

LIKHITHA INFRASTRUCTURE LIMITED

Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders

and

Code of Practices and Procedures for Fair Disclosure

of

Unpublished Price Sensitive Information

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**IN TERMS OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015)
& SEBI (PROHIBITION OF FRAUDULENT AND UNFAIR TRADE PRACTICES
RELATING TO THE SECURITIES MARKET) REGULATIONS, 2003**

INTRODUCTION

Insider trading means dealing (including buying as well as selling) in securities of a company listed/traded on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.

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

Sub-regulation (1) of Regulation 9 inter alia, requires all listed companies to frame a Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders by adopting the minimum standards as set out in Schedule B to the Regulations.

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all listed companies to formulate and publish on its website, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information by adopting the minimum standards as set out in Schedule A to the Regulations.

Likhitha Infrastructure Limited (“LIL”) has formulated this Code of Conduct for Regulating, Monitoring and Reporting of trading by Insiders’ (“Code”).

The Code has been formulated by the Board on March 31, 2019 and shall be applicable with immediate effect.

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

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information (“UPSI”) and to prevent misuse of such information.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

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

The Company hereby stipulates that this code of conduct is to be complied by all directors, officers, Designated Persons and connected persons.

1. Definitions

- 1.1. “**Act**” means the Securities and Exchange Board of India Act, 1992;
- 1.2. “**Board**” means the Securities and Exchange Board of India;
- 1.3. “**Code**” or “**Code of Conduct**” shall mean the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Practices and Procedures for Fair Disclosures of LIKHITHA INFRASTRUCTURE LIMITED as amended from time to time;
- 1.4. “**Company**” means LIKHITHA INFRASTRUCTURE LIMITED;
- 1.5. “**Compliance Officer**” means Company Secretary or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the SEBI regulations designated so and reporting to the Board of Directors 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 SEBI regulations or in these Codes under the overall supervision of the Board of Directors of the Company or the Head of the Organisation;

Explanation – For the purpose of this code, “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;

- 1.6. “**Company Secretary**” means a qualified person who has been designated by the Company as a Company Secretary of the Company;
- 1.7. “**Connected Person**” means:
 - (i) Any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
 - (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established
 - a) an immediate relative of connected persons specified in clause (i); or
 - b) a holding company or associate company or subsidiary company; or
 - c) an intermediary as specified in Section 12 of the Act or an employee or director thereof;or

- d) an investment company, trustee company, asset management company or an employee or director thereof; or
- e) an official of a stock exchange or of clearing house or corporation; or
- f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

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

1.9. “**Designated Persons**” shall include a person occupying any of the following position in the company:

- All Directors on the Board
- Promoters
- All Key Managerial Personnel
- All Senior Managerial Personnel one level below the Managing Director including Heads of Departments.
- All Employees in the Finance & Accounts, Legal, Secretarial & Compliance department.
- Internal Auditors, Statutory Auditors, Secretarial Auditors, Consultants and Advisors of the Company;
- Any other person who on the basis of their role and function in the Company, is reasonably expected to have access to unpublished price sensitive information(s) relating to the Company, as may be decided by the Board from time to time;

1.10 “**Director**” means a member of the Board of Directors of the Company;

1.11 “**Employee**” means every employee of the Company including the Directors in the employment of the Company;

1.12 “**Generally available Information**” means information that is accessible to the public on a non-discriminatory basis;

1.13 “**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;

1.14 “**Insider**” means any person who is,

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

- 1.15 **"Key Managerial Person"** means person as defined in Section 2(51) of the Companies Act, 2013;
- 1.16 **"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;
- 1.17 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 1.18 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.19 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- 1.20 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- 1.21 **"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:
- a) financial results;
 - b) dividends;
 - c) change in capital structure;
 - d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - e) Changes in key managerial personnel.
 - f) material events in accordance with the listing agreement
- 1.22 **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto;
- 1.23 **"Specified Persons"** means the Directors, connected persons, the insiders, the Designated Persons and the promoters and immediate relatives(s) who are collectively referred to as Specified Persons;

Words and expressions used and not defined in this Code but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

2. Role of Compliance Officer

The Company Secretary shall be designated as the Compliance officer of the Company and his duties and roles shall be as follows:

- 2.1 The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of this code and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the

plan.

