

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY
DESIGNATED PERSONS AND IMMEDIATE RELATIVES UNDER THE SEBI
(PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

I. Applicability

1. This Code is applicable to Designated Persons of the Company
2. The restrictions on dealing in securities shall be applicable to the immediate relatives of the Directors and Designated Persons.

II. Definitions

- 1) **‘Company’** means Muthoot Microfin Limited
- 2) **‘Board’** means The Board of Directors of the Company
- 3) **‘Compliance Officer’** means the Company Secretary of the Company
- 4) **"Connected person"** means; -
 - a. 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
 - b. 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 -
 - i. an immediate relative of connected persons specified in clause (i); or
 - ii. a holding company or associate company or subsidiary company; or
 - iii. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
 - v. an official of a stock exchange or of clearing house or corporation; or
 - vi. 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
 - vii. 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;
 - viii. an official or an employee of a self-regulatory organization recognised or authorised by the Securities and Exchange Board of India; or
 - ix. a banker of the Company; or
 - x. a concern, firm, trust, Hindu Undivided Family, company or association of person where in a director of the Company or his immediate relative or banker of the Company, has more than ten percent of the holding or interest;
- 5) **‘Designated Person’** means and includes:
 - a. All promoters, members of promoter group and Directors of the Company
 - b. Managing Director/Chief Executive Officer and employees upto two levels below the Managing Director/ Chief Executive Officer of the Company irrespective of their functional

role in the Company, intermediary, fiduciary and its material subsidiaries basis the ability to have access to unpublished price sensitive information;

- c. All functional and departmental heads on the basis of access to unpublished price sensitive information;
- d. Any other employee as may be designated by the Compliance Officer in consultation with the Managing Director of the Company, considering the objectives of the code; and
- e. Any support staff of the Company, intermediary or fiduciary such as IT staff or secretarial staff or any other who have access to unpublished price sensitive information.
- f. Employees of material subsidiary of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the Company by the Board of Directors.

6) ‘**Generally Available Information**’ means information that is accessible to the public on a non-discriminatory basis.

7) ‘**Immediate Relative**’ means 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 decision relating to trading in securities.

8) ‘**Insider**’ means any person who is:

- i. a Connected Person; or
- ii. in possession of or having access to Unpublished Price Sensitive Information

9) “**Material financial relationship**” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.

10) “**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;

11) “**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;

12) ‘**Regulations**’ mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereof.

13) ‘**Securities**’ shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modifications thereof.

14) ‘**Trading**’ means and includes subscribing, redeeming, switching, buying, selling, dealing or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and ‘Trade’ shall be construed accordingly.

15) ‘**Trading Day**’ means a day on which the recognized stock exchanges are open for trading.

16) ‘**Trading Window**’ means a period to be specified by the Company in which trading of securities can be done by the Directors, Designated Persons and their immediate relatives.

17) **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, demergers, acquisitions, de-listing, disposals and expansion of business and such other transactions;
- v. Changes in Key Managerial Personnel;

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Securities and Exchange Board of India Act, 1992, the Securities (Contracts Regulation) Act, 1956, the Depositories Act, 1996, the SEBI (Prohibition of Insider Trading) Regulations, 2015 or the Companies Act, 2013, or any statutory modification or re-enactment thereto, as the case may be.

III. Role of Compliance Officer

- a. The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, at such frequency as may be stipulated by the Board of directors, but not less than once in a year.
- b. The Compliance Officer shall report to the Board of the Company and is responsible to enforce this code. The Compliance Officer is authorized to seek such information from Designated Persons and their immediate relatives as required by this Code and to give such approvals, as are specified by this Code.
- c. The Compliance Officer shall maintain records of all declarations and disclosures received under the code and responsible for making relevant disclosures to the stock exchanges on which the securities of the Company are listed.
- d. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, pre-clearing of trades as required under the Code, monitoring of trades for which pre-clearance is sought under the Code and the implementation of the Code under the overall supervision of the Board of Directors or the Head of the Company, as the case may be.
- e. The Compliance Officer shall maintain a record of all the Designated Persons and changes to the list from time to time.
- f. The Compliance Officer shall be responsible for approval of Trading Plan(s) and notifying the same to the stock exchanges, on which the securities of the Company are listed.
- g. The Compliance Officer shall assist all the Designated Persons and their immediate relatives in addressing any clarification regarding the Regulations and the Code.

IV. Responsibilities of Designated Persons and their immediate relatives

All Designated Persons and their immediate relatives shall maintain strict confidentiality with respect to all Unpublished Price Sensitive Information. Designated Person shall not:

- a. Pass on Unpublished Price Sensitive Information to any person; or
- b. Disclose Unpublished Price Sensitive Information to their immediate relatives and any other person; or
- c. Discuss Unpublished Price Sensitive Information in public places where others might overhear; or
- d. Disclose Unpublished Price Sensitive Information to any other Designated Person or any other person who does not need to know the information to perform his or her duties and responsibilities.

