

MARGO FINANCE LIMITED

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

Introduction Regulation 9(1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (the **"Regulations"**) requires a listed Company to formulate a "Code of Conduct to Regulate, Monitor and Report Trading" by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations. Accordingly, in supersession of the previous Code of Conduct to prevent Insider trading, adopted by the Company, a **Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the "Code")** for Margo Finance Limited (the **"Company"**) is hereby framed as under :

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Important definitions:

- a. **"Act"** means the Securities and Exchange Board of India Act, 1992
- b. **"Compliance Officer"** means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
- c. **"Connected Person"** means:
 - (i) any person who is or has during the six months prior to the concerned act been associated with a 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- d. **"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis.

- e. **"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.
- f. **"Insider"** means any person who,
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.
- g. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- h. **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- i. **"Unpublished Price Sensitive Information"** means: 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, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel; and
 - (vi) material events in accordance with the listing agreement
- j. Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

II. Code

1. Reporting

The Compliance Officer shall report to the Board of Directors (“**Board**”) and in particular, shall provide reports to the Chairman of the Board at such frequency as may be stipulated by the Board.

2. Information on a need to know basis & Chinese Wall procedures

All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider’s legitimate purposes, performance of duties or discharge of his/her legal obligations.

Norms for appropriate Chinese Walls procedures & processes will be as under:

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered “**inside areas**” from those areas which deal with sale/ marketing or other departments providing support services, considered “**public areas**”.
- ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii. The employees in inside area may be physically segregated from employees in public area.
- iv. Demarcation of the various departments as inside area may be implemented by the Company.
- v. 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, under intimation to the Compliance Officer.

3. Designated Persons

Employees and connected persons designated on the basis of their functional role (“**Designated Persons**”) in the Company shall be governed by an internal code of conduct governing dealing in securities. The Chairman of the Board shall in consultation with the Compliance Officer specify designated persons to be covered by such Code on the basis of their role and function in the organisation.

Trading Plans and related compliances

4. Trading Plan

An insider shall be entitle to formulate a trading plan for dealing in securities of the Company 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.

5. Trading Plan shall:

- i) not entail commencement of trading on behalf of the insider earlier than 6 months from the public disclosure of the plan;
- ii) not entail trading 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 issuer of the securities and the 2nd trading day after the disclosure of such financial results. Example: For quarter ended June 30 the result announcement date is August 10, then insider can’t execute his trading plan between March 20 to August 12.
- iii) entail trading for a period of not less than 12 months;
- iv) not entail overlap of any period for which another trading plan is already in existence;

- v) 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
 - vi) not entail trading in securities for market abuse.
6. The Compliance Officer shall review the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take 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.
 7. **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. Provided, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.
 8. 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.

Trading window

9. Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument for monitoring trading by the designated persons. The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
10. The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. 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.

Pre-clearance & trades

11. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of Rs.10,00,000/- (Rupees Ten Lakh) in value over any calendar quarter. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
12. The Compliance Officer shall confidentially maintain a list as a “restricted list” as may be specified in the SEBI regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

13. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
14. Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.
15. A designated person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such 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 Act.

16. Disclosure Responsibilities & formats

A. Initial Disclosures of holdings

The promoter(s), key managerial personnel and Director of the Company shall disclose (**Form A**) his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;

Every person on appointment as a key managerial personnel or a Director of the Company or upon becoming a promoter shall disclose (**Form B**) 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.

B. Continual Disclosures of trades

Promoter(s), employee and Director of the Company shall disclose to the Company (**Form C**) the number of such securities acquired or disposed of within two (2) 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 Lakh) or such other value as may be specified;

The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading. (**Form D**)

C. Other formats / disclosures, to monitor compliance with these Regulations would be as under:

- Application-cum-undertaking for pre-clearance (**Annexure-I**)
- Reporting of holdings in securities by Designated Persons as on 31 March, on an annual basis by 10 April (**Form E**)

17. Penalty for contravention of Code of Conduct

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

18. Applicability of the Code to certain persons

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by

such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

This Code is subject to review from time to time.