- 2.2 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, or to the Chairman of the Board of Directors on quarterly basis or at such frequency as may be stipulated from time to time by the Board of Directors.
- 2.3 The Compliance Officer shall assist all employees in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and shall administer the Company's Code of Conduct and other requirements under the SEBI Regulations.
- 2.4 He shall maintain a record of Designated Persons and any changes made to the list of Designated Persons.
- 2.5 He shall be responsible for monitoring implementation of the Policy under the overall supervision of the Board.
- 2.6 He may in consultation with the Chairman and/or Managing Director and shall as directed by the Board, specifies prohibited period from time to time and immediately make an announcement thereof;
- 2.7 He shall ensure that prohibited period is intimated to all concerned before the commencement of the said period;
- 2.8 He shall maintain records of all the declarations submitted in the appropriate form given by the Designated Persons;
- 2.9 He shall inform all Stock Exchanges on which the securities of the Company are listed, the information received under as required and disclose to the extent, as required under rules and regulations promulgated by SEBI or the Stock Exchanges;
- 2.10 He shall place details of the dealing in the securities by Designated Persons before the Managing Director/ as may be required and the accompanying documents that such persons had executed under the pre-dealing procedure as mentioned in this Policy.
- 2.11 He shall implement the punitive measures or disciplinary action prescribed for any violation or contravention of the Code of Conduct;
- 2.12 He shall do all such things as provided in the SEBI Insider Trading Regulations and as may be prescribed by SEBI from time to time.

3. Restrictions on Communication and Trading by Insiders

3.1 Communication or procurement of unpublished price sensitive information:

- 3.1.1 No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Explanation – For the purpose of illustration, the term “legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

- 3.1.2 No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 3.1.3 Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
 - 3.1.3.1 entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company; or
 - 3.1.3.2 not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available **at least two trading days** prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts
- 3.1.4 However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.
- 3.1.5 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 the 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 checks such as time stamping and audit trails to ensure non-tampering of the database.

3.2 Trading when in possession of unpublished price sensitive information.

- 3.2.1 No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information:

Explanation –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
However, the insider may prove his innocence by demonstrating the circumstances including the following: –

- 3.2.1.1 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 this Code and both parties had made a conscious and informed trade decision and the said shall be reported by the insiders to the company within two working days;
- 3.2.1.2 the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of this code and both parties had made a conscious and informed trade decision;
- 3.2.1.3 the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- 3.2.1.4 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.
- 3.2.1.5 in the case of non-individual insiders: –
 - 3.2.1.5.1 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
 - 3.2.1.5.2 appropriate and adequate arrangements were in place to ensure that the Code and the 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;
 - 3.2.1.5.3 the trades were pursuant to a trading plan set up in accordance with the procedure hereinafter specified.
- 3.2.2 In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.

4. Internal Code of Conduct to Regulate, Monitor and Report trading by Insiders:

The Code of Conduct is formulated to regulate, monitor and report trading by Designated Persons and other connected persons towards achieving compliance with SEBI regulations, adopting the minimum standards set out in **Schedule B** thereto, without diluting the provisions thereof, in any manner.

- 4.1 Employees and connected persons designated on the basis of their functional role ("designated persons as defined in clause 1.9 of this Code") in the Company shall be governed by the following internal code of conduct and they may execute trades subject to compliance with this Code and SEBI Regulations.
- 4.2 The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors but not less than once in a year.
- 4.3 Need to know:
- 4.3.1 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated, provided or allowed access, to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- “need to know” basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company 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.
- 4.4 Designated Persons and immediate relatives of designated persons in the Company shall be governed by an internal code of conduct governing dealing in securities.
- 4.5 Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- 4.6 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.
- 4.7 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.

