



**METRO BRANDS LIMITED**

**Code of Practices and Procedures for Fair Disclosures and Unpublished Price Sensitive Information<sup>1</sup>**

<sup>1</sup> Adopted in Board Meeting dated [23<sup>rd</sup> March 2023]

## **Introduction**

In pursuance to the Regulation 8(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time ("**Insider Trading Regulations**"), it is required that the board of directors of every listed company shall formulate a code of practices and procedures for fair disclosure of unpublished price sensitive information.

This document embodies the code of practices and procedures for fair disclosure of unpublished price sensitive information to be followed by the Company effective from the commencement of listing and trading of the equity shares of the Company on the stock exchange(s), i.e. BSE Limited or the National Stock Exchange of India Limited, in accordance with applicable laws.

## **Unpublished Price Sensitive Information**

- i. Metro Brands Limited ("**Company**") shall promptly disclose unpublished price sensitive information ("**UPSI**") that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- ii. The **UPSI** shall be uniform and universally disseminated and due care will be taken to avoid selective disclosure.
- iii. In case if the UPSI that gets disclosed selectively, inadvertently, or otherwise, prompt steps shall be taken to make such information generally available.

## **Designation and Role of Chief Investor Relations Officer**

- i. The Chief Financial Officer of the Company or in his / her absence such other senior official nominated as such by the Company from time to time shall be the Chief Investor Relations Officer ("**CIRO**") for the purpose of the Code. The CIRO shall be responsible for dissemination of information and disclosure of UPSI and also responding to the queries on news reports and requests for verification of market rumors by regulatory authorities.
- ii. In case of temporary absence of the CIRO for any reason whatsoever, the managing director of the Company shall nominate any other official of the Company to be responsible for dissemination of information and disclosure of UPSI.

## **General obligations for preservation and disclosure of UPSI**

- i. All UPSI shall be handled on a need to know basis and in accordance with the provisions of the Insider Trading Regulations and any other applicable codes, policies and procedures of the Company.
- ii. It is clarified that information to be termed UPSI shall be specific and intended to be generally made available at a point of time to ensure it does not lead to creation of a false market in

securities. For the purpose of disclosure, the CIRO may consult officials within the Company to ensure the correctness and credibility of the UPSI. The CIRO shall authorise disclosure or dissemination of UPSI (1) by way of intimation to the stock exchanges, such that further disclosure can be made from the stock exchange websites; (2) on the official website to ensure official confirmation and documentation; and (3) in any other manner as may be decided by the CIRO to facilitate uniform and universal dissemination of UPSI.

- iii. All communications of UPSI with the stock exchanges shall be approved by the CIRO and communicated through appropriate personnel under his direction.
- iv. The CIRO shall also be responsible for overseeing the contents of UPSI to be posted on the website of Company for the purposes of this Code and shall give appropriate directions for the publication of the same. No other person shall be authorised to post any UPSI in the absence of any directions from the CIRO.
- v. Information disclosure/ dissemination should normally be approved in advance by the CIRO. If the information is accidentally disclosed without prior approval, the person responsible must inform the CIRO immediately, even if the information is not considered price sensitive and if required, the CIRO shall take all reasonable steps to rectify the same.

#### **Sharing of information with analysts and research personnel**

- vi. The Company shall ensure that any information shared with analysts and research personnel is not UPSI and is generally available. Alternatively, the information shared as above shall simultaneously be made public.
- vii. The Company shall also develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

#### **Responding to Market Rumors**

The CIRO shall ensure that appropriate and fair responses are provided to queries on news reports and requests for verification of market rumors by regulatory authorities.

#### **Disclosure**

This Code and every amendment hereto will be promptly intimated to the stock exchanges where the Company's securities are listed (i.e. NSE and BSE).

## **Legitimate Purpose**

The UPSI can be shared by an insider for legitimate purposes as per its “Policy for Determination of Legitimate Purposes” (**Annexure A**), provided that such sharing has not been carried out to evade or circumvent the prohibitions of these Insider Trading Regulations.