Forms	Particulars	Compliance & time line
Disclosure Forms		
Form A	First Disclosure	Disclose by 13 th June, 2015
Form B	Initial Disclosure	Disclose within 7 days of appointment as a Key Managerial Personnel/ Director or becoming a promoter
Form C	Continual Disclosures of trade/dealing	Disclose within 2 trading days – Every promoter(s)/ employee/Director is required to inform of trading/ dealing in securities if value of securities (whether in one transaction or more transactions during a calendar quarter) is more than Rs. 10,00,000/- (Rupees Ten Lakh
Form E	Reporting Holdings Annually	Designated Persons to report securities held as on 31st March, on an annual basis by 10th April
Internal Forms		
Annexure I	Application-cum-undertaking for pre-clearance	Designated person to apply to pre-clear deal/trade in the securities of the Company which in value over a calendar quarter, would exceed Rs. 10 Lakh.
Annexure II	Application for waiver of minimum period for Contra trade	Apply in case of emergency (reasons recorded in writing) the 6 months period to abstain from contra trade may be waived by the Compliance Officer

FORM A
First/Initial Disclosure of Securities

The Compliance Officer,

Name of the Company: _____

ISIN of the Company: _____

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I, _____, in my capacity as _____ of the Company hereby submit the following details of securities held in the Company as on _____ (date of becoming Specified Person).

I. Details of securities held by me :

Type of Securities	No. of securities held	Folio No	Beneficiary A/c Client ID

II. Details of securities held by dependent(s) :

Name of Relative	Relationship	Type of securities	No. of Securities held	Folio No	Beneficiary A/c Client ID

Date: _____

Signature: _____

* This form is required to be submitted within 30 days from the end of the financial year.

FORM B

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7(1)(b) read with Regulation 6(2)]**

The Compliance Officer,

Name of the Company: _____

ISIN of the Company: _____

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a Listed Company and other such persons as mentioned in Regulation 6(2).

Name, PAN No. & Address with contact No.s	Category of Person (Promoters/KMP/ Directors /immediate relatives/others etc.)	Date of appointment of Director/KMP or Date of becoming Promoter	Securities held at the time of becoming Promoter/ appointment of Director/KMP		% of Shareholding
			Type of security	Number of Security	

Signature:

Designation:

Date:

Place:

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* This form is required to be submitted within 7 days of appointment as a Key Managerial Personnel/ Director or becoming a promoter

FORM C
Form for Reporting of Trades Executed In Excess of the Prescribed Threshold

Date: _____

The Compliance Officer,

Name of the Company: _____

ISIN of the Company: _____

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Sub – Form for Reporting of Trades Executed In Excess of the Prescribed Threshold

I/We, the undersigned, hereby state that I/ my immediate relative(s)/we have sold/purchased shares of the Company in excess of the value of Rs. 10,00,000 during the quarter from 1st _____ to _____, 20____, details of which are given below:

I. Details of trades executed in excess of the prescribed threshold by me :

Name of Seller/ Purchaser	No. of Shares Sold /Purchased	Date of Trade	Sale/ Purchase Price (Rs.)	Sale/Purchase Value (Rs.)	DP ID & Client ID	DP Name

I. Details of trades executed in excess of the prescribed threshold by immediate relatives/dependent(s) :

Name of Seller/ Purchaser	Relationship with the employee	No. of Shares Sold /Purchased	Date of Trade	Sale/ Purchase Price (Rs.)	Sale/Purchase Value (Rs.)	DP ID & Client ID	DP Name

Kindly take the same on record.

Thanking you,

* This form is required to be submitted within 2 trading days of dealing in securities if value of securities (whether in one transaction or more transactions during a calendar quarter) is more than Rs. 10,00,000/- (Rupees Ten Lakh)

**FORM E
ANNUAL DISCLOSURE**

The Compliance Officer,

Date: _____

Name of the Company: _____

ISIN of the Company: _____

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I. Statement of Shareholding of Directors/Key Managerial Personnel/Designated Employees

Name	Designation	No. of Securities held on 01st April 20__	No. of Securities Bought during Year	No. of Securities Sold during Year	No. of Securities held on 31st March 20__	Folio/DP ID/Client ID

II. DETAILS OF SHARES HELD BY DEPENDANTS

Name	Relationship	No. of Securities held on 01st April 20__	No. of Securities Bought during the year	No. of Securities Sold during the year	No. of Securities held on 31st March 20__	Folio/DP ID/Client ID

I/We hereby declare that I/We have complied with the Code and SEBI Regulations with respect of the Securities purchased/ sold.

I/We further declare that the above disclosure is true and correct and is in accordance with the previous disclosure given to the Company.

Signature _____
Name

* This form is required to be submitted within 10 days from the end of the financial year.

Annexure-I

Application-cum-Undertaking for Pre-clearance of Trade

Date: _____

To
The Compliance Officer
Margo Finance Limited
Mumbai – 400 021

Designated Person details

Name: _____

Folio No./ Client ID/DP ID: _____

Designation: _____

PAN No.: _____

Department : _____

With reference to the Company's Code of Conduct to Regulate, Monitor and Report Trading By Insiders, I seek your approval to purchase/sell(nos.) equity shares of the Company. I/ We hereby declare that the shares to be sold have been held by me/ us for minimum period prescribed in the Code.

DETAILS OF SHAREHOLDING OF SPECIFIED PERSONS AND / OR FAMILY MEMBERS:

Name	Relationship	No. of shares held	Folio No./ DP ID/ Client ID	Nature of transaction for which approval is sought (Buy/Sell)	No. of shares to be dealt

UNDERTAKING FOR PRE-CLEARANCE

I hereby state that:

- a. I do not have access to nor do I have any "Unpublished Price Sensitive Information" ("UPSI") up to the time of signing this undertaking;
- b. In case, I receive any UPSI 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 as notified by the Company from time to time;
- d. I have made full and true disclosure in the matter;
- e. I will execute the order in respect of the securities within 1 week after approval is granted by Compliance Officer, failing which I shall apply for pre-clearance again from the Compliance Officer;
- f. I shall not execute a contra-trade for a minimum period of 6 months. If 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 Act.

Date & Signature of the Applicant _____

Note: Minimum threshold limit is trading of Rs.10,00,000/- per calendar quarter.

PRE-CLEARANCE ORDER

Please complete Purchase/ Sale of _____ shares by _____ (date). Please confirm the transaction by completing Feedback Form below and returning the same to the undersigned.

Date & Signature of the Compliance Officer _____

FEEDBACK ON OUTCOME OF THE APPLICATION

I confirm that the transaction of purchased / sale _____ (nos.) shares was completed on _____ (date).

Date & Signature of the Applicant _____

Annexure II

Application for waiver of minimum period for Contra trade

Date: _____

To
The Compliance Officer
Margo Finance Limited
Mumbai – 400 021

Employee details

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Name : _____

Designation : _____

Department : _____

Through Division / Department Head

Dear Sir,

I seek your approval to grant me waiver of the time restrictions and permit me to execute a contra-trade for(number of securities) of the Company due to (give valid reason(s) for executing contra trade).

I declare that I am not in possession of any UPSI up to the date of this application.

I further declare that in case I have access to any UPSI after the signing of this application and before executing a contra Trade (if permitted), I shall:

1. Promptly inform the Compliance Officer
2. Refrain from trading in securities of the Company.

Thanking you,
Yours faithfully,

Name & Signature

FEEDBACK ON OUTCOME OF THE APPLICATION

Approved/ Disapproved:

In case approved, transaction of sale _____ (nos.) shares to be completed by _____ (date).

Reasons:

Date & Signature of the Compliance Officer _____