

# **MUKESH BABU FINANCIAL SERVICES LIMITED**

## **Code of Practices & Procedure for Fair Disclosure of Unpublished Price Sensitive Information**

(Updated on 30<sup>th</sup> April, 2025)

**Preamble:**

The Securities and Exchange Board of India (“**SEBI**”), in its endeavor to protect the interests of investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”) under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from May 15, 2015 and the same have been made applicable to all companies whose shares are listed on Indian stock exchanges. In compliance with these Regulations, the Board of Directors of Mukesh Babu Financial Services Limited (“**Company**”) has last adopted the revised Code of Conduct for all Board Members and Senior Management (“**Code**”) at its meeting held on 30<sup>th</sup> April, 2025.

**Objective:**

The SEBI vide its notification No. EB/LAD/GN/2018/59 Dt.31<sup>st</sup> December, 2018 has notified the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which came into force on 01<sup>st</sup> April, 2019.

In compliance with the same the Board of Directors of the Company renamed the existing Code of Conduct as Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code”) with the amended clauses to bring the same in line with the the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and effective from 01<sup>st</sup> April, 2019.

The said code requires the Company to ensure timely and adequate disclosure of unpublished price sensitive information (“UPSI”) which would impact the price of the Company’s securities and to maintain the uniformity, transparency and fairness in dealing with all stakeholders and in ensuring adherence to applicable laws and regulations. Further, the Company endeavors to preserve the confidentiality of UPSI and to prevent misuse of such information.

Mukesh Babu Financial Services Limited (the “**Company**” or “**MBFSL**”) has always stood for a fair and equitable flow of economic benefit to its shareholders. In its communication with investors, it has always endeavoured to provide the disclosure(s), with responsibility and caution in discussion about the future, transparency and equal dissemination of information to all its investors and analysts, current or prospective.

**I. DEFINITIONS:**

1. “**Act**” means the Securities and Exchange Board of India Act, 1992.
2. “**Board**” means the Board of Directors of the Company.
3. “**Code**” or “**Code of Conduct**” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Mukesh Babu Financial Services Limited as amended from time to time.

4. **"Company"** means Mukesh Babu Financial Services Limited
5. **"Compliance Officer"** means an employee designated under Regulation 2 (1) (c) by the Company to comply with the provisions of the Regulations as amended from time to time.
6. **"Connected Person"** means any person as described in Regulation 2 (1) (d) of the Regulations, as amended from time to time.
7. **"Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
8. **Designated Person(s)** shall include:
  - a. every employee in the grade of Assistant General Managers and above;
  - b. every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer;
  - c. every employee who has access to Unpublished Price Sensitive Information; and
  - d. any other employee as may be determined and informed by the Compliance Officer from time to time.
9. **"Director"** means a member of the Board of Directors of the Company.
10. **"Employee"** means every employee of the Company including the Directors in the employment of the Company.
11. **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis.
12. **"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 or as amended in Regulations from time to time.
13. **"Insider"** means
  - (i) any person who is a connected person or in possession of or having access to unpublished price sensitive information;
  - (ii) any person in receipt of unpublished price sensitive information pursuant to a 'legitimate purpose'.

Except for **Generally available information**, everyone in possession of or having access to unpublished price sensitive information should be considered as an "insider" regardless of the manner in which one came into possession of or had access to such information. Various circumstances are provided to enable such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price

sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person levelling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.

14. **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013.
15. **“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;
16. **“Promoter group”** shall have assigned to it under the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 or any modification thereof.
17. **“Relative”** shall mean the person defined in Regulation 2(1)(hc) of the Regulations as amended from time to time.
18. **“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;
19. **“Specified Persons”** means the Directors, connected persons, the insiders, the Designated Employees and the promoters and immediate relatives are collectively referred to as Specified Persons.
20. **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
21. **“Trading”** shall have the same meaning as defined in SEBI (Prohibition of Insider Trading) Regulations, 2015’
22. **“Trading Day”** shall have the same meaning as defined in SEBI (Prohibition of Insider Trading) Regulations, 2015.
23. **“Unpublished Price Sensitive Information”** 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 as described in Regulation 2 (1) (n) of the Regulations as amended from time to time.

