

**LAKSHMI FINANCE AND INDUSTRIAL  
CORPORATION LIMITED**

**Code of Conduct for Regulating, Monitoring and  
Trading by Insiders and Code of Practices and  
Procedures for Fair Disclosure of Unpublished  
Price Sensitive Information**

## **INTRODUCTION**

Insider trading means dealing in securities of a company listed/traded on any stock exchange in India based on, or when in possession of unpublished price sensitive information.

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'The Regulations').

Sub-regulation (1) of Regulation 8 requires all listed companies to formulate and publish on its website, code of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information by adopting the minimum standards as set out in Schedule A to the Regulations.

Lakshmi Finance and Industrial Corporation Limited (LFIC) has formulated this Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (Code). All the Directors, Designated Persons, Officers and other connected persons of LFIC are governed by the Code.

The Code has been formulated by the Board on 26<sup>th</sup> May, 2015.

All the Directors, Designated Persons, Officers and other connected persons of LFIC are advised to carefully go through and familiarize themselves with and adhere to the Regulations and the Code.

The Company endeavours to preserve the confidentiality of Unpublished Price Sensitive Information (UPSI) and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director, Officer, Designated Person and connected person of the Company has a duty to safeguard the confidentiality of all such UPSI obtained in the course of his or her work at the Company. No Director, Officer, Designated Officer and Connected persons may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

This Code shall apply to all Directors, Officers, Designated persons and connected persons of the Company and the Company hereby stipulates that this code of conduct is to be complied by all Directors, Officers, Designated persons and connected persons.

### **1. Definitions:**

**1.1 "Act"** means the Securities and Exchange Board of India Act, 1992

**1.2 "Board"** means the Securities and Exchange Board of India

**1.3 "Code" or "Code of Conduct"** shall mean the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosures of CCL Products (India) Limited from time to time.

**1.4 "Company"** means Lakshmi Finance and Industrial Corporation Limited

**1.5 "Compliance officer"** means the Company Secretary and Compliance Officer of the Company and who shall also act as Chief Investors Relations Officer.

**1.6 "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 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 a company or his immediate relative or banker of the company, has more than ten percent of the holding or interest

**1.7 "Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of the Company either as principal or agent.

**1.8 "Designated Persons"** shall include:

- a) All Directors
- b) All Employees in the cadres of General Managers, Functional Heads and all the Officers one level below the Board including Chief Financial Officer and Company Secretary.
- c) Promoters and Promoter Group
- d) Statutory Auditors, Internal Auditors, Secretarial Auditors.

**1.9 "Director"** means a member of the Board of Directors of the Company.

**1.10 "Employee"** means every employee of the Company including the Directors in the employment of the Company.

**1.11 "Generally available information"** means information that is accessible to the public on a non- discriminatory basis.

**1.12 "Immediate Relative"** means spouse of a person and includes parent, sibling and child of such person or the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

**1.13 "Insider"** means any person who is,

- a) a connected person or
- b) in possession of or having access to unpublished price sensitive information.

**1.14 "Key Managerial Personnel"** means person as defined in Section 2(51) of the Companies Act, 2013.

**1.15 "Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

**1.16 "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;

**1.17 "Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

**1.18 "Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;

**1.19 "Trading day"** means a day on which the recognized stock exchanges are open for trading;

**1.20 "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 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.

**1.21 "Regulations"** shall mean Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

**1.22 "Specified Persons"** means Directors, connected Persons, the insiders, the Designated persons and the Promoters and Immediate relative(s) who are collectively referred to as Specified Persons.

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 thereunder shall have the meanings respectively assigned to them in those legislation.

## **2. Role of Compliance Officer**

**2.1** 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 on quarterly basis.

**2.2** The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and shall administer the Company's Code of Conduct and other requirements under the SEBI Regulations.

## **3. Restrictions on communication and Trading by Insiders**

### **3.1 Communication or procurement of Unpublished Price Sensitive Information**

(1) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be 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.

(2) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

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

(i) entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the company;

(ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute UPSI 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 shall 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 UPSI.

