

The logo for Metro Brands features the word "metro" in a bold, lowercase, sans-serif font. A red triangle is positioned above the letter 't', pointing downwards and to the right. The word "BRANDS" is written in a smaller, uppercase, sans-serif font directly below "metro".

**BRANDS**

**METRO BRANDS LIMITED**

### **INSIDER TRADING - CODE OF CONDUCT<sup>1</sup>**

This Policy is only an internal code of conduct and one of the measures to avoid Insider Trading. It will be the responsibility of each person covered under the SEBI Insider Trading Regulation to ensure compliance of the SEBI Act, Guidelines and other related statutes.

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<sup>1</sup> As adopted in Board meeting dated 6<sup>th</sup> December, 2018 and further amended vide resolution passed in Board meeting dated 20<sup>th</sup> May, 2022

## Chapter 1- Preliminary and Restrictions on Insider Trading

### 1.1 Background

The Metro Brands Limited Insider Trading - Code of Conduct (“**Code of Conduct**”) for prevention of Insider Trading is framed pursuant to Regulation 12(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**PIT Regulations**”). This code is being framed with an aim that the Connected Persons & Designated Persons (*defined hereinafter*) of Metro Brands Limited (“the Company”) and their Dependents shall not derive any benefit or assist others to derive any benefit from the access to and possession of price sensitive information about the Company which is not in the public domain and thus constitutes Insider information.

This Code of Conduct has become effective from December 22, 2021, i.e. the date of listing of the Equity Shares of the Company on the Bombay Stock Exchange (“**BSE**”) and the National Stock Exchange (“**NSE**”), and together (“**Stock Exchanges**”).

### 1.2 Objective of this Code of Conduct

This Code of Conduct has been prepared by adopting the standards set out in Schedule B of the Regulations in order to regulate, monitor and report trading by Connected Persons & Designated Persons towards achieving compliance with the PIT Regulations.

### 1.3 Definitions

- (a) “**Act**” means the Securities and Exchange Board of India Act, 1992.
- (b) “**Associate Company**” means a Company which has control of at least 20% of total paid up share capital of the Company or of business decisions under an agreement.
- (c) “**SEBI/Board**” means Securities and Exchange Board of India.
- (d) “**Company**” means Metro Brands Limited.
- (e) “**Connected person**” 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 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); 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 recognised 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 the Company or his Immediate Relative or banker of the Company, has more than 10% (ten per cent) of the holding or interest;

(iii) any other person designated as Connected Person by the Compliance Officer.

(f) “**Designated Persons**” means:

- (i) Promoters & Promoter Group of the Company;
- (ii) Members of the Board of Directors of the Company;
- (iii) Executive Committee Members;
- (iv) Chief Executive Officer (CEO);
- (v) Chief Operating Officer (COO);
- (vi) Chief Financial Officer (CFO);
- (vii) Company Secretary;
- (viii) Head of the Departments;
- (ix) All employees of the Accounts & Finance Department;
- (x) All employees of Legal & Secretarial Department;
- (xi) CEOs & CFOs of subsidiary company(ies) and Associate

Company(ies);

(xii) Head of Internal Audit Department;

(xiii) Secretaries/Executive Assistants reporting to the Chairman, the Managing Director, the CEO, the CFO, the COO; and

(xiv) Such other persons as may be identified by the Compliance Officer.

- (g) **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis.
- (h) **"Immediate relative"** means a spouse of a person, and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person or consults such person in taking decisions relating to trading in securities.
- (i) **"Insider"** means any person who is:
- (i) a Connected Person; and/or
  - (ii) a Designated Person; and/or
  - (iii) in possession of or having access to unpublished price sensitive information.
- (j) **"Promoter"** 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.
- (k) **"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.
- (l) **"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.
- (m) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- (n) **"Trading day"** means a day on which the recognised stock exchanges are open for trading.
- (o) **"Unpublished price sensitive information" ("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, ordinarily include but is not restricted to, information relating to: –
- (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; and
- (v) changes in key managerial personnel;

Words and expressions used and not defined in the Policy but defined in the PIT Regulations as amended from time to time, Act, the Depositories Act, 1996, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

#### **1.4 Compliance Officer**

The Company has appointed the Company Secretary as the Compliance Officer for the purposes of the Regulations, who shall work subject to guidance of the Chairman and the Board of Directors.

