



**INSIDER TRADING- CODE OF CONDUCT  
OF  
LLOYDS ENTERPRISES LIMITED  
CIN: L27100MH1986PLC041252**

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This Policy is only an Internal Code of Conduct and one of the measures to avoid Insider Trading. It will be the responsibility of each person covered under the SEBI (Prohibition of Insider Trading), Regulations, 2015, as may be amended from time to time and the Insider Trading - Code of Conduct of LEL to ensure compliance of the SEBI Act, Guidelines, Regulations, Circulars and other related statute(s) / law(s) on Prohibition of Insider Trading, as may be applicable to the Company for time being in force.

# Chapter 1

## Preliminary and Restrictions on Insider Trading

- **Background**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) seek to govern the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Insider Trading involves trading in the securities of a company listed or proposed to be listed, by connected or any persons in possession of or with access to Unpublished Price Sensitive Information (“UPSI”) not available to the general public, who can take advantage of or benefit from such Unpublished Price Sensitive Information UPSI. Trading in securities by an ‘insider’ is regarded unfair when it is predicated upon utilization of ‘inside’ information to profit at the expense of other investors who do not have access to the same information.

Lloyds Enterprises Limited Insider Trading - Code of Conduct was first adopted by the Board at a Meeting held on 27<sup>th</sup> May, 2015. The Code of Conduct incorporates the amendments so as to align it with the amendment regulations.

- **Objective of this Code of Conduct**

This Code of Conduct has been prepared by adopting the standards set out in Schedule B of the PIT Regulations as amended by the Amendment Regulations, in order to regulate, monitor and report trading by its designated persons, immediate relatives of designated persons and connected persons towards achieving compliance with the Regulations.

In order to fully understand the scope of restrictions on insider trading, it is useful to understand the following terms/definitions.

- **Definitions**

- a. “**Company**” means Lloyds Enterprises Limited (“LEL”).
- b. “**Compliance Officer**” means any senior officer, designated so and reporting to the Board of Directors or head of the organization in case Board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these 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 these Regulations under the overall supervision of the Board of Directors of the listed company or the head of an organization, as the case may be;

*Explanation – For the purpose of this regulation, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.”*

c. ***“Connected Person”*** means:

- i. Any person who is or has during the 6 (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, 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
  - 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; or
  - h) an official or an employee of a self-regulatory organization recognized 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 per cent of the holding or interest;

d. ***“Dealing in Securities”*** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent;

e. ***“Designated Persons”*** means:

- i. Members of the Board of Directors of LEL;
- ii. Group Management Committee Members;
- iii. Company Secretary & Chief Financial Officer;

- iv. Auditors of LEL including the Statutory Auditor, Secretarial Auditor and Cost Auditor;
- v. All employees of the Accounts, Finance, Legal & Secretarial Department of LEL at Head Office;
- vi. CFOs & CEOs and CSs of the Holding Company, Subsidiary Company and Associate Company and Joint Venture, if any;
- vii. Head of Internal Audit Department, Legal Department;
- viii. Secretaries/Executive Assistants reporting to the Chairman or the Managing Director/Whole Time Director/CFO/CS;
- ix. All Departmental Heads of the Company (For eg. Finance Head, Purchase Head, Sales Head etc);
- x. Employees of other Departments/Divisions on a case-to-case basis, who could be reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, to be decided by the Chairman/Managing Director/Whole-Time Director/ Compliance Officer/Chief Financial Officer, on a case-to-case basis; and
- xi. Employees of material subsidiaries, if any of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
- xii. All Promoters of the Company;
- xiii. Employees upto two levels below of Chief Executive Officer of the Company and its material subsidiaries, if any irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- xiv. Any support staff of the Company, such as IT staff or Secretarial staff, Legal Staff, Finance Staff and Strategy Staff who have access to unpublished price sensitive information.
- xv. Immediate Relatives of the above.
- xvi. Such other persons as may be identified by the Compliance Officer.

