

**LOVABLE LINGERIE LTD. (LLL)**

**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT  
TRADING BY INSIDERS (THE “CODE”)**

**Approved by Board of Directors of LLL on 3rd April 2019**

**Effective Date: 1st April 2019**

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**LOVABLE LINGERIE LIMITED (LLL)**  
**CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT**  
**TRADING BY INSIDERS (THE “CODE”)**

[Under Regulation 9(1) of SEBI (Prohibition of Insider Trading Regulations), 2015]

**Effective Date: 1st April 2019**

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**CHAPTER – I**

**1. INTRODUCTION**

The SEBI Regulations prohibit an Insider from Trading in the securities of a company listed on any stock exchange on the basis of any unpublished price sensitive information.

In the normal course of business, the Directors, certain Employees and Connected Persons may have access to or possess privileged information/Unpublished Price Sensitive Information (“UPSI”) relating to operations of Lovable Lingerie Limited (“the Company” or “LLL”). Therefore, such persons have an important ethical and legal obligation not to engage in acts prohibited under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015 (the “Regulations” or “SEBI PIT Regulations”) prohibiting the communication of UPSI to any person except as required under law. No Insider, including Designated Person, shall trade in the Company’s Securities that are listed or proposed to be listed on a stock exchange when in possession of, or having access to, UPSI.

Further, procuring any person to Trade in the securities of any company on the basis of UPSI is also prohibited under the SEBI Regulations and the securities laws. Violations of the SEBI Regulations and the securities laws subject Insiders to severe penalties including fines and imprisonment.

However, an Insider may prove his innocence in the manner prescribed in the Regulations. Along with regulating, monitoring and reporting insider trading, the Regulation protects interest of the investors as well as ensures fair dealings in the securities market.

In substitution of the earlier code, in order to tune it in line with the requirements as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, **the Board of Directors of the Company vide Circular Resolution dated \_\_ April 2019 have adopted this revised Code of Conduct for Prevention of Insider Trading and which shall come into effect from 1<sup>st</sup> April, 2019.**

**2. DEFINITIONS**

In this Code, unless otherwise defined, the terms used have the meaning as defined under the Regulations:

- a) “Act” shall mean the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- b) “Board” shall mean the Board of Directors of Lovable Lingerie Limited;
- c) “Code - Lovable Lingerie Limited (the “Company” or “LLL”)” shall mean the Code of Conduct to regulate, monitor and report trading by Insiders, as approved and modified by Board of Directors of the Company from time to time.
- d) “Compliance Officer” shall mean any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations 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 the Regulations under the overall supervision of the board of directors of the listed company or the Company Secretary for the purpose of administration of the insider trading policy.
- e) “Connected Persons” shall have the meaning given to it under Regulation 2(d) of the Regulations and includes –
  - i. A director of the Company;
  - ii. A Key Managerial Personnel of the Company;
  - iii. An Officer of the Company;
  - iv. Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, (x) allowed access to UPSI or (y) reasonably expected to be allowed access to UPSI;
  - v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, (x) allowed access to UPSI or (y) reasonably expected to be allowed access to UPSI;
  - vi. An employee of the Company who has access to UPSI or is reasonably expected to have access to UPSI;
  - vii. Any person who has a professional or business relationship and that relationship that, directly or indirectly, (x) allows access to UPSI or (y) is reasonably expected to allow access to UPSI;

The persons enumerated below shall be deemed to be Connected Persons if such person has access to UPSI or is reasonably expected to have access to UPSI -

- a An Immediate Relative of Connected Persons;
- b A holding company or associate company or subsidiary company;
- c An intermediary as specified in section 12 of the SEBI Act or an employee or

- director thereof;
- d An investment company, trustee company, asset management company or an employee or director thereof;
- e An official of a stock exchange or of clearing house or corporation;
- 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;
- g A member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013;
- h An official or an employee of a self-regulatory organization recognised or authorized by the SEBI;
- i A banker of the Company;
- j A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his Immediate Relative or banker of the Company, has more than ten percent of the holding or interest.

