



MARGO FINANCE LIMITED

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

I. PURPOSE:

The Securities and Exchange Board of India ("SEBI") notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") on January 15, 2015, which is effective from May 15, 2015. Pursuant to Regulation 8 of the Regulations, the Company is required to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Fair Disclosure Code"). Accordingly, the Board of Directors of Margo Finance Limited (the 'Company') has formulated the Fair Disclosure Code.

The Company endeavors to preserve the confidentiality of unpublished price sensitive information (UPSI). The purpose of the Fair Disclosure Code is to clearly outline procedures and practical guidelines that would be followed by the 'Company' for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive information.

II. APPLICABILITY:

This Code shall be applicable and binding on all the directors, employees of the Company and those persons authorized to speak on behalf of the Company.

III. TERMS AND DEFINITIONS:

Words and expressions used but not defined in this Code shall have the same meaning assigned to them in the SEBI (Prohibition of Insider Trading) Regulations, 2015 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 or in any amendment thereto.

IV. INFORMATION COVERED BY THIS CODE :

Unpublished Price Sensitive Information (UPSI):

"Unpublished Price Sensitive Information" means any information, relating to the Corporate or its Securities, directly or indirectly, that is not generally available which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 generally include information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- Changes in key managerial personnel.

V. CHIEF INVESTOR RELATIONS OFFICER:

The Board shall designate either Executive Director or Chief Financial Officer (CFO) or the Compliance Officer or any other officer but not below two levels below board level as the Chief Investor Relations Officer (CRO) from time to time, who shall be responsible to deal with the dissemination of information and disclosure of any UPSI. No employee other than CRO / CFO/ Compliance Officer shall respond to any matter on UPSI to external authorities. Necessary internal approvals, as may be decided by the Company shall be taken by CRO / CFO/ Compliance Officer while making any disclosure of UPSI.

VI. PRINCIPLES OF FAIR DISCLOSURE:

To adhere to the principles as mentioned in Schedule A to the Regulations, the Company shall ensure the following:

- Promptly disclose publicly any UPSI that would impact price discovery no sooner than credible and concrete information comes into being so that such information is generally available.
- Avoid selective disclosure and uniformly and universally disseminate UPSI by communicating the same to the stock exchange(s) and disclosing the same on company website wherever required. (Note: Under certain circumstances, the Company may keep material information as stipulated under Clause 36 of the Listing Agreement confidential for a limited period of time because immediate disclosure may compromise certain strategic business opportunities of the Company or may not be disclosable due to third party confidentiality restrictions or uncertainty of event. In such cases, Chief Investor Relations Officer (CRO) shall determine when to disclose such material information)

VII. INFORMATION TO BE SHARED ON A NEED TO KNOW BASIS

All the unpublished price sensitive information is to be handled on “need to know basis”, i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

The Directors/employees who may be in possession of UPSI:

- Should not discuss UPSI in public places where Material Information may be overheard (e.g., elevators, restaurants, airplanes, taxicabs) or participate in, host or link to Internet chat rooms, online social networking sites, newsgroup discussions or bulletin boards which discuss matters pertaining to the Company's activities or its securities;
- Should not carry, read or discard UPSI in an exposed manner in public places;
- Should not discuss UPSI with any other persons, except as required in performance of his or her duties;
- Shall advise the other persons with whom they are meeting where UPSI may be disclosed, before the meeting, that they must not divulge the UPSI; and
- Should not deal in the securities of the Company until the UPSI is publicly disclosed.

VIII. INFORMATION TO BE POSSESSED OR PROCURED OR COMMUNICATED FOR LEGITIMATE PURPOSE (w.e.f. 1st April, 2019)

No insider shall communicate, provide or allow access to any UPSI relating to the Company or securities listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. Further, no person shall procure from or cause the communication by any insider of UPSI, relating to the Company or securities listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, etc. Inducement and procurement of UPSI not in furtherance of one's legitimate duties and discharge of obligations would be illegal.

In view of aforesaid provisions, following shall be considered as the legitimate purposes for which UPSI may be communicated or may be procured:

- A. Purposes for which UPSI is shared will be dependent upon functional responsibilities, roles and capacities in which insiders are associated with the Company. Executive Director, Chief Financial Officer and Compliance Officer shall identify such persons to whom UPSI needs to be shared in ordinary course of business in terms of functions and roles. E.g. possession of financial information by Finance /Accounts Department would be considered as legitimate purpose.
- B. UPSI can be shared for performance of duties and discharge of legal obligations in the ordinary course of business and same will be considered as legitimate purposes.

- C. Sharing of UPSI as per statutory rules and regulations.
- D. Sharing of information provided such sharing has not been carried out to evade or circumvent the prohibitions of the regulations.
- E. In case of any specific projects/ assignments in which if decisions taken may turn to be UPSI, the purposes shall include purposes of analysis, valuations, assessments, guidance, giving opinions, etc.

IX. UNINTENTIONAL/ INADVERTENT DISCLOSURE

In case, there has been an inadvertent or selective disclosure of any UPSI, the Company shall endeavor to make prompt disclosure of such UPSI to the stock exchanges so that such information becomes generally available.

X. DISCLOSURES WITH REFERENCE TO ANALYSTS / MEDIA

All unpublished price sensitive information shall be first communicated to the stock exchanges before the same is shared with analyst / research personnel and media. Transcripts/records of quarterly calls on financial results shall be disclosed on the website of the Company.

XI. MARKET RUMOURS

Chief Investor Relations Officer and/or Chief Financial Officer and /or the Compliance Officer shall give an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities. They shall also be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and making disclosures.

XII. REVIEW OF ANALYST REPORTS

The Company may at the request of the Analysts review their research reports for the limited purpose of pointing errors based on previously disclosed information.

XIII. AMENDMENTS AND MODIFICATION

This Fair Disclosure Code shall be reviewed from time to time and any amendments or modifications thereto shall be subject to the review and approval of the Board of Directors of the Company.