**For the purpose of this definition, "Associate Company" as mentioned above means a company in which LEL has a significant influence, but which is not a subsidiary company of the LEL having such influence and includes a joint venture company.**

Explanation - For the purpose of this clause;

- (i) the expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;
- (ii) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

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

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

*Note: if spouse is financially independent and doesn't consult an insider while taking trading decisions, the spouse won't be exempted from the definition of immediate relative. A spouse is presumed to be an "immediate relative", unless rebutted so.*

h. **"Insider"** means any person who is:

- a. Designated person(s) & their immediate relatives;
- b. a connected person; or
- c. in possession of or having access to unpublished price sensitive information.

i. **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

j. **"Promoter Group"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

k. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof, except units of a mutual fund.

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

m. **"Sensitive Transactions"** shall mean any proposed / ongoing transaction or activity of either relating to LEL (including its Subsidiary, Holding & Associate Companies) and/or its securities, directly or indirectly, information of which 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 restricted to, information relating to the transaction(s) and/or events as mentioned in the definition of UPSI of this Code.

n. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities and "trade" shall be construed accordingly. Gifts, Off-market transactions, creation of pledge are also construed as a trade.

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

p. **"Unpublished price sensitive information" ("UPSI")** shall mean any information, relating to a company or its securities, that is not generally available, whether directly or indirectly, which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following;

- (i) Periodical Financial Results of the Company;

- (ii) Intended declaration of dividends (Interim and Final);
- (iii) Change in capital structure i.e. Issue of securities, Buy - Back of securities, Split, Consolidation of Shares or any forfeiture of shares and such other transactions of similar nature or change in market lot of the Company's shares;
- (iv) Mergers, De-mergers, Amalgamation, Acquisitions, De-listing of Securities, Scheme of Arrangement or Takeover, Disposals, Spin Off or Selling Division of Whole or Substantially Whole of the Undertaking and Expansion of Business and such other transactions;
- (v) Changes in Key Managerial Personnel.

q. "**Key Managerial Personnel**", in relation to a company, means—

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the whole-time director;
- iv. the Chief Financial Officer;
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed.

- **Compliance Officer and its Duties**

LEL has appointed the Company Secretary, as the Compliance Officer for the purposes of these Regulations, who shall work under the guidance of the Managing Director and/ or the Chairman and the Board of Directors.

***Duties of the compliance officer:***

The Compliance Officer shall be responsible for

- i. Setting forth policies in relation to the implementation of the Code of Conduct and the Regulations in consultation with the Board/Audit Committee.
- ii. Prescribing procedures for various activities referred to in the Code of Conduct and the Regulations.
- iii. Compliance with the policies and procedures referred hereinabove.
- iv. Monitoring adherence to the regulations for the preservation of UPSI.
- v. Grant of pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading.
- vi. Implementation of Code of Conduct under the general supervision of the Audit Committee and the overall supervision of the Board of the Company.

- vii. The Compliance Officer shall assist all the Designated Persons in addressing any clarifications regarding the Regulations and this Code of Conduct.
- viii. The Compliance Officer shall close the trading window for such periods as he/she may deem fit in compliance with the provisions of this code and inform the Designated Persons of the same.
- ix. The Compliance Officer shall give due notice to the Insider whom UPSI has been provided for legitimate purpose to maintain confidentiality of UPSI.
- x. The Compliance Officer shall provide to the Chairman of the Audit Committee or to the Chairperson of the Board, on a quarterly basis, the details of options exercised under ESOP and trading in securities by the Designated Persons including any violations of the Code of Conduct and SEBI (Prohibition of Insider trading) regulations, 2015.
- xi. The Compliance Officer shall maintain.
  - a. Updated list of Designated Persons,
  - b. record of disclosures and pre-clearance applications and undertakings for a period of five years.
- xii. The Compliance officer shall assist the designated persons in addressing any clarifications regarding the Regulations and this policy/code.

