



METRO BRANDS LIMITED

**INSIDER TRADING - CODE OF
CONDUCT¹**

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.

¹ As adopted in Board meeting dated 6th December, 2018 and further amended vide resolution passed in Board meetings dated 20th May, 2022 and 23rd March, 2023

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 9(1) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**Insider Trading Regulations**”). This code is being framed with an aim that the Connected Persons and 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.

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 Insider Trading Regulations in order to regulate, monitor and report trading by Connected Persons and Designated Persons towards achieving compliance with the Insider Trading Regulations.

1.3 Definitions

- 1.3.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 1.3.2 “**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.
- 1.3.3 “**SEBI/Board**” means Securities and Exchange Board of India.
- 1.3.4 “**Company**” means Metro Brands Limited.
- 1.3.5 “**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.

1.1.2. “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 Company in Accounts, Finance IT, Legal & Secretarial Departments;

- x. Any support staff of the Company who have access to unpublished price sensitive information;
- xi. Employees of material subsidiaries designated on the basis of their functional role or access to unpublished price sensitive information in the organization;
- xii. CEOs and CFOs of subsidiary company(ies) and Associate Company(ies); Head of Internal Audit Department;
- xiii. Secretaries/Executive Assistants reporting to the Chairman, the Managing Director, the CEO, the CFO, the COO; and Such other employees of the Company and such other persons as may be determined by the Company from time to time, on the basis of their functional role or access to unpublished price sensitive information for meeting the objectives of this Code.

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

1.1.4. "Immediate relative" 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. .

1.1.5. "Insider" 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.

1.1.6. "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.

1.1.7. "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.

1.1.8. "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.

1.1.9. "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

1.1.10. "Trading day" means a day on which the recognised stock exchanges are open for trading.

1.1.11. "Unpublished price sensitive information" ("UPSII") 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 Insider Trading Regulations as amended from time to time, Act, the Depositories Act, 1996, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Companies Act, 2013 or any other Act and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

1.4 Role of Compliance Officer

1.4.1 The Company has appointed the Company Secretary as the Compliance Officer for the purposes of the Insider Trading Regulations, who shall work under the guidance of the Chairperson and the Board of Directors of the Company.

1.4.2 The Compliance Officer shall maintain records of the designated persons and any changes made in the list of designated persons;

1.4.3 The Compliance Officer shall assist designated persons in addressing any clarifications regarding the Insider Trading Regulations and the Company's Code of Conduct;

1.4.4 The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at least once in a Financial Year.

1.5 Communication or procurement of UPSI

The Insider shall follow the "Policy for Determination of Legitimate Purposes" for communication or procurement 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 Chinese Walls procedures & processes:

- a) To prevent the misuse of confidential information, the Company shall separate those areas / departments of the Company which routinely have access to confidential information, considered “inside areas” from those areas / departments considered “public areas”.
- b) The employees in the inside area shall not communicate any UPSI to any one in public area.
- c) The employees inside the area may be physically segregated from employees in public area.
- d) In exceptional circumstances employees from the public areas may be brought “over the wall” and given confidential information on the basis of “need to know” criteria.
- e) Responsibilities post Crossing of the Wall: While any Designated Persons from the Public Area is in the Inside Area after having crossed the Chinese Wall, he shall strictly maintain the confidentiality of the transaction or UPSI and will be subject to general principles governing confidentiality and the handling and use of UPSI.
- f) Persons crossing the Chinese Wall shall be provided with only such information as is reasonably necessary and appropriate for him to accomplish.

1.8 Procedure to handle UPSI

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. No UPSI shall be communicated to any person except in furtherance of legitimate purposes or performance of duties or discharge of legal obligations. All the information that is not Generally Available Information directly received by any employee should immediately be reported to the head of the department.

1.9 Pre-clearance of trades

- 1.9.1.** 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. 10,00,000/- (Rupees ten lakhs), 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.
- 1.9.2.** The Compliance Officer may grant the pre-clearance after –
- a) seeking such information as may be necessary from the applicant;
 - b) confirming the accuracy of declaration submitted by applicant that he is not in the possession of UPSI;
 - c) confirming that the applicant has not done any prior contra trade within the period of six months;
 - d) confirming that the securities for which pre-clearance has been sought is not covered under the restricted list
- 1.9.3.** 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.
- 1.9.4.** Designated Person shall inform the Compliance Officer of execution of trade for which pre-clearance was sought within 2 trading days from the execution of trade.
- 1.9.5.** In case the Designated Person decides not to execute the trade after securing pre-clearance, he/she shall inform the Compliance Officer of such decision along with reasons thereof immediately.

1.10 Trading Plan

- 1.10.1.** 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

maybe carried out on his / her behalf in accordance with such plan.

1.10.2. The Compliance Officer shall only approve a trading plan in accordance with the applicable provisions of the Insider Trading Regulations. However, he/she shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the trading plan as per provisions of the Insider Trading Regulations.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

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

1.10.4. Such trading plan shall:

- (i) not entail commencement of Trading on behalf of the Insider earlier than six (6) months from the public disclosure of the trading plan;
- (ii) 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;
- (iii) not entail Trading for a period of less than 12 months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) either set out 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;
- (vi) not entail Trading in securities for market abuse; and

1.10.5. The trading plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the trading plan without being entitled to either deviate from it or execute any trade in the securities outside the scope of the trading plan. However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the trading plan, the Insider is in

possession of any UPSI and the said information has not become Generally Available Information at the time of the commencement of implementation. The commencement of the trading plan shall be deferred until such UPSI becomes Generally Available Information.

1.11 No Trading Period

- 1.11.1.** 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.
- 1.11.2.** When the trading window is closed, the Designated Persons (including their Immediate Relatives) shall not trade in the Company's securities in such period.
- 1.11.3.** 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;
- 1.11.4.** 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.
- 1.11.5.** The trading window shall be opened 48 hours after the UPSI becomes generally available.
- 1.11.6.** In case any director or employee has to be allotted securities in terms of ESOP/ESPS of the Company, there shall be no restriction on allotment of securities even during the trading window closure period. However, the director or employee shall not be permitted to dispose-off the securities during the trading window closure period.
- 1.11.7.** Trading window restrictions shall not apply in case of transactions mentioned under Insider Trading Regulations.

1.12 Contra Trade

- 1.12.1.** 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 Insider Trading Regulations.
- 1.12.2.** 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. This provision shall not be applicable for trades pursuant to exercise of employee stock option.

1.13 Maintenance of Structural Digital Database

- 1.13.1.** 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 Insider Trading 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.
- 1.13.2.** 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.
- 1.13.3.** The Heads of the departments / functions and / or Designated Persons who share UPSI for “Legitimate Purposes” as defined under the Policy for Determination of Legitimate Purposes of the Company, will be responsible for reporting the aforementioned details as per Insider Trading Regulations from time to time, in the Digital Database to the Compliance Officer:

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

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 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. 10,00,000/- (Rupees ten lakhs) 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 Insider Trading Regulations.

2.4 Disclosures by Designated Persons

All Designated Persons shall be required to submit names and permanent account number (PAN) or any other identifier authorized by law (such as Aadhaar, Voter ID, Passport etc.) of the following to the Company on an annual basis and as and when the information changes:

- a. immediate relatives;
- b. persons with whom such designated person(s) shares a material financial relationship; as defined under Insider Trading Regulations
- c. Phone, mobile and cell numbers which are used by them;

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

2.5 Reporting to the Board and Maintenance of Disclosures

- 2.5.1.** 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 Insider Trading Regulations. In this regard, all prescribed formats / functionalities / annexures are available on the online portal and will be used as appropriate at <https://apps.linkintime.co.in/TRACKIN/default.aspx#>
- 2.5.2.** 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.
- 2.5.3.** The Secretarial department shall acknowledge receipt of the Declaration Form received.

3. 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 Insider Trading Regulations.

In the event of any conflict between the provisions of this Code of Conduct and of the Act or Insider Trading Regulations or any other statutory enactments, rules, the provisions of such Act or Insider Trading Regulations or statutory enactments, rules shall prevail over this Code of Conduct. Any subsequent amendment/modification in the Insider Trading 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 Insider Trading Regulations shall be guilty of insider trading and shall

be *inter-alia* liable for punishment and penalty as below and as mentioned in this Code of Conduct and the Insider Trading Regulations, as amended from time to time.

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

Categories of Non-compliance		Penalty / Disciplinary Action / Fine
A	Substantive Non-compliance	
1.	Trading during prohibited period	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.	Procedural Non-compliance	
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/-.
C.	Non-compliance pertaining to UPSI	
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.

2.	Making recommendations directly or indirectly on basis of UPSI	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.
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.