And shall also include the promoters and members of the promoter group of the Company and such other persons as may be identified by the Company from time to time.

- f) “Designated Persons” – Directors, Key Management Personnel, Connected Persons and employees as designated on the basis of their functional role in the Company such as:
  - I. Promoters of the Company;
  - II. Directors of the Company and its subsidiaries, if any;
  - III. Every employee in the Category of “Manager” and above;
  - IV. Any other employee as may be determined and informed by the Compliance Officer from time to time.
  - V. All employees in the Finance and Accounts Department, Corporate Planning Department, Legal Department, Enterprise Risk Management Department of the Company.
  - VI. Immediate Relatives of I to V above.
- g) Generally available information – this means information that is accessible to the public on non-discriminatory basis. In this regard, information published on the website of the stock exchanges where the equity shares of the Company are listed as well as on the website of the Company would ordinarily be treated as generally available.
- h) Immediate Relative – means the spouse of the Designated Person and includes parent, sibling and child of such Designated Person or of the spouse, any of whom is either dependent financially on such Designated Person or consults such Designated Person in taking decisions relating to trading in Securities.
- i) Insider – this term shall have the meaning as assigned to it under Regulation 2(g) of the Regulations and means any person who is:

- Connected Person or
  - in possession of or having access to UPSI.
- j) Key Management Personnel - this term shall have the meaning as assigned to it under Section 2(51) of the Companies Act, 2013, as amended.
  - k) Legitimate purpose shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partner(s), collaborator(s), lender(s), customer(s), supplier(s), merchant banker(s), legal adviser(s), auditors, insolvency professional(s) or other adviser(s) or consultant(s), provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
  - l) LLL Code shall mean this Code of Internal Procedures and Conduct for Prevention of Insider Trading in LLL Securities as amended from time to time.
  - m) Need to Know basis means the disclosure of Unpublished Price Sensitive Information only to those who need the information to discharge their duties.
  - n) Promoter - “Promoter” shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
  - o) Securities - this term shall have the meaning assigned to it under the Securities Contracts Regulation) Act, 1956 or any modification thereof except units of a mutual fund.
  - p) Trade, Traded or Trading - means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any Securities of the Company.
  - q) Trading day – means a day on which the recognized stock exchanges are open for trading.
  - r) Trading period or Trading Window - shall mean the period when Trading in Securities of LLL by the Designated Person(s) and/or their Immediate Relatives may be permitted and is not a Window Closure Period.
  - s) Unpublished Price Sensitive Information or UPSI - Any information which relates to the 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 include but not be restricted to, information relating to the following:
    - Financial results;
    - dividends;
    - change in capital structure
    - mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
    - changes in Key Managerial Personnel; and
    - material events in accordance with the listing regulations.

t) Working Day – working day of the Company.

Words and expressions used and not defined in these Code but defined in 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 rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations.

## CHAPTER – II

### APPLICABILITY & DECLARATION

- a. The Code is applicable to all Designated Persons and to the extent specified, to their Immediate Relatives.
- b. All Designated Persons are advised to carefully go through and familiarize themselves with and adhere to the Code.
- c. In case a Designated Person holds Securities jointly with any other person, related or not, such holding will be considered as the holding of the Designated Person. Accordingly, all the provisions of the Code shall be applicable in totality.
- d. All Designated Persons are required to give their understanding of and agreement to comply with the Code by signing a Declaration in the format prescribed in **Annexure A – Declaration by Director/Designated Person**.