- **Responsibility of Managing Director / Chief Executive Officer**

The Managing Director of LEL shall formulate/amend this Code with the approval of the Board of Directors of the Company to regulate, monitor and report trading by its designated persons and their Immediate relatives towards achieving compliance with SEBI (Prohibition on Insider Trading) Regulations, 2015 (“PIT Regulations”), adopting the minimum standards set out in Schedule B of PIT Regulations, as may be amended from time to time, without diluting the provisions of its regulations in any manner.

- **Determination of Designated Persons**

The Board of Directors shall in consultation with the Compliance Officer of the Company, shall determine the list of Designated Persons on the basis of their role and function in the organization and the access that such role and function would provide to Unpublished Price Sensitive Information in addition to seniority and professional designation, who shall be covered by this code.

- **Applicability of the Code**

This Code is applicable to the Designated Persons as may be specified by the Board of Directors and their immediate relatives.

- **Communication or procurement of UPSI**

- (1) No insider shall communicate, provide, or allow access to any UPSI relating to LEL's securities, 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 or cause the communication by any insider of UPSI, relating to LEL's securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. Inducement and procurement of Unpublished Price Sensitive Information not in furtherance of one's legitimate duties and discharge of obligations would be illegal under this provision.
- (3) Notwithstanding anything contained herein, UPSI 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 LEL is of informed opinion that the sharing of such information 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 LEL is of informed opinion that the proposed transaction is in the best interest of the Company and the information that constitutes 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 LEL's Board of Directors may determine.
- (4) For purposes of point (3) above, the Company shall require the parties to execute agreements/memorandum of understanding to ensure confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of the above point (3), and shall not otherwise trade in securities of LEL when in possession of UPSI.

- **Trading in LEL's securities**

- (i) **Restriction on trading in LEL Securities**

No Insider shall trade in LEL Securities at any time when he/she is in possession of any unpublished price sensitive information. Such insider shall also maintain the confidentiality of all price sensitive information and shall not pass on such information to any person directly or indirectly by way of making recommendation for the purchase or sale of LEL Securities.

Note: 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.



## **(ii) Joint holding**

The provisions of this Code shall also be applicable for trading either as a first named shareholder or as a joint holder.

### **• Defense to Insider if traded in LEL Securities while having UPSI**

When a person who has traded in LEL's securities while in possession of unpublished price sensitive information his / her trades would be presumed to have been motivated by the knowledge and awareness of such information in his / her possession. The reasons for which he/ her trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He / she traded when in possession of unpublished price sensitive information is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his / her innocence by demonstrating the circumstances mentioned in the PIT Regulations, failing which he / she would be held liable for violating the PIT Regulations and the Code.

Further, trading in LEL Securities when in possession of any unpublished price sensitive information, the insider may prove his innocence by demonstrating the circumstances including the following: –

#### ***I. In case of Individual Insiders:***

- 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 Regulation 3 of the PIT Regulation and both parties had made a conscious and informed trade decision.

*Provided further that such off-market trades shall be reported by the insiders to the company within 2 (two) working days. The company shall notify the particulars of such trades to the Stock Exchange on which the securities are listed within 2 (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 UPSI without being in breach of Regulation 3 of PIT Regulation and both parties had made a conscious and informed trade decision.
- 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.

#### ***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;
- c) the trades were pursuant to a trading plan submitted by the insider to the CIO in accordance with Regulation 5 of PIT Regulations.

***III. 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 and in other cases, the onus would be on the Board.***

***IV. The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.***

- **Chinese Wall**

To prevent the misuse of confidential information, LEL has laid down Chinese Walls procedures which separate those areas of LEL that routinely have access to confidential information, considered "inside areas" from those which deal with sale/ marketing/ investment advice or other departments providing support services, considered "public areas".

- (i) The employees in the inside area shall not communicate any Unpublished Price Sensitive Information to anyone in public area.
- (ii) The Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.
- (iii) All the unpublished price sensitive information is to be handled on "need to know basis", i.e., Unpublished Price Sensitive Information should be disclosed only to those within LEL who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the head of the department. In exceptional circumstances employees from the public 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.