24. **“Regulations”** shall mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.

***Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.***

## **II. COMPLIANCE OFFICER**

Compliance officer shall deal with legal and regulatory compliance under these Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 under the overall supervision of the board of directors of the Company. Compliance Officer shall deal with dissemination of information and disclosure of unpublished price sensitive information. Compliance Officer shall be responsible for ensuring that the Company complies with the continuous disclosure requirements of these regulations and this code. He shall also be responsible for overseeing, monitoring and coordinating dissemination of disclosure of price sensitive information to Stock Exchanges and stakeholders.

### **Role of Compliance Officer:**

The Compliance Officer shall report on insider trading to the Board of Directors of the Company 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 such frequency as may be stipulated by the Board of Directors but not less than once in a year.

The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended by the Securities & Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and this Code.

## **PART I**

### **CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURES OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

#### **III. PRESERVATION OF “PRICE SENSITIVE INFORMATION”:**

All information shall be handled within the Company 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 legal obligations.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of the informed opinion that the proposed transaction is in the best interests of the Company; or
- not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of the informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine. However, the Board of Directors may require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.
- To prevent the misuse of UPSI, the Company adopts the “Chinese Wall” policy which separates those areas of the Company which routinely have access to UPSI, considered —” inside areas” from those departments which deal with support services, considered—”public areas”.

#### **Chinese wall Policy**

- As per the said policy:-
- (i) The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- (ii) The Employees in inside area may be physically separated from the Employees in public area.
- (iii) Demarcation of the various departments as inside areas may be implemented by the Compliance Officer in consultation with the Board of Directors;
- (iv) The Employees within the inside area of the Chinese Walls have a responsibility to ensure the Chinese Wall is not breached deliberately or

- inadvertently. Known or suspected breaches of the Chinese Wall must be referred to the Compliance Officer immediately;
- (v) The establishment of Chinese Wall is not intended to suggest that within inside areas material, Unpublished Price Sensitive Information can be circulate freely.
  - (vi) Within inside areas, the need-to-know shall be in effect; and
  - (vii) Only in exceptional circumstances, Employees from the public areas may be permitted to ‘cross the wall’ are brought ‘over the wall’ and provided UPSI on “need to know” basis under intimation to the Compliance Officer. In such cases, the Compliance Officer shall ensure that all necessary restrictions are imposed on such Employee(s) in relation to protection of such Unpublished Price Sensitive Information.

### **Need to Know**

- (i) “need to know” basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and whose possession of UPSI will not in any manner give rise to any conflict of interest or appearance of misuse of the information.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.  
The persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt, among others, the following safeguards (including the safeguards prescribed in other codes adopted by the Company to prevent insider trading):
  - (i) files containing confidential information shall be kept secure;
  - (ii) computer files must have adequate security of login through a password;
  - (iii) guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time-to-time in consultation with the person in charge of the information technology operations of the Company must be followed.

### **Policy for Determination of Legitimate Purpose for sharing of UPSI:**

The Company has in place a policy for determination of legitimate purpose for sharing of UPSI. The same is attached as **Annexure 7** of this Code.

#### **IV. DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

**1. Prompt Disclosure of unpublished price sensitive information:**

Price sensitive information shall be disclosed to the Stock Exchanges and disseminated promptly on a continuous basis as soon as credible and concrete information comes into being in order to make such information generally available. The said information shall also be promptly uploaded to the Company's official website [www.mbfsl.com](http://www.mbfsl.com) in order to be accessed by the investors and members of the Company and the public i.e. to make the information generally available.

