



**MAHARASHTRA SCOOTERS LTD.**

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## **MAHARASHTRA SCOOTERS LIMITED**

### **INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING**

<b>Approved by</b>	<b>Board of Directors on 15 May 2019</b>
<b>Reviewed by</b>	<b>Board of Directors on 15 March 2023</b>



## **INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING**

### **Introduction**

SEBI has notified vide circular dated 31 December 2018 the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which becomes effective from 1 April 2019. Pursuant to Regulation 9A of the said Regulations, an institutional mechanism for prevention of insider trading has been framed for adoption by the Board of Directors of the Company and the same will be effective from 1 April 2019.

### **Institutional Mechanism**

#### **A. Role of Managing Director / CEO**

1. The Chief Executive Officer / Managing Director or such other analogous person of a listed company, intermediary or fiduciary shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the said regulations to prevent insider trading.
2. The internal controls shall include the following:
  - a) all employees who have access to unpublished price sensitive information are identified as designated employee;
  - b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of the regulations;
  - c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by the regulations;
  - d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
  - e) all other relevant requirements specified under the regulations shall be complied with;
  - f) periodic process review to evaluate effectiveness of such internal controls.

#### **B. Role of Managing Director / CEO**

The board of directors of every listed company and the board of directors or head(s) of the organisation of intermediaries and fiduciaries shall ensure that the Chief Executive Officer or the Managing Director or such other analogous person ensures compliance with regulation 9 and sub-regulations (1) and (2) of the regulations.



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 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.

**C. Role of Audit Committee**

The Audit Committee of a listed company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of the regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

**D. Duties / responsibilities in case of leak of information**

1. Every listed company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.
2. The listed company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
3. If an inquiry has been initiated by a listed company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the listed company in connection with such inquiry conducted by listed company.

This mechanism is subject to review from time to time.

**Chairman**

**Pune  
15 March 2023**