## **CHAPTER – III**

### **COMPLIANCE OFFICER & HIS RESPONSIBILITIES**

- a. “Compliance Officer” shall mean the Company Secretary of LLL and/or such other senior officer who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations as may be designated by the Board of Directors to act as Compliance Officer for the purpose of Insider Trading Regulations and LLL Code.
- b. The Compliance Officer shall be responsible for setting forth and compliance of policies, procedures, maintenance of records, monitoring adherence to the rules, for the preservation of Unpublished Price Sensitive Information, pre-clearing of trades by Designated Persons’ and their Immediate Relatives, monitoring of trades and the implementation of LLL Code under the overall supervision of the Board of Directors/any Committee thereof.
- c. The Compliance Officer shall maintain a list of the Designated Persons and such other relevant record as may be deemed appropriate by the Compliance Officer for the purpose of compliance with the LLL Code and Insider Trading Regulations. The Compliance Officer shall update the list of the Designated Persons based on the communication received from the Human Resources Department of LLL on a monthly or other suitable basis.
- d. The Compliance Officer shall assist all Designated Persons in addressing any clarifications regarding the Insider Trading Regulations and LLL Code as also the LLL’s Code of Fair Corporate Disclosure Practices for Prevention of Insider Trading.
- e. 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, and/or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.



## CHAPTER – IV

### Prohibition of Insider Trading and Preservation and Prevention of Misuse of “Unpublished Price Sensitive Information”

1. The Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not enter into insider trading. Designated Persons shall not enter into derivative dealings involving the Securities of the Company and its subsidiary companies. Designated Persons shall not pass on/communicate such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities or otherwise, except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.
2. No Designated Person shall trade in securities of the Company when in possession of unpublished price sensitive information, in compliance with the Regulations. When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

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

- a. The transaction is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of the Regulation 3 or the Code and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of Regulation 3 of the Regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days in prescribed **Form (Annexure B)**. Every Company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- b. The transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of Regulation 3 of the Regulation and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of Regulation 3 of the Regulations.

- c. The transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
  - d. The transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable Regulations.
  - e. In the case of non-individual insiders: –
    - i. 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
    - ii. 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;
  - f. The trades were pursuant to a Trading plan set up in accordance with Chapter V of this Code.
3. The onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on the concerned Designated Persons.
4. All Designated Persons and their Immediate Relatives and such other persons as maybe determined by the Compliance Officer, shall be subject to trading restrictions as enumerated below:-
- (a) During the Window Closure Period, such persons shall not trade in the Company's securities.
  - (b) The Trading window shall be closed during :
    - (i) the period which is from the end of every quarter till 48 hours after the declaration of financial results; and/or
    - (ii) such other period as may be decided by the Compliance Officer.
  - (c) The trading window shall be, inter alia, closed at the time of:-
    - a. Declaration of Financial results (quarterly, half-yearly and annual).
    - b. Declaration of dividends (interim and final).
    - c. Change in Capital Structure.

- d. Any major expansion plans or execution of new projects.
  - e. Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - f. Disposal of whole or substantially whole of the undertaking
  - g. Changes in key managerial personnel.
- (d) Without prejudice to the generality of the above, 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. 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.
- (e) All Designated Persons and their Immediate Relatives and such other persons as determined by the Compliance Officer 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 trading in the Company's securities during the Window Closure Period or during any other period as may be specified by the Compliance Officer or the Board from time to time. It is hereby clarified that even during the existence of a valid Trading Window, if the Designated Person is in possession of Unpublished Price Sensitive Information such Designated Person or his/her immediate relatives shall not be entitled to trade in the securities of the Company.
- (f) Pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.
- (g) Trading window norms and restriction on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.
5. The Designated Person shall handle the Unpublished Price Sensitive Information strictly on a "Need to know basis". All such information received by any Designated Person from any source outside of SPIL should immediately be reported to the Compliance Officer directly or through his/her head of department.
6. 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.

7. All Designated Person shall be responsible for maintaining a Chinese Wall while dealing with Unpublished Price Sensitive Information. In exceptional circumstances, in furtherance of his legitimate purposes, performance of duties or discharge of his legal obligations, if he is required to cross the wall, it may be done only with permission of Head of Department.
8. If in performance of duties it is necessary for the Designated Person to disclose any Unpublished Price Sensitive Information for any Legitimate Purposes to any consultant(s)/advisor(s)/ auditor(s)/ merchant banker(s) /share transfer agent(s), lenders, collaborators suppliers, customers insolvency professional, etc. then such consultant(s)/ advisor(s)/ auditor(s)/ merchant banker(s)/ share transfer agent(s), lenders, collaborators suppliers, customers insolvency professional, etc. and/or any of their representative(s) shall be deemed to be an Insider and shall not deal in LLL Securities during the term of their engagement with LLL or till such time the information disclosed to them is made public by LLL.
9. The Designated Person before disclosing the information as stated in 8 above to any concerned employee(s), consultant/advisor/auditor/merchant banker/share agent, etc. pursuant to a legitimate purpose, shall give a due notice to such persons in prescribed **Form (Annexure C)** to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations **and Designated Person shall promptly** inform the same to Compliance Officer along with **Annexure D**.
10. All the files / papers containing Confidential Information /Unpublished Price Sensitive Information shall be kept secured by all the Designated Persons. If such files are computer files then the same must have adequate security in accordance with the information system security policy of LLL.

## CHAPTER – V

### Pre-Clearance of Trades & Dealing in Securities

Designated persons and their Immediate Relatives who propose to Trade in Securities of the Company which are in excess of the prescribed threshold limit shall make an application to the Compliance Officer in the Form specified in **ANNEXURE E**, stating number of securities that he/she intends to Trade in along with full details of Depository participant and Client ID etc. However, pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Presently, the prescribed threshold limit under this clause is Rs.10,00,000/- (Rupees Ten Lakhs) in value or 2500 equity shares of Re. 10/- each whichever is lower, per calendar quarter.

- (1) All Designated Persons and their Immediate Relatives shall execute their order in respect of securities of the Company within 7 (Seven) Trading days after the approval of pre-clearance is given. If the order is not executed within 7 (Seven) Trading days after the approval is given, the Designated Person and their Immediate Relatives must get the pre clearance for the transaction again.
- (2) Along with this Application an Undertaking as per **ANNEXURE F** shall be submitted by Designated Persons and their Immediate Relatives wishing to trade in Company's Securities.
- (3) The Designated Persons and their Immediate Relatives shall report trades executed, decisions not to trade after securing pre-clearance, recording of reasons for such decisions by submitting a declaration to the Compliance Officer as per **ANNEXURE G**.
- (4) In case the transaction is not undertaken, a report to that effect shall be filed in the format prescribed in **ANNEXURE H** – Reporting of non-execution of pre-cleared Trade within 2 (two) Trading days from the expiry of 7 (seven) Trading Days.
- (5) All Designated Persons and their Immediate Relatives who buy or sell any number of securities of the Company **shall not** enter into a contra trade i.e. sell or buy respectively in **any** number of securities during the next six months, which is the minimum holding period, following the prior transaction. However, restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.
- (6) The Compliance Officer is permitted 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. Without prejudice to all other rights available under law, 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 Investor Education and Protection Fund administered by SEBI. The format for application of waiver of minimum holding period is provided in **ANNEXURE I**.

- (7) There is an absolute prohibition on entering trades in the derivatives segment, if any, of the Company's securities at any time, by the Designated Persons of the Company.

## CHAPTER – VI

### TRADING PLAN

1. 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.
2. 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.
3. The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and this Code 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 and approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

4. 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.
5. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities of the Company are listed.

## CHAPTER – VII

### REPORTING REQUIREMENTS

#### 1. Initial Disclosure

Initial Disclosures to be made by the Designated Employees at the time of effectiveness of this Code as per the below requirements.

