

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

Introduction

Regulation 9(1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (the “Regulations”) requires a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its designated persons and immediate relatives of designated persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations, without diluting the provisions of these regulations in any manner.

Accordingly, a Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the “Code”) for Lords Chemicals Limited (the “Company”) is hereby framed as under -

(a) Important Definitions

(a) “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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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.”

(b) “Connected person” means, –

- (i) any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.”
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
 - (a) 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 SEBI Act, 1992 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 recognised or authorized by the Board; or
- (i) a banker of the company; or
- (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the company, has more than ten per cent. of the holding or interest; or
- (k) a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or
- (l) a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);

(c) "generally available information" means information that is accessible to the public on a non-discriminatory basis;

(d) "insider" means any person who is:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

(e) "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;

(f) "trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;

(g) "trading day" means a day on which the recognized stock exchanges are open for trading;

(h) "unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel;

(i) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations of those Acts / Regulations.

II. Code

1. Reporting

The Compliance Officer shall report on Compliances of Regulations to the Board of Directors ("Board") and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or the Chairman of the Board, on a monthly basis or at such frequency as may be stipulated by the Board, but not less than once in a year.

In case the company observes that there is a violation of the code of conduct or violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the company shall promptly intimate such violation to the Board.

2. Information on a need to know basis & Chinese Wall procedures

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 legitimate purposes, performance of duties or discharge of legal obligations. In case it is observed that there has been a violation of these regulations, it shall inform the Board promptly.

Norms for appropriate Chinese Walls procedures & processes for permitting any designated person to "cross the wall" will be as under -

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".
- ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii. The employees in inside area may be physically segregated from employees in public area.
- iv. Demarcation of the various departments as inside area may be implemented by the Company.
- v. 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.

3. Designated Persons

The Chairman of the Board shall in consultation with the Compliance Officer specify the designated persons to be covered by such Code on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:-

- i. Employees of company, intermediary or fiduciary designated on the basis of their functional role or

access to unpublished price sensitive information in the organization by their board of directors or analogous body;

- ii. All promoters of companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;
- iii. Chief Executive Officer and employees up to two levels below Chief Executive Officer of company, intermediary and fiduciary, irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
- iv. Any support staff of company, intermediary or fiduciary such as IT staff or secretarial staffs who have access to unpublished price sensitive information.

Explanation- professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising listed companies shall be collectively referred to as fiduciaries for the purpose of these regulations.

4. Trading Plan

An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

Trading window

Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument for monitoring trading by the designated persons. The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

Trading restriction period shall 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.

1. The trading window restrictions mentioned as above shall not apply in respect of –
 - (a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board; (b) transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer
2. 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.

Pre-clearance & trades

3. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of Rs. 10,00,000/- (Rupees Ten Lakh) in value over any calendar quarter, or such other limits as the Board may stipulate.
4. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
5. Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.
6. A designated person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act. However this shall not be applicable for trades pursuant to exercise of stock options.

7. Disclosure Responsibilities & formats

A. Initial Disclosures of holdings

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of promoter group shall disclose **(as per Annexed Form B)** his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter.

B. Continual Disclosures of trades

Every promoter, member of the promoter group, designated person, and director of the Company shall disclose to the Company **(as per Annexed Form C)** the number of such securities acquired or disposed of within two (2) 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) or such other value as may be specified;

The Company shall within a period of two (2) trading days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

- C. Other formats / disclosures, to monitor compliance with these Regulations would be as under –
 - i. Transactions by Other connected persons as identified by the company **(as per Annexed Form D)**,
 - ii. Application – cum – undertaking for pre-clearance **(as per Annexed Form I)**
 - iii. Reporting of holdings in securities by Designated Persons as on 31st March, on an annual basis by

10th April (as per Annexed Form II).

iv. Reporting of trades executed (As per Annexed FORM III)

v. Reporting of decisions not to trade after securing pre-clearance (As per Annexed FORM III)

- D. The disclosures made under this Code shall be maintained for a period of five years, in such form as may be specified.

8. Obligation Of Designated Persons

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship
- c) Phone, mobile and cell numbers which are used by them.

The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.

In addition to the above, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

9. Penalty for contravention of Code of Conduct

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, etc. Any amount collected under this clause shall be remitted to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI.

10. Applicability of the Code to certain persons

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

This Code is subject to review from time to time.

❖ SECTION 12 OF THE SEBI ACT, 1992 :-

- 1. Stock broker,

2. Sub – broker,
3. Share Transfer Agent,
4. Banker to an issue,
5. Trustee of Trust Deed,
6. Registrar to an issue,
7. Merchant Banker,
8. Underwriter,
9. Portfolio Manager,
10. Investment Adviser and
11. such other intermediary who may be associated with securities market

FORM B

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6 (2) – Disclosure on becoming a Director/KMP/Promoter]

Name of the Company: **Lords Chemicals Limited**

ISIN of the Company : **INE554C01014**

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2):

Name, PAN No., CIN/DIN & address with contact Nos.	Category of Person (Promoters/ KMP / Directors / immediate relatives/ others etc)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held at the time of becoming Promoter/ appointment of Director/KMP		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures 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 of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2):

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP		
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:

FORM C

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (2) read with Regulation 6 (2) – Continual disclosure]

Name of the Company: **Lords Chemicals Limited**
ISIN of the Company : **INE554C01014**

Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2):