- **Pre clearance of Trades**

- i. All Designated Persons who intend to trade in the securities of LEL (either in their own name or in any immediate relative's name) i.e. buy or sell or gift securities and if the value of the securities likely to be traded, whether in one transaction or a series

of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten Lakh Only), should obtain pre-clearance for the said transactions by making an application in the format set out in “**Annexure-A**” to the Compliance Officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade and also declare that the applicant is not in possession of unpublished price sensitive information.

Provided that the pre-clearance is not applicable for subscription to the stock grants upon its vesting. However for any subsequent sale of shares acquired under Employee Stock Options Plans / Schemes (ESOPs), pre-clearance shall be applicable as per limits prescribed as above.

- ii. An undertaking in “**Annexure-B**” executed in favour of the Company, forming part of the Application Form as mentioned hereinabove, shall be accompanied along with Application for Pre-Clearance.
- iii. 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.
- iv. The Compliance Officer shall also determine whether any such declaration for pre-clearance is reasonably capable of being rendered inaccurate.
- v. All Designated Persons of LEL and their immediate relatives shall execute their order in respect of securities of LEL within 7 (seven) days after the approval of pre-clearance in “**Annexure - C**” is given.

If the order is not executed within 7 (seven) days after the approval is given the employee must obtain the pre-clearance for the transaction again.

## ● **No Trading Period**

- (i) The trading period during which LEL’s securities can be traded is called Trading Window. The trading window shall be closed during the time the price sensitive information is un-published.
- (ii) When the trading window is closed, the Designated Persons (including their immediate relatives) shall not trade in LEL’s securities in such period.
- (iii) The trading window shall be, inter-alia closed at the time of:
  - a. Declaration of Financial results;
  - b. Declaration of dividends (interim and final);
  - c. Change in capital structure;
  - d. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business;
  - e. Changes in key managerial personnel;

Such other time as the Compliance Officer determines that a designated person or class of designated person is reasonably expected to have possession of unpublished price sensitive information.

- (iv) The Compliance Officer shall also close the Trading Window when he 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.
- (v) The Trading Window shall be opened 48 (Forty Eighty) hours after the unpublished price sensitive information becomes generally available.
- (vi) The trading restriction period can also be made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- (vii) The trading window shall also be applicable to any person having contractual or fiduciary relation with LEL, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising LEL.
- (viii) All Designated Person of the Company and their immediate relative(s) 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 above or during any other period as may be specified by the Managing Director / Compliance Officer / Chief Financial Officer from time to time.
- (ix) The Compliance Officer shall intimate the closure of Trading Window to all the Designated Person(s) of the Company when he / she determines that a designated person or class of Designated Person(s) 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.
- (x) 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, however in any event it shall not be earlier than 48 (Forty-Eight) hours after the information becomes generally available.
- (xi) However, subject to the SEBI Act, Rules and Regulations, in case of ESOPs, exercise of options shall be allowed during the period when the Trading Window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the trading window is closed.
- (xii) Creation of pledge is allowed when Trading Window is closed. However, the pledgor or pledgee may demonstrate that the creation of pledge was bona fide and prove

their innocence under proviso to sub-regulation (1) of Regulation 4 of the Regulations.

- **Holding Period / Contra Trade**

(i) Designated person (including their immediate relatives) who is permitted to trade shall not execute a contra trade i.e. enter into an opposite transaction during the next 6 (six) months following the prior transaction (“contra trade”). However, the restriction on contra trade shall not apply to

*(a)* Exercise of the options under the Company’s ESOPs;

*(b)* Sale of shares acquired under the Company’s ESOPs, provided that designated person is not in possession of UPSI at the time of sale.

(ii) The Compliance Officer may be empowered 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.