V. Sharing of information on Need to know basis

The Company shall handle Unpublished Price Sensitive Information on a need to know basis, i.e. Unpublished Price Sensitive Information should be disclosed only to those within and outside the Company, who need to know such Unpublished Price Sensitive Information to discharge their duty and

possession of such Unpublished Price Sensitive Information will not give rise to a conflict of interest or appearance of misuse thereof. While communicating Unpublished Price Sensitive Information, the Designated Person(s) is required to give due notice to such person(s) with whom the Unpublished Price Sensitive Information is shared, to maintain confidentiality of such information.

VI. Limited access to confidential information

- a. Files containing Unpublished Price Sensitive Information shall be kept secure.
- b. Computer files sharing UPSI must have adequate security of login and password to prevent inadvertent spread and misuse of UPSI.
- c. The Company shall use Chinese Walls to separate areas that have access to UPSI i.e. Insider Areas from those who do not have such access i.e. Public Areas.
- d. Designated Persons working within an Insider Area are prohibited from communicating any confidential or UPSI to Designated Persons or any other person(s) in Public Areas without prior approval of Compliance Officer.
- e. Designated Persons within a Chinese Wall have a responsibility to ensure the Chinese Wall is not breached deliberately or inadvertently.
- f. Employees in the Public Areas may be brought over the wall and given UPSI on the basis of need to know criteria, with prior approval of the Compliance Officer.

VII. Trading Plan

All Insiders shall be entitled to formulate a trading plan and the same shall be presented to the Compliance Officer for approval and publicly disclosed. Insiders, who formulate a trading plan, are entitled to trade only in accordance with their Trading Plan. The Trading Plan shall:

- a. Not entail commencement of trading, on behalf of the insiders, earlier than six months from the public disclosure of the Trading Plan;
- b. Not entail trading in securities for the period between the 20th 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 12 (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;
- f. Not entail trading in securities for market abuse.
- g. 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 undertaking, as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

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.

- h. The Trading Plan once approved shall be irrevocable and the insiders shall mandatorily have to implement the Trading Plan and shall not be entitled to deviate from it or to execute any trade outside the scope of the Trading Plan.

Provided that the implementation of the Trading Plan shall not be commenced, if any UPSI possessed by the insider at the time of formulation of the plan has not become Generally Available Information 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, so as to avoid violation of the Regulations.

- i. Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities of the Company are listed.

VIII. Trading Window

- a. The Company shall specify a trading period for trading in the securities.
- b. All Designated Persons or their immediate relatives shall conduct their trading in the securities only when the Trading Window is open and no Designated Person or their immediate relatives shall trade in the securities during the period when the Trading Window is closed or during any other period as may be specified by the Compliance Officer from time to time.
- c. Unless otherwise specified by the Compliance Officer, the Trading Window shall be closed for all Designated Persons and their immediate relatives during the following period:
 - i. From April 1, July 1, October 1 and January 1, of every year till two calendar days after the declaration of the respective audited / unaudited financial results.
 - ii. 4 working days prior to and 2 days after any intended announcements regarding amalgamation, mergers, takeovers and buy-back, disposal of whole or substantially whole of the undertaking, issue of securities by way of public / rights / bonus etc., any major expansion plans or execution of new projects and any changes in policies, plans and operations of the Company that could have a material impact on its financial performance.
 - iii. At least eleven working days before any of the following proposal is placed before the board of directors —
 - a. any alteration in the form or nature of any of its securities that are listed on the stock exchange or in the rights or privileges of the holders thereof.
 - b. any alteration in the date on which, the interest on debentures or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable.
- d. The Trading Window shall be closed when the Compliance Officer or the Board determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI and shall remain closed during the time the UPSI remains unpublished. The Trading Window shall be opened 48 hours after the UPSI is made public.
- e. In addition to the above, the Compliance Officer may after consultation with any two Directors, declare the Trading Window closed, on an 'as-needed' basis for any reason and for such other persons, as the Compliance Officer may deem fit.
- f. Restriction on trading window shall not be applicable in the following circumstances:
 - i. The transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of the Regulations and both parties had made a conscious and informed trade decision;
 - ii. The transaction was carried out through block deal window mechanism between persons who were in possession of UPSI without breaching Regulation 3 of the Regulations and both the parties had made a conscious and informed trade decision.
Provided the transaction mentioned in the above clauses, should not pertain to such UPSI which was obtained in a manner provided under Regulation 3(3) of the Regulations.
 - iii. The transaction in question was carried out pursuant to a statutory or regulatory obligations to carry out a bona fide transaction.
 - iv. The transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.
 - v. The trades were pursuant to a trading plan set up in accordance with Clause VII above
 - vi. Pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made.