Name, PAN No., CIN/DIN, & address with contact nos.	Category of Person (Promoters/ KMP / Directors / immediate relatives/ others etc)	Securities held prior to acquisition/ disposal		Securities acquired/Disposed				Securities held post acquisition / disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase / public rights/ preferential offer / off market/ Inter-se transfer etc.	Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No. & % of share holding	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No	Value	Transaction type (Buy/ Sale/ Pledge/ Revoke/ Invoke)	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No & % of share holding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

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

Details of trading in derivatives of the Company by Promoter, Employee or Director of a listed company 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 (contract *lot size)	Notional Value	Number of units (contract *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:

Form D
(Indicative format)

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7(3) – Transactions by Other connected persons as identified by the Company]

Details of trading in securities by Other connected persons as identified by the company:

Name, PAN No., CIN/DIN, & address with contact nos of other connected persons as identified by the company	Connection with company	Securities held prior to acquisition / disposal		Securities acquired/Disposed				Securities held post acquisition / disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/ public rights / preferential offer / off market/ Inter-se transfer etc.	Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible	No. & % of share holding	Type of security (For eg. – Shares, Warrants, Convertible	No.	Value	Transaction type (Buy/ Sale/ Pledge/ R evoked/ Invoke	Type of security (For eg. – Shares, Warrants, Convertible	No. & % of share holding	From	To			

		Deben- tures etc.)		Deben- tures etc.)				Deben- tures etc.)						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

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

Details of trading in derivatives 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 (contact *lot size)	Notional Value	Number of units (contact *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:

FORM I

1. APPLICATION-CUM-UNDERTAKING FOR PRE-CLEARANCE OF TRADE

(For persons intending to trade in the securities of the company beyond the threshold limit)

To,
The Compliance Officer,
Lords Chemicals Limited

I intend to trade in securities of Lords Chemicals Limited as per particulars given below:

Name of designated person	:	
No of securities intended to be purchased/sold	:	
Current Folio No./DP ID No./Client ID No.	:	
Name and Address of the DP	:	

I undertake that:

1. I do not have any access or have not received any Unpublished Price Sensitive Information (UPSI) upto the date of signing of undertaking.
2. In case, I receive any UPSI after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the changed position and that I would completely refrain from trading in the securities till the time such information becomes public.
3. I have not contravened the Code of Conduct for Regulation of Insider Trading as notified by the Company from time to time;
4. I have made a full and true disclosure in the matter;
5. Order in respect of securities shall be executed within one week after approval is granted by Compliance Officer, failing which I shall apply for pre-clearance again from the Compliance Officer;

6. I shall not execute a contra trade for a minimum period of six months. If a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act;

I confirm having read the Code of Conduct for Regulation of Insider Trading framed by the Company and undertake to abide by the same.

In light of the above application-cum-undertaking, kindly grant pre-clearance of trade.

Place:

Date:

(Signature of an applicant)

- Notes:** 1. Minimum threshold limit of trading is of exceeding Rs.10,00,000/- per calendar quarter.
2. 'Designated Person' means Directors, KMP, Promoter and employees.

2. AUTHORISATION TO DEAL

The above transaction has been authorised. Your dealing must be completed within _____ days from today or _____(insert date).

Please confirm the transaction by completing Section 3 below and returning this form to us.

Date:

(Signature of Compliance Officer)

3. CONFIRMATION OF DEALING

I confirm that the share dealing was completed on _____ (insert date).

Place:

Date:

(Signature of an applicant)

ANNUAL DISCLOSURE - FORM II
Securities & Exchange Board of India (Prohibition of Insider Trading)
Regulations, 2015

Details of securities held by Promoter, Director, Key Managerial Personnel & Employees (collectively referred to as 'designated person') of the Company & his 'immediate relatives':

'Designated Person' & 'Immediate Relatives'						
Name	Relation	PAN	Address	No. of Securities held as on 31st March / Type of Securities	DP ID/ Client ID / Folio No.	Date of intimation to the Company

Note:

1. Annual Disclosure in the above format is to be given as on 31st March by 10th April every year.
2. "Securities" shall have the meaning as defined under regulation 2(1)(i) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.
3. "Immediate Relative" shall have the meaning as defined under regulation 2(1)(f) of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Signature:

Designation:

Date:

Place:

DISLCOSURE - FORM III

**Securities & Exchange Board of India (Prohibition of Insider Trading)
Regulations, 2015**

Format for Disclosure of Trade Executed Under Pre-Clearance:
(To be submitted within two (2) working days of transacting in the Securities of the Company)

To,
The compliance Officer
Lords Chemicals Limited
Kolkata

I here by inform that I –

- Have bought/ sold / subscribed to any securities of the Company.
- Have not bought/sold/ subscribed to any securities of the Company.

Name of holder	No. of securities dealt with	Bought /sold/subscribed	DP ID /Client ID / Folio No.	Price (Rs.)

Thanking you,

Yours sincerely,

Signature: _____

Employee No. _____

Date: _____

DISLCOSURE - FORM III

**Securities & Exchange Board of India (Prohibition of Insider Trading)
Regulations, 2015**

Format for Disclosure of Reporting of decisions not to trade after securing pre-clearance:
(To be submitted within two (2) working days of transacting in the Securities of the Company)

To,
The compliance Officer
Lords Chemicals Limited
Kolkata
I hereby inform that I –

- Have bought/ sold / subscribed to any securities of the Company.
- Have not bought/sold/ subscribed to any securities of the Company.

Name of holder	No. of securities dealt with	Bought /sold/subscribed	DP ID /Client ID / Folio No.	Price (Rs.)

Thanking you,

Yours sincerely,

Signature: _____

Employee No. _____

Date: _____