proposed transaction will be through stock exchange or off-market deal	
K	Folio No. / DP ID / Client ID no. where the securities will be credited / debited	

I enclose herewith the undertaking signed by me.

Yours faithfully,

\_\_\_\_\_  
(Signature)

**UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE**

To,  
Compliance Officer  
Muthoot Capital Services Limited, Kochi

I, ..... (Name and Designation) residing at .....,  
am desirous of dealing in ..... \*shares of the Company as mentioned in my  
application dated ..... for pre-clearance of the transaction.

As required by the Internal Code of Conduct under SEBI (Prohibition of Insider Trading)  
Regulations, 2015 of Muthoot Capital Services Limited, I hereby state that:

- a) I have no access to nor do I have any information that could be construed as “Unpublished Price Sensitive Information” as defined in the Code upto the time of signing this undertaking;
- b) In the event that, I have access to or received any information that could be construed as “Unpublished Price Sensitive Information” as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.
- c) I have not contravened the provisions of the Code of Conduct for Prohibition of Insider Trading as notified by the Company from time to time.
- d) I have made full and true disclosure in the matter.

Date:

Signature:

Name:

\*Indicate number of shares.



**PRE-CLEARANCE APPROVAL LETTER**

Date:

To,  
Name :

Emp. No :

Designation :

**Sub: Pre-clearance approval for trading in shares of Muthoot Capital Services Limited**

With reference to your application dated ..... seeking approval for undertaking certain transactions in the equity shares of the Company, please be informed that you are hereby permitted to undertake the said transaction(s). You may buy/sell in not more than ..... equity shares of the Company pursuant to this approval letter.

This approval is being issued relying on the various declarations and indemnities made by you in your said application.

This approval letter is valid till ..... (i.e. for 7 trading days) If you don't execute the approved transaction / deal on or before this date, you would have to seek fresh pre-clearance approval before executing any transaction / deal. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction / deal.

Yours Truly,

**For Muthoot Capital Services Limited**

**Compliance Officer**

**CONFIRMATION OF TRADE**

To,  
Compliance Officer  
Muthoot Capital Services Limited, Kochi

I hereby inform that I:

have not bought / sold / subscribed any securities of the Company  
 have bought/sold/subscribed to ..... securities as mentioned below on ..... (date)

<b>Name of the Holder</b>	<b>No. of Securities dealt with</b>	<b>Bought / Sold / Subscribed</b>	<b>DP ID / Client ID / Folio No.</b>	<b>Price (Rs.)</b>

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery Instruction Slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and / or applicable laws / regulations have been contravened for effecting the above said transactions(s).

Date:

Signature:

Name:

Designation: