

# **LKP FINANCE LIMITED**

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING.**

***LKP FINANCE LIMITED***

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FOR  
PREVENTION OF  
INSIDER TRADING**

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## **LKP FINANCE LIMITED**

### ***Code of Conduct for Prevention of Insider Trading*** (for approval of the Board of Directors of the Company)

#### **CHAPTER I**

##### **1. Introduction**

Pursuant to SEBI (Insider Trading) (Amendment) Regulations, 2012, the Board of Directors of the Company in its meeting held on 30<sup>th</sup> July, 2004 approved the “Code of Conduct for Prevention of Insider Trading” which came into force with immediate effect. The objective of the Code is to prevent dealing in securities of the Company by an Insider either on his own behalf or on behalf of any other person, on the basis of unpublished price sensitive information. In line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2008 issued in November, 2008, the following Code of Conduct (hereinafter referred to as the ‘Code’) has been adopted by the company from time to time and revised Code is approved Board of Directors of the Company in its meeting held on 4<sup>th</sup> November, 2014 and shall be effective with immediate effect.

##### **2. The Policy and obligations**

It is the policy of the Company to strive to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information.

The Company shall have commitment to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

It will be the duty of every director / officer / designated employee of the Company to safeguard the confidentiality of all such information obtained in the course of his/her work at the Company. No director / officer / designated employee may use his/her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, LKP Finance Limited (herein after referred to as “the Company”) hereby notifies that this code of conduct is to be followed by all directors / officers / designated employees and connected persons.

##### **3. Applicability**

This Code shall apply to all Directors / officers / designated employees of the Company and connected persons.

## **Definitions:**

### **Insider Trading**

When insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as insider trading.

### **Insider**

Insider means any person who

- (i) is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company or
- (ii) who has received or has had access to such unpublished price sensitive information.

### **Connected Person**

Connected person means any person who

- (a) is a director of the company or
- (b) an officer or employee of the company or
- (c) has a professional or business relationship with the company

**Officer** of a Company includes Director, Manager or Secretary or any other person in accordance with whose instructions or directions the Board of Directors are accustomed to act and also includes Auditor of the Company.

**'Designated Employee'** shall mean:-

- (i) Executive Chairman /Managing and Whole-time Directors
- (ii) All Senior Vice Presidents / Executive Directors/Head Corporate Affairs/CFO
- (iii) All Vice Presidents / General Managers
- (iv) Addl. Vice President / Asst Vice Presidents / Dy. General Managers / Senior Managers / Managers

**Dependent Family Members** shall mean the employee's spouse, dependent parents and dependent children.

**Relative** means a person, as defined in the Companies Act, from time to time.

### **Price Sensitive Information**

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 company;

### **Explanation**

The following shall be deemed to be price sensitive information:-

- (i) periodical financial results of the company;
- (ii) intended declaration of dividends (both interim and final);
- (iii) issue of securities or buy-back of securities;
- (iv) any major expansion plans or execution of new projects;
- (v) amalgamation, mergers or takeovers;
- (vi) disposal of the whole or substantial part of the undertaking;
- (vii) any significant changes in policies, plans or operations of the company;
- (viii) Any other matter which the Compliance Officer may decide as such.

### **Working day**

Working day shall mean the working day when the regular trading is permitted on the concerned stock exchange where securities of the company are listed.

## CHAPTER II

### Confidentiality of price sensitive information

#### 5. Compliance Officer

The Company has appointed the Company Secretary as compliance officer who shall report to the Managing Director.

The Compliance Officer shall be responsible for monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of Directors'/officers'/designated employees' and their dependents' trades, monitoring of trades and implementation of this Code of Conduct under the overall supervision of the Board of Directors.

A Record of Directors'/officers'/Designated Employees and their dependents shall be maintained by the Compliance Officer and changes taking place in the list from time to time shall be incorporated therein.

The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct.

#### 6. Preservation of "Price Sensitive Information"

6.1 All Directors// officers/ designated employees shall maintain the confidentiality of price sensitive information. They shall not communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person and pass on such information to any person, directly or indirectly by way of making recommendations for acquisition/purchase/sale of the securities of the Company;

6.2 All Directors/ officers/ designated employees should not acquire/purchase/sell Company's shares either on behalf of themselves or others when in possession of unpublished price sensitive information.

6.3 Price Sensitive Information shall be handled on a "need-to-know" basis i.e. price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty and/or functions and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

6.4 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

## 8. Pre-clearance of trades

8.1 All directors/ officers/ designated employees of the Company and their The period prior to declaration of price sensitive information is a particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that directors / officers / designated employees will, during that period, often possess unpublished price sensitive information.

During such sensitive times, the directors / officers / designated employees designated employees will have to forego the opportunity of trading in the Company's securities.

The Company shall specify a trading period, to be called "Trading Window", during which period alone the Directors, Officers and designated employees of the Company shall trade in the Company's securities.

7.1 When the trading window is closed, all directors/ officers/ designated employees of the Company shall not trade in the company's securities in such period. The trading window shall be closed during the time the information referred to in para 7.2 is unpublished.

7.2 The Trading Window shall be *inter-alia* closed:

- (a) Seven days prior to Board meeting for declaration of quarterly. Half-yearly financial results and annual financial results;
- (b) Seven days prior to Board meeting for declaration of interim dividend and final dividend;
- (c) Seven days prior to Board meeting for issue of securities by way of public/right/bonus etc.
- (d) Seven days prior to the Board Meeting held to approve any major expansion plans or execution of new projects;
- (e) Seven days prior to the Board Meeting held to approve amalgamation, mergers, takeovers and buy-back;
- (f) Seven days prior to the Board Meeting held to approve disposal of whole or substantially whole of the undertaking;
- (g) Seven days prior to the Board Meeting held to approve any significant changes in policies, plan or operations of the company;
- (h) For such period and for any such other event as may be deemed fit by the Compliance Officer;

However if the circumstances so warrants the time for closing the window may be increased or decreased with the approval of Managing Director.

7.3 The trading window shall be opened 24 hours after information referred to in para 7.2 is made public.



7.4 All Directors/ officers/ designated employees 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 trading window is closed, as referred to in para 7.2 or during any other period as may be specified by the Company from time to time.

## **8. Pre-clearance of trades**

8.1 All directors/ officers/ designated employees of the Company and their dependents who intend to deal in the securities / equity of the company (above 1000 equity shares or shares having value of Rs. 30,000/- whichever is lower) should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

8.2 An application shall be made in Form 'I' to the compliance officer indicating the estimated number of securities that the director/ officer/ designated employee and his/her dependents intends to deal in, the details as to the depository with which he/she has a security amount, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.

8.3 An Undertaking in Form 'II' shall be executed in favour of the Company by such director/ officer/ designated employee and his/her dependents incorporating, *inter alia* the following clauses, as may be applicable:

- (a) That the directors/ officers/ designated employees/ dependent family member does not have access or has not received price sensitive information up to the time of signing the Undertaking.
- (b) That in case, the directors/ officers/ designated employees/ dependent family member has access to or receive any "Price Sensitive Information" after the signing of this undertaking but before execution of the transaction, he/she shall inform the Compliance Officer of the change in position and that he/she shall refrain from dealing in securities of the company till such information is made public.
- (c) That he/she has not contravened the Company's Code of Conduct for Prevention of Insider Trading as notified by the company from time to time.
- (d) That he/she has made full and true disclosure in this application.

8.4 All directors/ officers / designated employees and their dependents shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the directors/ officers/ employees must pre-clear the transaction again.

- 8.5 It shall be the responsibility of directors/ officers/ designated employees to ensure compliance of clause 8.1 to 8.4 above in case of their dependents also.

**9. Minimum Period for holding of Securities/Listed Securities**

- 9.1 All Directors/ officers/ designated employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/ officers/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time.
- 9.2 In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.
- 9.3 In case the sale of securities is necessitated by personal emergency the holding period may be waived by the Compliance Officer after recording in writing his reasons in this regard.

## CHAPTER IV

### REPORTING AND DISCLOSURE REQUIREMENTS

#### 10. Reporting Requirements by all Directors/ officers/ Designated Employees

- 10.1 All Directors/ officers/ designated employees shall forward to the Compliance Officer following details of their securities transactions including the statement of dependent family members to the Compliance Officer:
- (a) all holdings in securities of the company, at the time of joining the company;
  - (b) all dealings in securities of the company within a period of seven days of transaction;
  - (c) annual statement of all holdings in securities of the Company.
- 10.2 The Compliance Officer shall maintain records of all the declarations/undertakings/forms as mentioned in this Code, as received from time to time, for a period of three years.
- 10.3 The Compliance Officer shall place before Managing Director/Committee specified by the Company, on a monthly basis, all the details of the dealing in the securities by directors/ officers/ designated employees of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code.

#### 11. Disclosure Requirements

##### *Disclosures of Interest or holding by Directors and Officers and Substantial Shareholders*

- 10.1 The following disclosures shall be made to the Compliance Officer:

##### **I. Initial Disclosures**

<b>By Whom</b>	<b>What to be disclosed</b>	<b>When to be disclosed</b>	<b>Form</b>
Any person holding more than 5% shares or voting rights	Number of Shares or voting rights held by such person	Within 2 working days of a) receipt of intimation of allotment of shares; or b) acquisition of shares or voting rights, as the case may be.	A
Director/Officer and Dependents thereof	Number of shares or voting rights and	Within 2 working days of becoming a director or officer of the company.	B

	position taken in derivatives by such persons and his dependents		
Any person holding more than 5% shares or voting rights	a) Number of Share or voting rights held and b) Change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure and such change exceeds 2% of total shareholding or voting rights in the Company.	Within 2 working days of: a) Receipt of intimation of allotment of Shares or b) Acquisition or sale of Shares or voting rights, as the case may be.	C
Director/Officer and Dependent thereof to the Company and Stock Exchange also	a) Number of shares or voting rights held and b) Change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents from the last disclosure and the change exceeds Rs. 5 Lakh in value or 25,000 shares or 1% of total shareholding or voting rights whichever is lower.	Within 2 working days of: a) Receipt of intimation of allotment of Shares or b) Acquisition or sale of Shares or voting rights, as the case may be.	D

#### **Disclosure by Company to Stock Exchange**

11.2 The information received as per above disclosure shall be intimated to all stock exchanges on which the Shares of the company are listed within two working days of receiving the same.

#### **Violation of provision relating to disclosure**

11.3 Without prejudice to the directions under regulation 11 of SEBI (Prohibition of Insider Trading) Regulations 1992, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11B, 11D, Chapter VIA and Sections 24 of the SEBI Act.  
(Imprisonment upto 10 years or fine upto Rs. 25 crores or both)

## CHAPTER V

### MISCELLANEOUS

#### **12. Penalty for Contravention of the Code**

- 12.1 All Directors/Officers/designated employees who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.
- 12.2 All Directors/Officers/designated employees who violate this Code of Conduct shall also be subject to disciplinary action by the company, which may include wage, salary freeze, suspension, withholding of promotions etc.
- 12.3 The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

#### **13. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended**

- 13.1 In case it is observed by the Company and/or Compliance Officer that there has been violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

## **LKP FINANCE LIMITED**

### **Code of Corporate Disclosure Practices for Prevention of Insider Trading**

#### **Corporate Disclosure Policy**

To ensure timely and adequate disclosure of price sensitive information, the following norms shall be followed by the Company

#### **Prompt disclosure of price sensitive information**

Any decision in the nature of Price Sensitive Information shall be informed by the department heads to the Compliance Officer who shall further disseminate such price sensitive information to stock exchanges on a continuous and immediate basis.

The price sensitive information will also be hosted on the web site of the Company.

#### **Overseeing and co-ordinating disclosure**

The Company has appointed the Compliance Officer to oversee corporate disclosures.

The Compliance Officer shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media, and educating staff on disclosure policies and procedure.

Information disclosure/dissemination may normally be approved in advance by the Chairman and/or Managing Director.

If information is accidentally disclosed without prior approval, the person responsible may inform the Chairman and/or Managing Director immediately, even if the information is not considered price sensitive.

#### **Responding to market rumours**

The Company shall promptly respond to any queries or requests for verification of market rumours by exchanges.

The Chairman and Managing Director shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and take such action as may be necessary.

#### **Timely Reporting of shareholdings/ownership and changes in ownership:**

Disclosure of shareholdings/ ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.

## **Disclosure/ dissemination of Price Sensitive Information with special reference to Analyst, Institutional Investors**

The Company should follow the guidelines given hereunder while dealing with analysts and institutional investors:-

### **(i) Only Public information to be provided**

The Company shall provide only public information to the analyst/ research persons/ large investors like institutions. The information given to the analyst shall be simultaneously made public at the earliest.

### **(ii) Handling of unanticipated questions**

The Company's representatives shall be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.

### **(iii) Simultaneous release of Information**

When a Company organises meetings with analysts, it shall make a press release or post relevant information on its website after every such meet. The company may also consider live web casting of analyst meets.

## **Medium of disclosure/ dissemination**

- (i) Disclosure/ dissemination of information may be done through various media such as issue of press release, advertisement and / or hosting the information on website, etc. so as to achieve maximum reach and quick dissemination.
- (ii) The Company shall ensure that disclosure to stock exchanges, where ever listed is made promptly.
- (iii) The Company may also facilitate disclosure through the use of their dedicated Internet website.
- (iv) The Company's website may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.
- (v) The information filed by the Company with exchanges under continuous disclosure requirement will be made available on the Company website.

**FORM I**  
**(Refer Clause 8.1 of the Code)**  
**Application for Pre-clearance of Trade under SEBI**  
**Prohibition of Insider Trading) Regulations, 1992**

The Compliance Officer,  
LKP Finance Limited

1.	Name of the applicant	:	
2.	Designation	:	
3.	Number and value of securities in the Company held as on date (with folio / DP ID / Client ID No.)	:	
4.	Nature of securities held	:	*Equity Shares / Debentures / Other Securities
5.	Mode in which the securities are held	:	*Physical / Dematerialised
6.	The Proposal is for	:	(a) Acquisition in the open market
			(b) subscription to the securities
			(c) sale of securities
7.	Proposed date of dealing in securities	:	
8.	Nature of proposed dealing	:	*Purchase / Sale of securities
9.	Estimated number of securities proposed to be acquired / subscribed / sold	:	
10.	Price at which the transaction is proposed	:	
11.	Current market price (as on the date of application)	:	
12.	Whether the proposed transaction will be through stock exchange or off market deal	:	
13.	Proposed mode of dealing in securities	:	*Physical / dematerialised
14.	If securities are held / proposed to be dealt in dematerialised form	:	
	Name of the Depository		
	Client ID number		
	DP ID Number		

I hereby declare that I shall execute my order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, I undertake to obtain pre-clearance for the transaction again.

Place:

Date:

Signature

*\*Strike of whichever is not applicable*



**PRE-CLEARANCE ORDER**

This is to inform you that your request for dealing in \_\_\_\_\_(nos.) shares of the Company as mentioned in your abovementioned application is approved. Please note that the said transaction must be completed on or before \_\_\_/\_\_\_/\_\_\_ (date) that is within one week from today.

Date

For LKP Finance Limited.

Compliance Officer

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**CONFIRMATION OF DEAL**

To: The Compliance Officer

I confirm that the share dealing for which approval was granted on \_\_\_/\_\_\_/\_\_\_ was completed on \_\_\_/\_\_\_/\_\_\_ to purchasing / selling \_\_\_\_\_(nos.) equity shares of the Company.

Place:

Date:

Signature