### **3.2 Trading when in possession of unpublished price sensitive information**

(1) No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI:

Provided that the insider may prove his innocence by demonstrating the circumstances including the following : –

(i) the transaction is an off-market *inter-se* transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

(ii) in the case of non-individual insiders: –

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

(iii) the trades were pursuant to a trading plan set up in accordance with the procedure hereinafter specified.

(2) In the case of connected persons the onus of establishing that they were not in possession of unpublished price sensitive information shall be on such connected persons.

### **4. Internal Code of Conduct to Regulate, Monitor and Report Trading by Insiders**

1. The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee every quarter all the communication received

from Designated persons for the pre-clearances, Trading Plans received and the disclosures made to the stock exchanges.

2. 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 legal obligations. The code of conduct shall contain norms for appropriate Chinese Wall procedures, and processes for permitting any designated person to "cross the wall".

3. Employees and connected persons designated on the basis of their functional role ("**designated persons**") in the organisation shall be governed by an internal code of conduct governing dealing in securities.

4. 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.

5. The timing for re-opening of the trading window shall be after Forty-eight hours after the information is made public. 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.

6. 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 Rs. 10,00,000. 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.

7. Prior to approving any trades, the compliance officer shall be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information.

8. The trades that have been precleared shall be executed by the designated employees within a reasonable period, which in any event shall not be more than seven trading days, failing which fresh pre-clearance would be needed for the trades to be executed.

9. The designated employee shall not enter into a contra trade for the quantity precleared for a period of not less than 6 months. However the compliance officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the 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.

10. The formats for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for such decisions and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations are herewith annexed.

11. The contravention of the code of conduct shall lead to disciplinary actions, including wage freeze, suspension etc., that may be imposed by the Board of Directors or by the Committee if any, constituted by the Board of Directors.

12. In the event the Board of Directors observe any violations of code of conduct, a prompt information about violation should be given to the SEBI.

## **5. Trading Plan**

(1) An insider shall be entitled to formulate a trading plan 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.

5.1 Trading plan shall:-

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth 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 second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve 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.

5.2 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.

5.3 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.

However, the implementation of the trading plan shall not be commenced if any UPSI 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 and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information.

5.4 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

## **6. Trading Window and Window Closure**

6.1 A notional trading window as specified herein below shall be used as an instrument of monitoring trading by the Designated Persons:

- i) The trading period, during which trading on Stock exchanges is permitted as hereinafter provided is called 'trading window'.
- ii) The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.
- iii) When the trading window is closed, the Designated Persons and their immediate relatives shall not trade in the Company's securities in such period.
- iv) All Designated 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, as referred to

in Point No. (ii) above or during any other period as may be specified by the Company from time to time.

6.2 The Compliance Officer shall intimate the closure of trading window to all the Designated Persons of the Company when he/she 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.

6.3 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, which shall be forty-eight hours after the information becomes generally available.

6.4 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.

## **7. Pre-clearance of Trades**

All Designated Persons, who intend to deal in the securities of the Company when the trading window is open and if the value of the proposed trades is above Rs. 10 Lakhs (market value), should obtain pre-clearance from the Compliance Officer for each 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-clearance procedure shall be as hereunder:

i) An application may be made in the prescribed Form (Annexure 1) to the Compliance Officer indicating the estimated number of securities that the Designated Person 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 the Compliance Officer in that behalf.

ii) A Declaration (as per Annexure 2) shall be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:

a) That the employee/Director/Officer does not have any access or is not in possession of 'Price Sensitive Information' up to the time of signing of the Declaration.

b) That in case the Designated Employee has access to receive 'Price Sensitive Information' after the signing of the Declaration but before the execution of the transaction he/she shall forthwith inform the Compliance Officer of the change in his position and that he/she shall refrain from dealing in the securities of the Company till the time such information becomes public and after a lapse of 48 hours thereof.

c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.

d) That he/she has made a full and true disclosure in the matter.

iii) Before granting pre-clearance in form (Annexure 3), the Compliance Officer shall have due regard to whether any such declaration is reasonably capable of being rendered inaccurate.

iv) All Specified/Designated Persons shall execute their order in respect of securities of the Company within seven trading days from the date of the approval of pre-clearance. The Specified/Designated Persons shall file within two days of the execution of the deal, the details of such deal and changes in the holdings, with the Compliance Officer in the prescribed form



(Annexure 4). In case the transaction is not undertaken, a report to that effect shall be filed (Annexure 4).

v) If the order is not executed within seven trading days from the date of approval is given, the employee/Director must seek fresh pre-clearance of the transaction.

vi) All Specified/Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction (shall not execute a contra trade) i.e., sell or buy any number of shares during the next six months following the prior transaction. All Specified/Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case any 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 the SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

vii) The Compliance Officer may lift the ban on contra trade 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.