- **Trading by Portfolio Managers**

This Code is also applicable to Insiders who engage Portfolio Managers to trade in shares and hence the Insiders are expected to take due precaution while trading in securities through Portfolio Managers by:

1. Informing Portfolio Managers about closure of Trading Window.
2. Ensuring to seek pre-clearance, wherever applicable, when the Portfolio Manager proposes to trade in the LEL’s shares exceeding threshold limit and also make continual disclosures, wherever applicable, as provided in this Code.
3. Ensuring that the portfolio manager abides by the requirement of minimum holding period and not do contra trade as provided in this Code.
4. Prohibiting the Portfolio manager to trade in securities of LEL at his own discretion or when the Insider is in possession of UPSI.

Despite the above, if any trading is done by portfolio managers, it will be treated as trading done by the Insider, and therefore the insider will be held responsible for any such non-compliance and subject to such penalties as specified in this Code.

- **Trading Plans**

The provision of Trading Plan intends to give an option to persons who may be perpetually in possession of Unpublished Price Sensitive Information and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of Unpublished Price Sensitive Information when a trade under

a trading plan is actually executed would not prohibit the execution of such trades that he had pre-decided even before the unpublished price sensitive information came into being.

(a) 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 with the trading plan.

(b) Such Trading plan shall not entail commencement of trading on behalf of the Insider earlier than 6 (six) months from the public disclosure of the plan;

(Note: It is intended that to get the benefit of a trading plan, a cool-off period of six months is necessary. Such a period is considered reasonably long for Unpublished Price Sensitive Information that is in possession of the insider when formulating the trading plan, to become generally available. It is also considered to be a reasonable period for a time lag in which new unpublished price sensitive information may come into being without adversely affecting the trading plan formulated earlier. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the Insider were to be in possession of the same Unpublished Price Sensitive Information both at the time of formulation of the plan and implementation of the same.)

(c) 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;

(d) entail trading for a period of not less than 12 (twelve) months;

(e) not entail overlap of any period for which another trading plan is already in existence.

(Note: It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an Insider to time the publication of the unpublished price sensitive information to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.)

(f) 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

(g) not entail trading in securities for market abuse.

The trading plan should mention the nature of trades, the number of securities proposed to be traded, the value of securities and the specific dates on which the trade is proposed to be undertaken and the time gap between two trades.

***Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse. In the event of manipulative timing of the release of unpublished price sensitive information to ensure that trading under a trading plan becomes lucrative in circumvention of Regulation 4 being detected, it would be open to initiate proceedings for alleged breach of the applicable law for time being in force.***

- (h) 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.

It is intended that the Compliance Officer would have to review and approve the plan. For doing so, he may need the insider to declare that he is not in possession of unpublished price sensitive information or that he would ensure that any unpublished price sensitive information in his possession becomes generally available before he commences executing his trades. Once satisfied, he may approve the trading plan, which would then have to be implemented in accordance with these regulations.

Provided that pre-clearance of trades shall not be required for a trade executed as per an 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.

- (i) 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. Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information 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 so as to avoid a violation of sub-regulation (1) of Regulation 4 of PIT Regulations.
- (j) Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

Apart from the restrictions mentioned in Chapter 1, LEL is required to obtain certain disclosures and it may levy penalties as and when deemed fit.

The disclosures to be made by any person under this Chapter shall also include those relating to such person's immediate relatives and any other person for whom such person takes trading decisions.

The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Chapter.

Provided that trading in derivatives of securities is permitted by any law for the time being in force.

# Chapter 2

## Disclosures & Reporting

- **Initial Disclosure**

Every person on appointment as a Key Managerial Personnel or a Director of LEL or upon becoming a Promoter or Member of the Promoter Group shall disclose his holding of securities of the Company within 7 (seven) days of such appointment or becoming a Promoter / Key Managerial Personnel / Director inform the Company in “**Annexure D**” (as prescribed or amended by SEBI, from time to time).