Note: Words not define herein shall have the meaning as per the Insider Trading Regulations as amended from time to time.

## **Policy Review and Amendments**

The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental, and regulatory authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.

Any subsequent amendment/modification in the Listing Regulations, the Act and/or applicable laws in this regard shall automatically apply to this Policy.

## **Annexure A**

### **Policy for Determination of Legitimate Purposes**

#### **Introduction**

This “Policy for Determination of Legitimate Purposes” hereinafter referred to as the “Policy” is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

#### **Objective**

The objective of this Policy is to identify ‘Legitimate Purposes’ for performance of duties or discharge of legal obligations, which will be considered as exception for procuring Unpublished Price Sensitive Information (UPSI) relating to the Company. The assessment of whether sharing of UPSI for a particular instance would be tantamount to ‘legitimate purpose’ would depend on the specific facts and circumstances of each case. Accordingly, this Policy only sets out the principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is “legitimate”.

Primarily, the following factors should be considered to determine the legitimate purpose:

- a. whether sharing of such information is in the ordinary course of business of the Company;
- b. whether information is sought to be shared to evade or circumvent the prohibitions of the Insider Trading Regulations;
- c. whether sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- d. whether the information is required to be shared for enabling the Company to discharge its legal and/or contractual obligations;
- e. whether the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

It is clarified that in the event there exist multiple purposes for sharing UPSI, each purpose will be evaluated on its own merits, in line with the aforementioned principles.

#### **Restrictions on Communication and Trading by Insiders**

The Company shall inform the recipient of UPSI, by way of written intimation and/or contractual agreement, such as confidentiality agreement, that (i) the information being shared is UPSI and that the Company is the exclusive owner of such UPSI; (ii) upon receipt of UPSI, the recipient

would be deemed to be an Insider and subject to the provisions of the Insider Trading Regulations, (iii) the recipient must maintain confidentiality of the UPSI at all times, (iv) the recipient may use the UPSI only for the approved purposes for which it was disclosed; (v) the recipient should provide a written undertaking that he/she/it shall not undertake trades in the securities of the Company while in possession of the UPSI; and (vi) the recipient must extend all co-operation to the Company, as may be required in this regard.

## **Definition**

Words and expressions used and not defined in this Code shall have the same meaning assigned to them in the Insider Trading Regulations including Company's Insider Trading – Code of Conduct, 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 the rules and regulations made thereunder, to the extent relevant in connection with this Code, as the case may be or in any amendment thereto.

## **Legitimate Purpose**

**“Legitimate Purpose”** means sharing of UPSI in the ordinary course of business or on a need-to-know basis by an Insider with the following:

- i. Company's partners
- ii. Auditors, Accountancy firms, Legal advisors, Merchant Bankers, Consultants
- iii. Collaborators
- iv. Lenders
- v. Customers
- vi. Suppliers
- vii. Legal Advisors
- viii. Any other advisors / consultants / partners / publication houses.

The Company may share the UPSI if required in the interest of the Company. Provided that such sharing has not been carried out to evade or circumvent the prohibitions of these Insider Trading Regulations.

What shall constitute “legitimate purpose” and what shall not constitute “legitimate purpose” will be based on the business related needs of the Company.

Insider who is in receipt of UPSI pursuant to a “legitimate purpose” shall be considered as an “insider” for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such UPSI in compliance with these regulations.

CIRO shall determine in case of questions as to whether sharing of any UPSI would amount to Legitimate Purpose or not.

## **Policy Review**

The Policy shall be reviewed periodically in accordance with review of internal controls and checks as well as changes or any regulatory requirements from time to time. In the event of inconsistency of this Policy with any legal provisions, the provisions of the law shall override this Policy.

## **Amendments To This Policy**

Any amendment to this Policy shall be done through a resolution passed at the Board meeting of the Company and shall be promptly intimated to the stock exchanges where the securities are listed.