#### **1.5 Communication or procurement of UPSI**

- (1) No Insider shall communicate, provide, or allow access to any UPSI relating to the Company or securities listed or proposed to be listed by the Company, to any person including other Insiders except where such communication is in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.
- (2) No person shall procure from or cause the communication by any Insider of UPSI, relating to the Company or securities listed or proposed to be listed by the Company, except in furtherance of legitimate purpose, performance of duties or discharge of legal obligations.
- (3) Any person in receipt of UPSI pursuant to a 'legitimate purpose' shall be considered an 'Insider' for purposes of this Code and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with this Code.

The term '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 under this Code.

- (4) Notwithstanding anything contained herein, 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 interest of the Company and the information that constitutes UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being affected in such form as the Board of Directors of the Company may determine to be adequate and fair to cover all relevant and material facts.
- (5) For purposes of point (3) above, the Board of Directors of the Company shall require the parties to execute agreement for 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 the above point (3) and shall not otherwise trade in securities of the Company when in possession of UPSI.

#### **1.6 Trading when in possession of unpublished price sensitive information**

No Insider shall trade in securities of the Company when in possession of UPSI.

#### **1.7 Procedure**

To prevent the misuse of confidential information, the Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.

All the UPSI shall be handled on “need to know basis”, i.e., UPSI should be disclosed only to those 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 the non-public information directly received by any employee should immediately be reported to the head of the department.

#### **1.8 Pre-clearance of trades**

- (i) All Designated Persons who intend to trade in the securities of the Company (either in their own name or in any Immediate Relative’s name) i.e. buy or sell securities and if the value of the securities likely to be traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakhs (Rupees ten lakh), should pre-clear the transactions by making an application in the

prescribed format to the Compliance Officer indicating the estimated number of units of securities that the designated person or Immediate Relative(s) intends to trade, the details as to the depository with which (s)he has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of UPSI.

- (ii) The Compliance Officer shall also determine whether any such declaration is reasonably capable of being rendered inaccurate.
- (iii) All designated persons of the Company and their Immediate Relatives shall execute their order in respect of securities of the Company within 7 (seven) trading days after the approval of pre-clearance is given. If the order is not executed within 7 (seven) trading days after the approval is given, the employee must obtain the pre-clearance for the transaction again.

### **1.9 No Trading Period**

- (i) The trading period during which the Company's securities can be traded is called trading window. The trading window shall be closed during the time the price sensitive information is un-published.
- (ii) When the trading window is closed, the Designated Persons (including their Immediate Relatives) shall not trade in the Company's securities in such period.
- (iii) The trading window shall be, *inter-alia* closed at the time of:
  - (a) Declaration of Financial results;
  - (b) Declaration of dividends (interim and final);
  - (c) Change in capital structure;
  - (d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business;
  - (e) Changes in key managerial personnel;
  - (f) Material events in accordance with the listing agreement;
  - (g) Such other time as the compliance officer determines that a designated person or class of designated person is reasonably expected to have possession of UPSI;

- (iv) The Compliance Officer shall also close the trading window when she/he determines that a designated person or class of designated persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates.
- (v) The trading window shall be opened 48 hours after the UPSI becomes generally available.
- (vi) The trading window 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.

#### **1.10 Holding Period**

- (i) The designated persons who are permitted to trade as above shall not enter into a contra trade i.e., sell or buy any number of securities during the next 6 (six) months following the prior transaction. The designated persons shall also not take positions in derivative transactions in the securities of the Company at any time. The Compliance Officer may be empowered to grant relaxation from strict application of such restrictions for reasons to be recorded in writing provided that such relaxation does not violate the PIT Regulations.
- (ii) In case a contra trade 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.

#### **1.11 Maintenance of Structural Digital Database**

- i. The Board of Directors or head of the Company shall ensure that a structured digital database is maintained containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared under PIT Regulations along with the permanent account number or any other identifier authorized by law where permanent account number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non tampering of the database.
- ii. The Board of Directors or head of the Company shall ensure that the structured digital database is preserved for a period of not less than 8 (eight) years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall



be preserved till the completion of such proceedings.

## **Chapter 2 - Disclosures & Reporting**

Apart from the restrictions mentioned in Chapter 1, the Company is required to obtain certain disclosures and levy penalties as and when deemed fit.

The disclosures to be made by any person under this Chapter shall also include those relating to such person's Immediate Relatives and any other person for whom such person takes trading decisions.

### **2.1 Initial Disclosure**

- (i) All the Promoters, members of Promoter Group, Key Managerial Personnel and Directors are required to send the details of their holdings in securities of the Company within 30 days of this Code becoming effective to the Compliance Officer.
- (ii) Every person on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the the Company within seven (7) days of such appointment or becoming a promoter.

### **2.2 Continual Disclosure**

Every promoter, members of Promoter Group, employee and director of the Company shall disclose to the Company in the prescribed format, 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 Rs. 10 lakh (Rupees ten lakh) or such other value as may be specified.

The Company shall notify the particulars of such trading to the Stock Exchanges where its securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

### **2.3 Disclosure by other connected persons**

The Compliance Officer, at his/her discretion, may require any other Connected Person or class of Connected Persons to make disclosures of holdings and trading in securities of the Company as and when he/she deems fit in order to monitor compliance with these regulations.

## **2.4 Reporting to the Board and Maintenance of Disclosures**

- (i) The Company has entered into an arrangement for an online portal to manage and keep records of the disclosures and submissions required to be made by Connected Persons or Designated Persons pursuant to PIT Regulations. In this regard, all prescribed formats/functionality/annexures as are available on the online portal will be used as appropriate.
- (ii) The Compliance Officer shall place, before the Chairman of the Audit Committee on a quarterly basis, details of trading in the Company Securities by the Designated Persons and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged under this Code.
- (iii) The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of five (5) years.
- (iv) The Secretarial department shall acknowledge receipt of the Declaration Form received.

## **2.5 Amendment of this Code**

The Board of Directors of the Company may change/amend this Code from time to time at its sole discretion and/or in pursuance of any amendments made in the PIT Regulations.

In the event of any conflict between the provisions of this Code of Conduct and of the Act or PIT Regulations or any other statutory enactments, rules, the provisions of such Act or PIT Regulations or statutory enactments, rules shall prevail over this Code of Conduct. Any subsequent amendment/modification in the PIT Regulations, Act and/or applicable laws in this regard shall automatically apply to this Code of Conduct.

## Chapter 3- Penalties

### 3.1 Penalty for non-compliance

Any Insider who trades in securities in contravention of the provisions of this Code or PIT Regulations shall be guilty of insider trading and shall be *inter-alia* liable for punishment and penalty as mentioned in this Code of Conduct and the PIT Regulations.

In case of any violation of PIT Regulation, the Company shall promptly inform the Stock Exchanges where the concerned securities are traded, in such form and in such manner as may be specified by the Board from time to time.

### 3.2 Penalty for non- compliance with the Code of Conduct

#### Penalty for contravention of the Code of Conduct

<b>Categories of Non-compliance Penalty / Disciplinary Action</b>		
<b>A</b>	<b>Substantive Non-compliance</b>	
1.	Trading during prohibited period Any of the following actions or a combination thereof depending upon severity of each case.	Any of the following actions or a combination thereof depending upon severity of each case: i. Issue a Reprimand Letter, or ii. Upto two times the amount of gain made or loss avoided; or iii. Upto gross one month salary; or iv. Recovery, clawback; or v. Termination from service; or vi. Debar from trading in Company's shares for a period as determined and deemed fit by the Company
2.	Undertaking opposite transactions / derivatives transactions	
3.	Trading without seeking preclearance of trades	
<b>B.</b>	<b>Procedural Non-compliance</b>	
1.	Non submission or delay in submission of post-transaction disclosure (Form C)	Warning notice for the first instance of noncompliance and for every repeated act – a fine upto Rs. 25,000/-.
<b>C.</b>	<b>Non-compliance pertaining to UPSI</b>	
1.	Trading on basis of UPSI When SEBI establishes that the person possessed UPSI at the time of trading / recommendation was made on basis of UPSI or communication of UPSI was done;	In such cases the Company can take action for such violation of Insider Trading Regulations which may extend up to termination of service.  Additionally, the Company may take disciplinary action against a person, including, monetary penalty, wage freeze, suspension, recovery, claw back, termination etc., in line with the Policy and Procedure for Inquiry in case of leak or suspected leak of UPSI.
2.	Making recommendations directly or indirectly on basis of UPSI	
3.	Communication / passing of UPSI	

*Notes: 1. Penalties recovered as per framework will be remitted to SEBI Investor Protection and Education Fund account.*

*2. Repetitive violations can lead to higher severity of action.*