**2. Uniform and universal dissemination of unpublished price sensitive information to selective disclosure:**

If the information is accidentally disclosed without prior approval of the Managing Director, the person responsible shall inform the Managing Director immediately, even if the information is not considered price sensitive. In such event of inadvertent, selective disclosure of the price sensitive information, Managing Director shall take prompt action to ensure that such information is generally made available

**3. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.**

The unpublished price sensitive information shall be disseminated uniformly and universally to all stakeholders through Stock Exchanges and/or by posting the same on official website of the Company i.e. [www.mbfsl.com](http://www.mbfsl.com) The Company shall use its best endeavours to avoid selective disclosure of unpublished price sensitive information.

However if any information gets disclosed selectively or inadvertently or otherwise, Company shall promptly make the said information generally available through dissemination of the same to Stock Exchanges and/or by posting the same on the official website of the Company.

**4. Authority for Dissemination of information and Disclosure of UPSI:**

As an overriding principle, no person in the organization should communicate externally any information about Company's prospects, performance and policies or disclose any unpublished information, whether price sensitive or not, without appropriate prior authorization. Depending upon the area of communication, there are certain persons in the Company who are authorised to speak with the various target groups based on their expertise, role and a deep understanding of the Company. Unless otherwise approved by the Managing Director, only those people occupying the positions listed below are authorized to discuss Company matters with the news media, investment community etc.



- (i) Chairman and Managing Director;
- (ii) Chief Financial Officer;
- (iii) Chief Marketing Officer (for Corporate Marketing matters); and
- (iv) Authorised members of the Corporate Communications department.

Further, in addition to the above officers, the Compliance Officer will be authorised to make statutory disclosures under the listing regulations and other applicable laws.

## **V. PROCEDURES**

### **1. Procedures for responding to any queries on news reports and/ or requests for verification of markets rumours by regulatory authorities**

- i. Appropriate, fair and prompt response shall be submitted to all queries on news reports or request for verification of market rumours received from regulatory authorities.
- ii. Such replies shall be signed by Chairman or Managing Director or such other officer/ person as may have been authorised by the Board.
- iii. The Compliance Officer shall oversee corporate disclosure. He shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosures.

### **2. Procedure for disclosure/dissemination of price sensitive information with special reference to analysts, institutional investors etc.**

- i. Only public information will be provided to analysts/research person and institutional investors. Alternatively any unpublished price sensitive information given to analyst/ research person should be simultaneously made public at the earliest.
- ii. In order to avoid misquoting or misrepresenting it is desirable that two Company representatives be present at the meeting with analysts and institutional investors and the discussion should be recorded and transcripts should be made and disseminated on the official website of the Company to ensure official confirmation and documentation of disclosures made.
- iv. Extra caution will be taken while dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions will be taken on notice and a considered response shall be furnished later. If the answer includes price sensitive information, a public announcement should be made before responding.

### **3. Handling of all unpublished price sensitive information on a need-to-know basis.**

All information shall be handled within the Company 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 legal obligations.

**4. Compliance officer of the Company will Act as the chief investor relations officer of the company to deal with dissemination of information and disclosure of unpublished price sensitive information who will have following functions:**

- i. Dealing with universal dissemination and disclosure of UPSI.
- ii. Determination of questions as to whether any particular information amounts to UPSI after discussion with.
- iii. Determination of response, if any, of the Company to any market rumour in accordance with this Code.
- iv. Dealing with any query received from any Insider about any UPSI.
- v. Providing advice to any Insider as to whether any particular information may be treated as UPSI. If an Insider receives a query about any UPSI related to the company, he shall not comment on the same and shall forward such query to the Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with Applicable Law and this Code.

**VI. DISCLOSURES**

This Code and the amendment thereof will be published on the Company's Official website [www.mbfsl.com](http://www.mbfsl.com) and shall be promptly intimated to the Stock Exchanges where the securities of the Company are listed.

**PART II**  
**CODE OF CONDUCT TO REGULATE MONITOR AND REPORT TRADING BY**  
**EMPLOYEES AND CONNECTED PERSONS**

**VII. RESTRICTIONS ON TRADING**

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.