*The disclosure(s) so received in a format as may be specified under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as may be amended, shall be maintained by the Company for a minimum period of 5 (five) years, either in physical or electronic form.*

- **Continual Disclosure**

Every Promoter, Member of Promoter Group, Designated person (including their immediate relatives) and Director of LEL shall disclose to the Company in the format set out in “**Annexure E**” (as prescribed or amended by SEBI, from time to time), the number of such securities acquired or disposed of within 2 (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. 10,00,000/- (Rupees Ten Lakh Only) or such other value as may be specified.

The disclosure shall be made within 2 (two) working days of:

- a. the receipt of intimation of allotment of shares, or
- b. the acquisition or sale of shares or voting rights, as the case maybe.

- **Disclosure by other connected persons**

The Compliance Officer at his discretion may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of LEL as and when he deems fit in order to monitor compliance with these Regulations in the format set out in “**Annexure F**” (as prescribed or amended by SEBI, from time to time).

- **Disclosure by Designated Person**

**One Time**

The Designated person shall disclose the following information (in a format as may be prescribed by the Company Secretary & Compliance Officer), one time basis, to LEL within 15 days from the date on which this code shall become effective;

- (i) his/her Phone, mobile and cell numbers



(ii) his/her Permanent Account Number or any other identifier authorized by law

### **Annual Disclosure and Continual Disclosure**

The Designated person shall disclose the following information (in a format as may be prescribed by the CIO), on annual basis, to LEL within 30 days from the end of the Financial Year and on continual disclosure basis, as and when the information changes within 2 (two) working days of such change;

- (i) Name of Immediate Relatives
- (ii) persons with whom such designated person(s) shares a Material Financial Relationship
- (iii) Permanent Account Number or any other identifier authorized by law of (i) & (ii)
- (iv) Phone, mobile and cell numbers of (i) & (ii)
- (v) the names of educational institutions from which designated persons have graduated and
- (vi) the names of their past employers shall also be disclosed on a one time basis.

Explanations: "***Material Financial Relationship***" shall mean a relationship as relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions."

### • **Dissemination of Price Sensitive Information**

- (i) No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- (ii) Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors.

The following guidelines shall be followed while dealing with analysts and institutional investors:

1. Only public information to be provided.
2. At least 2 (two) Company representatives be present at meetings with analysts, media persons and institutional investors.
3. 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.
4. Simultaneous release of information after every such meet.

- **Reporting to the Board and Maintenance of Disclosures**

- (i) The Compliance Officer shall place before the Chairman of LEL on a quarterly basis, details of trading in LEL Securities by the Designated Persons and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged under this Code.
- (ii) The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of 5 (Five) years.
- (iii) The Secretarial Section shall acknowledge receipt of the declaration form received.

- **Amendment of this Code**

The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

***Any change in the Policy shall be approved by the Board of Directors of the Company. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.***

## Chapter 3 - Penalties

- **Penalty for non-compliance**

Any insider who trades in securities in contravention of the provisions of this Code or the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time, shall be guilty of insider trading and shall be *inter-alia* liable for punishment and penalty as mentioned in this Code and the Securities & Exchange Board of India Act, 1992, as mentioned below.

- **Penalty for non-compliance with the Code of Conduct**

Any employee/ officer / Director / Designated Persons 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 LEL.