By whom	To whom	What is to be disclosed	When to be disclosed	Form
Member of the promoter group	Compliance Officer	Holding of securities of the Company as on the date of PIT (Amendment) Regulations, 2019 taking effect i.e. January 21, 2019	Within 30 days of the PIT (Amendment) Regulations, 2019 taking effect i.e. by February 20, 2019	<i>Form A</i>
Promoter or Member of the Promoter group	Compliance Officer	Holding of securities of the Company as on the date of appointment as Director/KMP or becoming Promoter/member of the Promoter group	Within 7 days of such appointment or of becoming Promoter/member of Promoter group	<i>Form B</i>
Key Managerial Personnel or a Director				

#### 2. Continual Disclosure

By whom	To whom	What is to be disclosed	When to be Disclosed	Form
Promoter; Member of Promoter group; Designated Person; Director	Compliance Officer	Number of such shares acquired or disposed	Within 2 trading days of such transaction if the value of the securities traded, whether in one transaction or a series of	<i>Form C</i>



			transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakhs or such other value as may be specified.	
Company	BSE & NSE	Details of above disclosure	Within 2 trading days of receipt of disclosure or becoming aware of such disclosure	<i>Form C</i>

- a. Every member of the Promoter group shall disclose his/her holding, and the holding of his/her Immediate Relatives and of any other person for whom such person takes trading decisions, of the Company's Securities (including derivatives) to the Compliance Officer within 30 (thirty) days of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019 taking effect in the format prescribed in **Annexure J – Initial Disclosure by member of the Promoter group.**
- b. Every person on appointment as a Key Managerial Personnel or Director of the Company or any person upon becoming a Promoter or member of the promoter group 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. Such disclosure shall be made in the format prescribed in **Annexure K – Initial Disclosure on appointment of Key Managerial Personnel or Director or upon becoming a Promoter or member of the promoter group.**
- c. Every Promoter, member of the promoter group, Designated person 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 Rs. 10 Lacs. Such disclosure shall be made in the format prescribed in **Annexure L – Continual Disclosure by Promoter, Key Managerial Personnel and Director.**
- d. The Company shall notify the particulars of such trading to all Stock Exchanges on which the company is listed, within two Trading days of the receipt of the disclosure or from becoming aware of such information.

- e. The Compliance Officer shall maintain records of all the declarations and disclosures in the appropriate form given by the Designated Persons for a minimum period of five years.
- f. The Compliance Officer may require other Connected Persons to make disclosures of holdings and trading in securities of the Company in such form and frequency as he may determine.
- g. The Compliance Officer shall maintain records of all the disclosures/declarations/undertakings/ forms as mentioned in this Code, as received from time to time, for a period of five years.

## CHAPTER – VIII

### INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

1. The Chief Executive Officer, Managing Director or such other analogous person of the Company, as may be determined by the Board from time to time, shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these 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 these regulations;
  - c. adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these 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 these regulations shall be complied with;
  - f. periodic process review to evaluate effectiveness of such internal controls.

#### **For the purpose of above:**

- 1 The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared under this Code of Conduct read with the Regulations, along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.
- 2 The said digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- 3 The Audit Committee of the Company shall review compliance with the provisions of these regulations at least once in a financial year and shall verify

that the systems for internal control are adequate and are operating effectively.

## CHAPTER – IX

### INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION

1. The Managing Director or the CEO, and in the event the Managing Director or the CEO is deemed to be interested, the Chairperson of the Audit Committee, (hereinafter referred to as the ‘Appointing Authority’) may 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. Such investigation may either be investigated by an internal team comprising of relevant subject experts and designated person from the IT and Internal Audit Team or by hiring by an Independent Third party with requisite qualifications.
3. Notwithstanding anything to the contrary stated in the Company’s Whistle Blower Policy, the Investigative Team may at its discretion take cognizance of any data or information that may be received by it from anonymous internal or external source.
4. If an inquiry has been initiated by the company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, concerned Designated Persons, the relevant intermediaries and fiduciaries shall co-operate with the Company in connection with such inquiry.
5. The Investigative Team shall strive to complete its investigation expeditiously and in any case shall be required to submit its ‘interim report’ to its Appointing Authority within the first 30 days of its commencement of investigation and once every month thereafter until the investigation is completed.
6. All such ‘interim’ & ‘final reports’ along with actions taken in respect of the same, shall be shared by the Appointing Authority with the members of the Board within a reasonable time, except where the Appointing Authority in consultation with the Investigators has a reasonable basis to feel that sharing such interim report may be prejudicial to the interest of the Company.
7. At any time during the pendency of the investigation or after its conclusion, the Management may on the advice of the Investigative Team, put the services of any employee under suspension with or with-out assigning any reason therefor, if it feels the same to be necessary or desirable to ensure non-interference and a more transparent & expeditious completion of the Investigation.
8. On receipt of any definitive proof of leakage, the Company shall initiate action against the persons responsible under the Service Rules including termination, wage freeze, suspension, recovery, clawback etc. and may also file criminal proceedings against such person in a Court of Law.