## **8. Disclosures of Trading by Insiders**

8.1 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.

8.2 The disclosures of trading in securities shall also include trading in derivatives of securities, if any permitted by law and the traded value of the derivatives shall be taken into account for purposes of this Code.

8.3 The disclosures made under this Clause shall be maintained by the Company for a minimum period of five years, in such form as may be specified by SEBI.

### **8.4 Initial Disclosure**

(a). Every promoter, key managerial personnel and director of the company shall disclose his holding of securities of the Company as on the date of these regulations taking effect, to the Company within thirty days of these regulations taking effect;

(b). 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.

### **8.5 Continual Disclosures**

(a) Every promoter, employee and Director of the 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;

(b) The company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause 8.5(a)

## 8.6 Disclosures by other connected persons

The 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 and at such frequency as may be determined by the Company in order to monitor compliance with these regulations.

8.7 All Designated Persons shall disclose their holdings including their immediate relatives at the end of each quarter (Annexure 5)

## 9 Penalty for contravention of the code of conduct

9.1 Every Specified/Designated Person/Insider shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof applicable to his/her immediate relatives).

9.2 Any Specified/Designated Person/Insider who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Board of Directors of the Company.

9.3 Specified/Designated Person/Insider who violate the Code shall also be subject to disciplinary action by the Board of Directors of the Company, which may include wage freeze, suspension etc.

9.4 The action by the Company shall be in addition to any action that may be taken by SEBI in case of violation of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

9.5 In case if it is observed by the Board of Directors that there has been a violation of SEBI Regulations, they shall inform SEBI promptly.

## 10. Prohibition of Insider Trading under Companies Act, 2013

The relevant provisions of the Companies Act, 2013 which every person shall comply with is as under:

Section 195(1) No person including any director or key managerial personnel of a Company shall enter into insider trading:

Provided that nothing contained in this sub-section shall apply to any communication required in the ordinary course of business or profession or employment or under any law.

*Explanation.*—For the purposes of this section,—

(a) “insider trading” means—

(i) an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or

(ii) an act of counselling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person;

(b) “price-sensitive information” means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company.

(2) If any person contravenes the provisions of this section, he shall be punishable with imprisonment for a term which may extend to five years or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher, or with both.

## **11. CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

The code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering to each of the principles enunciated in Schedule A of SEBI (Prohibition of Insider Trading) Regulations, 2015, in pursuance of Regulation 8(1) thereof, is set out below:

The Company shall promptly intimate the Code and every amendment thereto, to the stock exchanges where its securities are listed and place it on its website.

1. There shall be Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

2. Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure shall be ensured.

The disclosure of unpublished price sensitive information shall be made promptly to the Stock Exchanges where the securities are listed to ensure uniformity and prevent selectivity.

3. The Company Secretary and Compliance Officer of the Company is designated as chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

4. There shall be prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

5. The Board of Directors shall ensure that appropriate and fair response shall be provided to queries on news reports and requests for verification of market rumours by regulatory authorities.

6. The Board of Directors shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.

7. The Board of Directors shall ensure that they 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.

8. Handling of all unpublished price sensitive information on a need-to-know basis.

### **9. Corporate Disclosures**

Chief Investor Relations Officer (CIRO) shall obtain prior approval of Executive Chairman or Managing Director depending upon the nature of sensitivity of the information before releasing to the Stock Exchanges.

In case of any doubt regarding release of information or understanding the nature of UPSI, the CIRO shall consult and seek approval of Executive Chairman or Managing Director or any other person who are expert in the domain.