Categories of Non-Compliances	Penal/disciplinary actions proposed
<b>Procedural Non Compliances</b>	a) Written warning notice for first instance of non-compliance. b) For second repeated act - Rs. 10,000/- (Rupees Ten Thousand Only) minimum and up to Rs. 25,000/- (Rupees Twenty Five Thousand Only) for third repeat non-compliance. c) Beyond third repeated act of non-compliance, it would be treated as substantive non-compliance resulting in such action the Managing Committee of the Board may deem fit, which may include suspension, freeze on increment /promotion, demotion, employment termination, recovery, clawback as deemed appropriate.
i) Executing transaction after expiry of 7 (Seven) days from date of pre-clearance.	
ii) Non reporting of completion of transaction after pre-clearance.	
iii) Non reporting of transactions aggregating to Rs. 10,00,000/- (Rupees Ten Lakh Only) per calendar quarter (such transaction should not be based on UPSI and should not be undertaken during trading window closure periods).	
<b>Substantive Non Compliances</b>	<b>Any of the following or combination thereof depending on the severity of the case:</b> a) If the gain or loss avoided is less than Rs. 10,000/- (Rupees Ten Thousand Only), the penalty is Rs. 10,000/- (Rupees Ten Thousand Only). b) If the gain or loss avoided is more than Rs. 10,000/- (Rupees Ten Thousand Only), twice the actual gain made or loss avoided c) Such action the Managing Committee of the Board may deem fit which may include suspension, freeze on increment / promotion, demotion, employment termination, recovery, clawback.
i) Trading in LEL Securities during trading window closure period	
ii) Dealing in LEL Securities without obtaining pre-clearance	
iii) Undertaking opposite transactions / derivative transactions	
iv) Passing on price sensitive information or making recommendations directly or indirectly for dealing in securities on the basis of such information	

**Notes:**

- a) The action by LEL shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.
- b) In case it is observed by the Compliance Officer that there has been a violation of the Regulations, SEBI shall be informed by LEL.
- c) The Managing Committee of the Board or the Compliance Officer may decide the penalty within the above framework by taking into consideration the factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, number of securities transacted, whether the breach occurred as a result of deliberate intent or not, etc.
- d) Penalties recovered as per framework will be remitted to SEBI Investor Protection and Education Fund account.

- **Penalties for non-compliance with Securities and Exchange Board of India Act, 1992**

Chapter VI A provides for various penalties, extracts of which are:

15A. If any person, who is required under this Act or any rules or regulations made thereunder —

- (a) to furnish any document, return or report to the Board, fails to furnish the same or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees;
- (b) to file any return or furnish any information, books or other documents within the time specified therefor in the regulations, fails to file return or furnish the same within the time specified therefor in the regulations or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents, he shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees
- (c) to maintain books of account or records, fails to maintain the same, he shall be liable to a penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees

15G. If any insider who –

- (i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information; or

(ii) communicates any unpublished price sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or

(iii) counsels, or procures for any other person to deal in any securities of anybody corporate on the basis of unpublished price sensitive information,

shall be liable to a penalty which shall not be less than ten 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.

24. (1) Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.

(2) If any person fails to pay the penalty imposed by the Adjudicating Officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month, but which may extend to ten years or with fine, which may extend to twenty-five crore rupees or with both.

Without prejudice to the directions under Regulation 11, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11 B, 11D, Chapter VIA and Section 24 of the Act.

## **Chapter 4 – Amendments**

### **[Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018]**

- **New policy for determination of “legitimate purposes for sharing UPSI”**

The Board of Directors of LEL shall formulate, approve and implement a policy for determination of “Legitimate purposes for sharing UPSI” as a part of “Codes of Fair Disclosure and Conduct” which shall be in sync with SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018.”

- **New policy of “Procedure for Enquiry in case of Leak of UPSI”**

The Managing Director of LEL shall formulate written policy for Procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by Board of Directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

- **Identification of UPSI and maintaining its confidentiality**

All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of this Code and PIT regulations;

- **Digital database of persons with whom UPSI is shared**

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

Such databases shall be maintained with adequate internal controls and such as time stamping and audit trails to ensure non-tampering of the database.