## CHAPTER – X

### PENALTY FOR VIOLATION OF SPIL CODE

1. Penalty for contravention of Code of Conduct:
  - a) appropriate action
  - b) wage freeze, suspension, recovery, clawback, termination, ineligibility for ESOP if any.
  - c) SEBI action.
2. The Designated Person(s) who deal(s) in LLL Securities or communicate any Unpublished Price Sensitive Information in contravention of LLL Code, shall in addition to the disciplinary action stated under clause (1), be liable to pay the penalty as may be decided by the Audit Committee/ Board of Directors based on the recommendation of the Compliance Officer. The Compliance Officer shall make the recommendation after taking into consideration the nature of information in possession of the Designated Person and the movement of LLL Securities prices on the Stock Exchange. After the decision by the Audit Committee/Board of Directors as stated above, the Compliance Officer shall make a formal written demand on the concerned Designated Person for the payment of such penalty. At the discretion of the Audit Committee, such penalty may be required to be paid directly to the SEBI Investor Education and Protection Fund.
3. In the event the Designated Person, liable for action under this chapter, is a member of the Audit Committee, then the Compliance Officer together with his/her recommendation shall refer the matter to the Board of Directors for its consideration at the next immediate meeting of the Board.

**Explanation :** For the purpose of this chapter any acts, deeds, matters or things amounting to contravention / violation of LLL Code and committed by or caused to be committed by Immediate Relatives shall be treated as the contravention / violation by the Designated Person and hence shall liable for disciplinary/penal action as contemplated in this chapter.

4. Any penalty levied pursuant to Clause 2 shall be payable within the time stipulated in the demand made by the Compliance Officer. In the event the concerned Designated Person fails to pay the penalty in accordance with the demand by the Compliance Officer, then penalty shall be recovered in the following manner:
  - (a) from the salary of the Designated Person, where such Designated Person is an employee / executive / managing director as the case may be;
  - (b) from the fees, where such Designated Person is a consultant on contract basis;
  - (c) from the commission fees payable, if any, where the Designated Person is a non-executive director.

5. The penalties recovered pursuant to clause 2 and 4 above shall be dealt with in compliance of the requirements of the Regulations or as may be specified by SEBI / Stock Exchange.
6. Any action taken pursuant to above will be independent of any action by SEBI in case of violation of Insider Trading Regulation. This could include civil as well as criminal prosecution against the Designated Person and/or their Immediate Relatives.

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For any clarification you can approach the Company Secretary - Ms. Divya Shrimali, Compliance Officer, at Telephone Numbers: 022- 28383581.  
E-mail Id: [•]

## 8. ANNEXURES

The following annexures as attached form part of Code.

<b>Annexure No.</b>	<b>Details</b>
A	Declaration by Director / Designated Person
B	Reporting by insiders about Off-market trades to the Company
C	Notice by Designated person to any person to whom the Unpublished Price Sensitive Information to be given
D	Notice by Designated person to Compliance officer about such Unpublished Price Sensitive Information given to such person
E & F	Application cum Undertaking for Pre-clearance of Trade
G	Reporting / Confirmation of execution of pre-cleared Trade
H	Reporting of non-execution of pre-cleared Trade
I	Application for waiver of minimum holding period
J	Form A - Initial Disclosure by Promoter, Key Managerial Personnel and Director
K	Form B - Initial Disclosure on appointment of Key Managerial Personnel or Director or upon becoming a Promoter.
L	Form C - Continual Disclosure by Promoter, Key Managerial Personnel and Director