If any UPSI is accidentally disclosed or disclosed selectively without prior approval, the person responsible for disclosing such information, shall inform Executive Chairman or Managing Director and CIRO immediately. On receipt of such information CIRO in consultation with Executive Chairman or Managing Director shall disclose the same to the stock exchanges and also get the same posted on the website of the Company so as to make such information generally available.

#### **9.1 Responding to Market Rumours**

The Directors and employees of the Company shall promptly refer any queries or requests for verification of market rumours received from the stock exchanges or from the press or media or from any other source to the CIRO. Replies to all queries or requests for verification of rumours shall be sent only after obtaining the approval of Executive Chairman or Managing Director.

The CIRO shall on receipt of requests as aforesaid, consult the Executive Chairman or Managing Director and respond to the same without any delay.

The CIRO in consultation with Executive Chairman or Managing Director shall decide as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

#### 9.2 Disclosure/dissemination of UPSI with special reference to Analysts, Research Personnel and Institutional Investor

The Directors, Officers and Employees of the Company shall provide only public information to the analysts/research personnel/large investors like financial institutions, private equity etc.

In case non-public information is proposed to be provided by the Directors, Officers and Employees, the person proposing to provide information shall consult Executive Chairman or Managing Director and the CIRO in advance. The CIRO in consultation with Executive Chairman or Managing Director in such cases shall ensure that the information provided to the analysts/research personnel/investors as above is made public simultaneously with such disclosure.

#### 9.3 Handling of unanticipated questions

The Company shall take extreme care and caution when dealing with analysts' questions and defer issues outside the intended scope of discussion.

Executive Chairman or Managing Director or CIRO should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later on in consultation with the Board/ Executive Chairman or Managing Director, as the case may be. If answer to any question requires dissemination of Price Sensitive Information, the Executive Chairman or Managing Director/CIRO shall ensure that the same shall be disseminated to the stock exchanges and uploaded on the website of the Company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

#### 9.4 Recording of Discussions

All the analyst, broker or Institutional Investor meetings shall be attended by Senior Company Officers who will report to the CIRO. The CIRO, in order to avoid misquoting or misrepresentation, shall arrange for recording the discussions at the meeting and the audio file is uploaded on the website of the Company till it is substituted by the transcripts of the same.

#### 9.5 Simultaneous Release of Information

Whenever the Company proposes to organize meetings with investment analysts/institutional investors, the Company shall post relevant information on its website after every such meeting.

The CIRO in consultation with the Executive Chairman or Managing Director shall get the text of the calls to be posted on the website of the Company. Presentations shall not contain UPSI and the same shall be placed on the website of the Company and provided to the stock exchanges for placing on their websites.

#### 9.6 Medium of Disclosure/Dissemination of UPSI

The UPSI filed by the Company with the stock exchanges under the listing agreement shall also be posted on the Company's website.

9.7 Norms for installation of Chinese wall procedures to control the flow of information and to prevent the misuse of confidential information

The following departments/units/heads are treated as separate areas for the purpose of Chinese Wall procedures:

Finance & Accounts Department  
Secretarial Department  
Legal Department  
Administration Department  
Commercial Department  
Purchase Department  
Marketing Department  
IT Department  
Subsidiaries- Domestic/Overseas

The employees in the respective areas shall not communicate any price sensitive information to the other areas. In exceptional circumstances the employees in the restricted 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.

Compliance Officer or any KMP alone are entitled to cross the wall.

**ANNEXURE 1**  
**APPLICATION FOR PRE-CLEARANCE**  
*[Pursuant to Clause 7(i)]*

Date:

To,  
The Compliance Officer,  
**Lakshmi Finance and Industrial Corporation Limited**  
Hyderabad

Dear Sir,

**Application for Pre-clearance of trading in securities of the Company**

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, I seek approval to purchase / sale / subscribe \_\_\_\_\_ 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.	Folio No./DP ID/Client ID No.		
5.	The proposal is for		a) Purchase of Securities b) Sale of Securities
6.	Proposed date of dealing in securities		
7.	Estimated number of securities proposed to be acquired/subscribed/sold.		
8.	Price at which the transaction is proposed.		
9.	Current Market Price (as on date of application)		
10.	Whether the proposed transaction will be through stock exchange or off- market deal		
11.	Folio No./DP ID/Client ID No. where the securities will be credited/ debited		

I enclose herewith the form of Declaration signed by me.