- vii. Transactions undertaken in accordance with respective regulations of SEBI, such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy- back offer, open offer, delisting offer.
- viii. In the case of non-individual insiders: —
 - a. the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
 - b. appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

IX. Pre-clearance of transactions in Securities

- a. All Directors, Designated Persons and their immediate relatives, who intends to trade in the securities of the Company in a calendar quarter shall obtain prior approval from Compliance Officer for the transaction.
- b. Any transaction or series of transaction executed without prior approval be in violation of this Code.
- c. Prior approval is not required for trades executed in accordance with an approved Trading Plan and exercise of employee stock options.
- d. Designated Person(s) intending to trade in the securities can seek approval either through e-mail or by a request letter made in writing or through any other means.
- e. The Compliance Officer shall consider the request made by the Directors, Designated Persons and accord approval, unless he/she is of the opinion that the grant of such approval would result in a breach of the provisions of the Code or the Regulations or the Act or any other law in force at that time.
- f. The Compliance Officer is entitled to seek declaration to the effect that the Directors, Designated Person applying for pre-clearance is not in possession of any UPSI.
- g. Every approval given shall be valid for a period of 7 Trading days or such lesser period as prescribed in the approval.
- h. All transactions intended by the Compliance Officer shall be approved by the Managing Director.
- i. All Directors, Designated Person and their immediate relative shall complete execution of approved transaction in the securities within the expiry of the approved period and submit details of transaction within two trading days of execution in the format prescribed under Regulations. The details of off-market trades are also required to be reported to the Company within two trading days of execution of transaction. The Obligation to disclose trading by the immediate relative of Designated Person/Directors or any other person for whom the Designated Person/Directors takes trading decision, lies on the Designated Person/Director.
- j. If the transaction is not executed within the approval period, the Directors, Designated Person or their immediate relative, shall apply to the Compliance Officer for preclearance, if they intend to transact again.
- k. The Company is required to disclose to the stock exchanges details of transaction executed by Directors, Designated Person or their immediate relatives, within two trading days of receipt of disclosure from Directors, Designated Person or their immediate relatives.

X. Penalty for contravention

Every Directors or Designated Person is individually responsible for complying with the applicable provisions of the Code, including to the extent the provisions hereof are applicable to the immediate relative of the Director/Designated Person. Any Director/Designated Person or their immediate relative who violates this Code may be liable for penalty, which shall be decided by the Compliance Officer, in discussion with the Managing Director of the Company. The Compliance Officer will look into whether the violation is intentional or unintentional and basis the finding, may impose penalty, which may be, wage freeze, suspension, recovery and claw back may also be imposed. Any amount so collected shall be remitted to the Investor Protection and Education Fund administered by the SEBI under the Securities and Exchange Board of India Act, 1992.

Where necessary, the Company shall inform SEBI and any other applicable regulatory authority for any instances of violation of this Code or the Regulations which comes to the knowledge of the Company. The Director/Designated Person or their immediate relative who has violated the provisions of this Code shall provide any information required by SEBI and comply with any order passed by SEBI or other regulatory authorities under any other applicable law / rules / regulations.

XI. Disclosure by Designated Person(s)

a. Initial Disclosure

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, to the Company within seven days of such appointment or becoming a promoter.

Designated Persons are also required to disclose on a one-time basis information such as name of the educational institution from which he / she has graduated and name of past employers.

b. Continual Disclosures

Every Promoter, member of promoter group, designated person and director of every 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 ten lakh rupees or such other value as may be specified;

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons 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
- c. Contact details which are used by them

XII. Process for how and when people are brought “Inside” on Sensitive Transaction

The Compliance Officer in consultation with CEO or CFO of the Company shall decide on how and when any person(s) should be brought ‘inside’ on any proposed or ongoing sensitive transaction(s). The Compliance Officer (along with CEO and CFO) shall consider whether such person being wall – crossed, is being provided UPSI on a need – to – know basis. Further, information shared with such wall – crosser should be limited to the specific transaction or purpose for which their assistance is required.

Additionally, a person(s) may also be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers,

suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following.

- a. in the ordinary course of business
- b. in furtherance of performance of duty(ies) ;
- c. for discharge of legal obligation(s).
- d. for any other genuine or reasonable purpose as may be determined by the Compliance Officer of the Company.
- e. for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

XIII. Others

- a. The Managing Director and Compliance Officer are authorized to make minor modifications to this Code which would remove ambiguities, enhance clarity on the provisions of the Code etc. Any major modification to the Code will require authorization by the Board.
- b. Any suspected violation of unpublished price sensitive information or violation of the Code can be reported under Whistle Blower mechanism.
- c. Directors, Designated persons and their immediate relatives who buy or sell any number of securities of the Company shall not enter into an opposite transaction (i.e. sell or buy) for any number of securities for the six months period following the prior transaction. The Compliance Officer however is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. In case of execution of opposite transaction, inadvertently or otherwise, in violation of above said 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.
- d. Restriction relating to execution of opposite transaction as per point (c) above shall not be applicable to shares allotted under approved Employees Stock Option Scheme.