**1. Trading plan:**

An insider shall be entitled 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.

Such trading plan shall: –

- ✓ Not entail commencement of trading on behalf of the insider earlier than one Hundred and twenty calendar days from the public disclosure of the plan;
- ✓ Not entail overlap of any period for which another trading plan is already in existence;
- ✓ not entail trading in securities for market abuse.
- ✓ set out following parameters for each trade to be executed:
  - (i) either the value of trade to be effected or the number of securities to be traded;
  - (ii) nature of the trade;
  - (iii) either specific date or time period not exceeding five consecutive trading days;
  - (iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:
    - a. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;
    - b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings 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 shall not be applicable for trades carried out in accordance with an approved trading plan.

The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan 38[or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation.

Provided further that if the insider has set a price limit for a trade under sub-clause (iv) of clause (v) of sub-regulation 2, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed

The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

The insider and Compliance Officer shall ensure due compliance of Regulation 5 of SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **2. Trading window and window closure:**

- i. The trading period, i.e. the trading period of the stock exchanges, called "trading window", is available for trading in the Company's securities.
- ii. Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of 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. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- iii. Trading restriction period be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- iv. When the trading window is closed, the specified persons shall not trade in the Company's securities during such period.
- v. The trading window restrictions mentioned shall not apply in respect of –
  - transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a 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 by the Board;
- transactions which are undertaken in accordance with respective regulations made by the Board 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 or transactions which are undertaken through such other mechanism as may be specified by the Board from time to time.
- vii. 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.
  - viii. All Specified Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed.
  - ix. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.
  - x. The Compliance Officer shall intimate the closure of trading window to specified persons of the Company when he determines that the specified persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.
  - xi. 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.
  - xii. The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.
  - xiii. 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.

### 3. Pre-clearance of trades:

All Specified Persons, who intend to deal in the securities of the Company when the trading window is opened and if the proposed trade is above 50,000 shares or above value of Rs. 10 Lakhs (market value) or 1% of total shareholding, whichever is less, should pre-clear the transaction. However, no designated person shall be entitled to 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 and hence he shall not be allowed to trade. The pre-dealing procedure shall be hereunder:

- a. An application may be made in the prescribed Form **(Annexure 1)** to the Compliance Officer indicating the estimated number of securities that the Specified Employee intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.
- b. An undertaking **(Annexure 2)** shall be executed in favour of the Company by such Specified Employee incorporating, *inter alia*, the following clauses, as may be applicable:
  - i. That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
  - ii. That in case the Specified Employee has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
  - iii. That he/she has not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time.
  - iv. That he/she has made a full and true disclosure in the matter.
- c. All Specified Persons and their relatives shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance **(Annexure 3)** is given. The Specified Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed **(Annexure 4)**.
- d. If the order is not executed within seven days after the approval is given, the employee/ director must pre-clear the transaction again.
- e. The designated person who is permitted to trade shall not execute a contra trade within a period of six months. The compliance officer may be 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. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under

the Act. Provided that this paragraph will not be applicable for trades pursuant to exercise of stock options.

- f. In case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

#### **4. Other restrictions:**

- i. The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- ii. The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for the purpose of this Code.
- iii. The disclosures made under this Code shall be maintained for a period of five years.

#### **5. Disclosure by Designated Person**

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:

- i. immediate relatives
- ii. persons with whom such designated person(s) shares a material financial relationship
- iii. 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.

### **VIII. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:**

#### **A. Initial disclosure:**

Every person on appointment as a key managerial personnel or a director of the company or upon becoming a member of the promoter group shall disclose his holding of securities of the company as on the date of appointment or becoming a member of the promoter group, to the company within seven days of such appointment or becoming a member of the promoter group. **(Annexure 5)**

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 days of such appointment or becoming a promoter.  
**(Annexure 6)**

#### **B. Continual Disclosure**

Every promoter, designated person, member of the promoter group 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;

The disclosure shall be made within 2 working days of:

- a) The receipt of intimation of allotment of shares, or
- b) The acquisition or sale of shares or voting rights, as the case may be.

#### **C. Disclosure by the Company to the Stock Exchange(s)**

Within 2 days of the receipt of intimation, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received. The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of five years.

#### **D. Disclosures by other connected persons**

Company may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form (as approved by the Board of Directors) and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

### **IX. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT:**

- a. Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- b. Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- c. Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.



- d. Any amount collected under this clause shall be remitted to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act
- e. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other Law for the time being in force.

#### **X. DISCLOSURES**

This Code and the amendment thereof will be published on the Company's Official website and shall be promptly intimated to the Stock Exchanges where the securities of the Company are listed.

#### **XI. AMENDMENT:**

This Policy may be amended by the Board from time to time. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there are any mandatory changes required by the law.

**XXXXXXXX**

**ANNEXURE 1**  
**SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL**

Date: \_\_\_\_\_

To,  
The Compliance Officer,  
**Mukesh Babu Financial Services Limited,**  
Mumbai.

Dear Sir/Madam,

**Application for Pre-dealing approval in securities of the Company**

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 as amended as on date and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sale / subscription of \_\_\_\_\_ equity shares of the Company as per details given below:

1.	Name of the Applicant	
2.	Designation	
3.	Number of securities held as on date	
4.	The proposal is for	a) Purchase of Securities b) subscription to securities c) sale of securities
5.	Proposed date of dealing in securities	
6.	Estimated number of securities proposed to be acquired/subscribed/sold	
7.	Price at which the transaction is proposed	
8.	Current market price (as on date of application)	
9.	Whether the proposed transaction will be through stock exchange or off-market deal	
10.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

**(Signature)**

**ANNEXURE 2**  
**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE**  
**APPLICATION FOR PRE-CLEARANCE UNDERTAKING**

To,  
**Mukesh Babu Financial Services Limited**  
Mumbai

I, \_\_\_\_\_, \_\_\_\_\_ of the Company residing at \_\_\_\_\_, am desirous of dealing in \_\_\_\_\_ \* shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, 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.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

**Signature:** \_\_\_\_\_

**Date:**

**ANNEXURE 3**  
**FORMAT FOR PRE- CLEARANCE ORDER**

To,  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
Place: \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (nos.) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved.

Please note that the said transaction must be completed on or before \_\_\_\_\_ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

For **Mukesh Babu Financial Services Limited**

**Compliance Officer**  
**Date:** \_\_\_\_\_

Encl: Format for submission of details of transaction

**ANNEXURE 4**  
**FORMAT FOR DISCLOSURE OF TRANSACTIONS**

*(To be submitted within 2 days of transaction / dealing in securities of the Company)*

To,  
The Compliance Officer,  
**Mukesh Babu Financial Services Limited,**  
Mumbai

I hereby inform that I \_\_\_\_\_

\* have not bought / sold/ subscribed any securities of the Company

\* have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_ (date)

<b>Name of holder</b>	<b>No. of securities dealt with</b>	<b>Bought/sold/ subscribed</b>	<b>DP ID/Client ID / Folio No</b>	<b>Price (Rs.)</b>

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (*applicable in case of purchase / subscription*).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

**Date:** \_\_\_\_\_ **Signature:** \_\_\_\_\_  
**Name:** \_\_\_\_\_ **Designation:** \_\_\_\_\_

**ANNEXURE 5**  
**FORMAT FOR INITIAL DISCLOSURE OF SECURITIES**

To,  
The Compliance Officer,  
**Mukesh Babu Financial Services Limited**  
**Mumbai**

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	Type of Securities	Folio No	Beneficiary A/c Client ID

**II. Details of dependent(s):**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Procedures and Conduct for Prevention of Insider Trading, I hereby declare that i have the following dependents:

Sr. No.	Name of the dependent	Relation with Director / Officer / Designated Employee

**III. 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

**Signature:** \_\_\_\_\_

**Date:**

**ANNEXURE 6  
DISCLOSURE OF CHANGE IN SHAREHOLDING**

To,  
The Compliance Officer,  
**Mukesh Babu Financial Services Limited**  
**Mumbai**

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of change in holding of securities of the Company:

<b>Name, PAN No. &amp; address of shareholder</b>	<b>No. of securities held before the transaction</b>	<b>Receipt of allotment advice/ acquisition of /sale of securities</b>	<b>Nature of transaction &amp; quantity</b>	<b>Trading member through whom the trade was executed with SEBI Regn. No. of the TM</b>	<b>Exchange on which the trade was executed</b>

**Details of change in securities held by dependent family members:**

<b>Name, PAN No. &amp; address of shareholder and relationship</b>	<b>No. of securities held before the transaction</b>	<b>Receipt of allotment advice/ acquisition of /sale of securities</b>	<b>Nature of transaction &amp; quantity</b>	<b>Trading member through whom the trade was executed with SEBI Regn. No. of the TM</b>	<b>Exchange on which the trade was executed</b>

I/We declare that I/We have complied with the requirement of the minimum holding period of six months with respect to the securities purchased/sold.

I hereby declare that the above details are true, correct and complete in all respects.

**Signature:** \_\_\_\_\_

**Date:**

**Annexure 7**  
**POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE FOR SHARING**  
**OF UPSI**  
**[Framed under Regulation 3(2A) of SEBI (Prohibition of Insider Trading)**  
**(Amendment) Regulations, 2018]**

**1. INTRODUCTION:**

1.1 This Policy has been framed in compliance with the provisions of Regulation 3 (2A) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI (PIT) Regulations”).

1.2 This Policy will be applicable to all “Insider”.

1.3 This Policy shall come into force with effect from April 01, 2019.

1.4 Words and expressions used and not defined in this Policy or in the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information shall have the same meanings assigned to them respectively in the SEBI (PIT) Regulations or 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, as the case may be, including amendment(s)/modification(s) thereto.

**2. DEFINITION:**

2.1 Insider means any person in receipt of UPSI of the Company for the purpose of this Policy and SEBI (PIT) Regulations.

2.2 Legitimate Purpose means sharing of UPSI by the Company for any purpose satisfying the following factors:

2.2.1 Must be shared in the ordinary course of business;

2.2.2 Required to be done in furtherance of fiduciary duties or in fulfillment of any statutory obligation; 2.2.3 Information shared is in the interest of other Stakeholders; and

2.2.4 Information is not being shared for personal benefit but may result in personal gain consequently. 2.3 Ordinary course of business includes regular and usual day to day transactions, general customs and practices of a business performed in the Company.

**3. SHARING OF UPSI:**

3.1 The Company may, in its ordinary course of business, share UPSI, for legitimate purpose, with:

- partners,
- collaborators,
- lenders,
- customers,
- suppliers,
- merchant bankers,
- legal advisors,
- auditors,



- insolvency professionals or
- other advisors or consultants,

Provided that such sharing is not been carried out to evade or circumvent the prohibitions of this code and SEBI (PIT) Regulations.

#### **4. COMMUNICATION PURSUANT TO SHARING OF UPSI:**

4.1 Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an Insider and due notice shall be given to such Insider to maintain confidentiality of such UPSI in compliance with SEBI (PIT) Regulations.

4.2 The Communicates shall require to execute agreements with the Company to contract confidentiality and non-disclosure obligations on the part of receivers of such UPSI and such outside parties shall keep information so received confidential, and shall not trade in securities of the Company when in possession of UPSI.

4.3 The Company shall take requisite information before communicating UPSI to such persons as per the internal policy of the Company, including but not limited to:

4.3.1 Full name of the recipient of UPSI;

4.3.2 Name of the entity whom the recipient represents

4.3.3 Complete residential address of recipient and registered office address of the recipient entity.

4.3.4 Permanent Account Number or other identifier authorized by law in case permanent Account Number is not available of the recipient and his entity.

**XXXXXXXX**