Yours faithfully.

(Signature of Designated Person)

Name:

Client Id:

Email:

Contact:

**ANNEXURE 2**  
**DECLARATION TO BE ACCOMPANIED WITH THE**  
**APPLICATION FOR PRE-CLEARANCE**  
**DECLARATION**

To,  
**Lakshmi Finance and Industrial Corporation Limited**

Hyderabad

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 Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (the Code) up to the time of signing of 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 Declaration 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 one day 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 trading days from the date of approval of pre-clearance failing which I shall seek fresh pre-clearance.

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

Date:

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

\* Indicate number of shares

Name:

Client Id:

Email Address:

Contact:

**ANNEXURE 3**  
**PRE- CLEARANCE ORDER**

To,

Name: \_\_\_\_\_

Email Address:

Designation: \_\_\_\_\_

Client Id:

Place: \_\_\_\_\_

Cell:

This is to inform you that your request for dealing in(no's) shares of the Company as mentioned in your application dated is approved. Please note that the said transaction must be completed within 7 trading days from today.

In case you do not execute the approved transaction /deal within the aforesaid period 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 prescribed format within one day from the date of transaction/ deal. In case the transaction is not undertaken a 'Nil' report shall be necessary. You shall not execute a contra trade within 6 months from the date of your present trade.

Yours faithfully,

For **Lakshmi Finance and Industrial Corporation Limited**

COMPLIANCE OFFICER

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

**Encl: Format for submission of details of transaction**



**ANNEXURE 4**

**REPORT OF TRADES EXECUTED/DECISION NOT TO TRADE WITH REASONS**  
**[Pursuant to Clause 7(i)]**

(To be submitted within one day of transaction / dealing in securities of the Company)

To,  
The Compliance Officer,  
**Lakshmi Finance and  
Industrial Corporation Limited**  
Hyderabad

**Date:**

I hereby inform that in furtherance of your Pre-Clearance Order dated ..... for Purchase/Sale of \_\_\_\_\_ Shares, I

- have not bought / sold/ subscribed any securities of the Company for the following reasons:
- have not bought / sold/ subscribed \_\_\_\_\_ securities of the Company 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 5 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. I shall not enter into a contra trade within 6 months from the previous transaction.

I submit the following details of change in holding of securities of the Company:

Name, PAN No. & address of shareholder	No. of securities held before the transaction.	Receipt of allotment advice/ acquisition of/ sale of securities	Nature of Transaction & Quantity			Trading Member through whom the trade was executed with SEBI registration No. of TM	Exchange on which the trade was executed.
			Purchase	Sale	Others		

**Details of change in securities held by immediate relatives:**

Name, PAN No. & address of shareholder and relationship	No. of securities held before the transaction	Receipt of allotment advice/ acquisition of/ sale of securities	Nature of Transaction & Quantity			Trading Member through whom the trade was executed with SEBI registration No. of TM	Exchange on which the trade was executed.
			Purchase	Sale	Others		

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 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).

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

Name & Designation:

Client Id:

Email:

Contact:

**ANNEXURE 5**  
**REPORTING HOLDINGS AS AT THE END OF EVERY QUARTER**  
*[Pursuant to Clause 8.7]*

To  
The Compliance Officer,  
**Lakshmi Finance and Industrial Corporation Limited**  
Hyderabad

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of securities held in the Company as on ..... /OR as at 31<sup>st</sup> March/ 30<sup>th</sup> June/30<sup>th</sup> September/ 31<sup>st</sup> December, ..... [year].

**I Details of securities held by me:**

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

**II Details of Immediate Relatives:**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, I hereby declare that I have the following immediate relatives:

Sr.No	Name of the Immediate Relatives	Relation with Designated Person	No.of Securities held	Folio No.	Beneficiary A/c Client ID

Date:

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

Name:

Client Id:

Email Address:

Contact: :