- **Process for how and when people are brought ‘inside’ on sensitive transactions.**

The CIO in consultation with MD or CFO of the Company shall decide on how and when any person(s) should be brought ‘inside’ on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;

- (i) in the ordinary course of business.
- (ii) in furtherance of performance of duty(ies);
- (iii) for discharge of legal obligation(s).
- (iv) for any other genuine or reasonable purpose as may be determined by the CIO of the Company.
- (v) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

- **Intimation of duties and responsibilities and the liability to the person(s) who has / have been brought inside on sensitive transaction(s)**

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons, in the format as set out in by the CIO in consultation with MD and/or CFO of the Company;

- (i) To make aware such person that the information shared is or would be confidential.
- (ii) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- (iii) To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

- **Internal Control System**

The Managing Director/ Chief Executive Officer/ Compliance Officer of LEL shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these Code and PIT Regulations to prevent insider trading including:

- 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
- **Review of compliances of PIT code and verification of internal control system**

The Audit Committee of LEL shall review compliance with the provisions of these Code and PIT Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.

*Policy and procedure for inquiry in case of leak or suspected leak of unpublished price sensitive information was amended by the Board of Directors on 03<sup>rd</sup> May, 2024.*



**ANNEXURE A**  
**Application - Cum Undertaking for Pre-Clearance of Trades**

Date:

The Compliance Officer  
Lloyds Enterprises Limited  
A 2, 2nd Floor, Madhu Estate,  
Pandurang Budhkar Marg,  
Lower Parel Mumbai 400013

From:

Designation:

With reference to the Code of Conduct of Lloyds Enterprises Limited (LEL) for Prevention of Insider Trading, I hereby give notice that I propose to carry out the following transaction in LEL's securities for myself / as Joint Holder / my immediate relative.

Transaction (Sale/Purchase)	Type of Security	Number of Security

I hereby declare that:

- (a) I do not have any access nor have I received or possess "Unpublished Price Sensitive Information" upto the time of signing the undertaking.
- (b) That in case I have access to or receive "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from trading in the securities of LEL till the time such information becomes public.
- (c) That I have not contravened the code of conduct for prevention of insider trading as notified by LEL from time to time.
- (d) That I have made a full and true disclosure in the matter.

Signature of the Designated Person: \_\_\_\_\_

## Annexure B

### UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

Date:

The Compliance Officer  
Lloyds Enterprises Limited,  
A 2, 2nd Floor, Madhu Estate,  
Pandurang Budhkar Marg,  
Lower Parel, Mumbai 400013

Dear Sir/Madam,

I \_\_\_\_\_ (Designation) 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 Conduct for prevention of Insider Trading (the Code) up to the time of signing 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 undertaking 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 2 (two) trading days 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 days of the receipt of approval failing which I shall seek pre-clearance.

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

Signature:

## Annexure C

### PRE-CLEARANCE ORDER

PCO No. \_\_\_\_\_

Date:

To,  
\_\_\_\_\_ (Applicant)

This is to inform you that your request for dealing in \_\_\_\_\_ shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ [date].

In case you do not execute the approved transaction /deal on or before the aforesaid date 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 forms as per LEL's Code of Conduct for Insider Trading. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Signature:  
Compliance Officer.

Note:

- 1. Please provide all the information. Incomplete forms will not be accepted.*
- 2. Please ensure that you have not made any opposite transaction within previous 6 months.*

## Annexure D

### FORM A

#### SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation 6(2) – Disclosure on becoming a Key Managerial Personnel/Director/Promoter/Member of the promoter group]

Name of the company: \_\_\_\_\_

ISIN of the company: \_\_\_\_\_

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/Director/ OR Date of becoming Promoter/ member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
			Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements, etc.)	No.	
1	2	3	4	5	6

*Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

**Details of Open Interest (OI) in derivatives on the securities of the company held on appointment of KMP or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).**

Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

*Note: In case of Options, notional value shall be calculated based on premium plus strike price of options*

Name & Signature:

Designation:

Date: Place:



**Note: (i)** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.  
**(ii)** Value of transaction excludes taxes/brokerage/any other charges

**Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:



**Note: (i)** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.  
**(ii)** Value of transaction excludes taxes/brokerage/any other charges.

**Details of trading in derivatives on the securities of the company by other connected persons as identified by the company**

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

**Note:** In case of Options, notional value shall be calculated based on premium plus strike price of options.

Name:

Signature:

Place: