

**MUDRA FINANCIAL SERVICES LIMITED**  
**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF**  
**UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)**

**[Pursuant to Regulation 8 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]**

The Securities Exchange Board of India (SEBI) has vide notification dated December 31, 2018, amended SEBI (Prohibition of Insider Trading) Regulations, 2015 effective from April 1, 2019. As required under the said Regulations, a revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), (hereinafter referred to as the "Code") has been framed for adoption by the Board of Directors of the Company. The said Code shall supersede the earlier Code and shall be effective from April 1, 2019.

**A. Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

1. The Company shall ensure prompt public disclosure of Unpublished Price Sensitive Information ("UPSI") that would impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available', i.e. to make the information accessible to the public on a non-discriminatory basis.
2. The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information 'generally available'.
4. The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
5. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
6. The Company shall 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.
7. The Company shall ensure the handling of all UPSI on a need-to-know basis.
8. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI as contained herein.

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**Policy for determination of “Legitimate Purposes”**

This Policy is formulated in compliance to the provisions of Regulation 3 (2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which provides for that, listed entities are required to make a policy for determination of “Legitimate Purposes” as a part of “Code of Fair Disclosure and Conduct” formulated under Regulation 8.

This Policy will be applicable on ‘all insiders’ and will be effective from 1<sup>st</sup> April, 2019.

**1. Determination of legitimate purpose:**

**1.1** The Board of Director and/or designated person can share unpublished price sensitive information for legitimate purpose, provided the due notice shall be given to recipient of the said information to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations and refrain himself/ themselves from trading in the shares of the Company unless the said information is publicly disclosed by the Company.

*Explanation: For the purpose of this policy, the term “legitimate purpose” shall include sharing of unpublished price sensitive information 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 of the Regulations.*

**1.2** What shall constitute “legitimate purpose” and what shall not constitute “legitimate purpose” will be based on the business related needs of the Company. In general, legitimate purpose shall inter alia, include the following purposes:

- a. Audit Purpose;
- b. Contractual Obligations;
- c. Legal Obligation;
- d. Any other specific purpose based on the business related needs of the Company; and
- e. Other Administrative Purpose.

**1.3** The purpose of providing information for a legitimate purpose must be compatible with a declared and specified purpose and should not be contrary to law, morals and any public policy.

**1.4** The information recipient must be clearly instructed to obtain the Company’s written consent in case the information provided by such recipient is used by such recipient for another

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purpose other than the initial legitimate purpose for which the Company had provided the UPSI. If the Company concludes that, the secondary purpose is a “legitimate purpose”, the Company may grant consent for the same to the users of the information.

### **2. Principles**

**2.1** All information shall be handled within the organization on a need to know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

**2.2** The information provided for legitimate purpose must not be excessive in relation to the declared purpose. It must be ensured that, providing such information is necessary for its intended purpose.

**2.3** The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom the information is shared under this Regulation along with the Permanent Account Number or any other identifier authorized by law, where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

### **3. Power of the Board of Directors**

The Board may on its own or on the recommendation of the Audit Committee, establish further rules and procedures, from time to time, to give effect to the intent of this Policy and to further the objective of good corporate governance.

### **4. Disciplinary Action**

The Audit Committee, subject to approval of the Board of Directors, may take appropriate action against such person who violates the provisions of this Policy. Disciplinary action may include penalizing the concerned person. Where the Company has suffered a loss due to violation of the Policy, it may pursue its legal remedies against such person(s).

Any subsequent modification(s)/amendment(s) to SEBI (Prohibition of Insider Trading) Regulations, 2015 shall automatically apply to this Code.

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