- 4.8 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
- 4.8.1 immediate relatives
 - 4.8.2 persons with whom such designated person(s) shares a material financial relationship
 - 4.8.3 Phone, mobile and cell numbers which are used by them.
- In addition, 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.
- 4.9 All non-public information directly received by any employee should immediately be reported to the head of the department.
- 4.10 The Company shall also prescribe a process for how and when people are brought 'inside' on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information
- 4.11 Limited access to confidential information:
- 4.11.1 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

5 Institutional Mechanism for Prevention of Insider trading.

The Managing Director or such other analogous person of the company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in this code to prevent insider trading.

- 5.1 The internal controls shall include the following:
- 5.1.1 all employees who have access to unpublished price sensitive information are identified as designated employee;
 - 5.1.2 all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of these regulations;
 - 5.1.3 adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by these regulations;
 - 5.1.4 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;
 - 5.1.5 all other relevant requirements specified under these regulations shall be complied with;
 - 5.1.6 Periodic process review to evaluate effectiveness of such internal controls.
- 5.2 The Audit Committee of the company or other analogous body for intermediary or fiduciary shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

- 5.3 The company shall formulate written policies and 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.
- 5.4 The Company shall have a whistle-blower policy and make employees aware of such policy to enable employees to report instances of leak of unpublished price sensitive information.
- 5.5 If an inquiry has been initiated by a the Company in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, the relevant intermediaries and fiduciaries shall co-operate with the company in connection with such inquiry conducted by Company.

6 Trading Plan

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

6.1 Trading Plan shall:

- a) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- b) 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 Company and the second trading day after the disclosure of such financial results;
- c) entail trading for a period of not less than twelve months;
- d) not entail overlap of any period for which another trading plan is already in existence;
- e) 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
- f) not entail trading in securities for market abuse.

6.2 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of SEBI regulations and the Codes and shall seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

6.3 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. However, the implementation of the trading plan shall not be commenced, if any 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.

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

7 Trading Window and Window Closure

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

- a) The trading period, during which trading on Stock exchanges is permitted as hereinafter provided is called “trading window”;
- b) The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published and shall remain closed for further 48 hours after the information becomes generally available. When the trading window is closed, the Designated Persons and their immediate relatives shall not trade in the Company’s securities in such period.
- c) All Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company’s securities during the periods when the trading window is closed, as referred to in Point No. (b) Above or during any other period as may be specified by the Company from time to time.
- d) In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

- 7.2 The Compliance Officer shall intimate the closure of trading window to all the designated Persons of the Company 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.

- 7.3 The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, which shall be forty-eight hours after the information, becomes generally available.

- 7.4 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

8 Pre-Clearance of Trades

All Designated Persons, who intend to deal in the securities of the Company in their own name or in the name of their dependent family members, when the trading window is open and if the value of the proposed trades is above Rs. 10 Lakhs (market value), shall obtain pre-clearance of the transactions from the Compliance Officer for each transaction. However, pre-clearance of trades shall not be required for a trade executed as per an approved trading plan and trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an

approved trading plan. Further, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade. The pre-clearance procedure shall be hereunder:

- 8.1 An application may be made in the prescribed Form (**Annexure 1**) to the Compliance officer indicating the estimated number of securities that the Specified Person/Designated Person intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by the Compliance Officer in that behalf.
- 8.2 A Declaration (**Annexure 2**) shall be executed in favour of the Company by such Person incorporating, *inter alia*, the following clauses, as may be applicable:
 - 8.2.1 That the Designated Person does not have any access or is not in possession of “Price Sensitive Information” up to the time of signing of the Declaration.
 - 8.2.2 That in case the Specified Employee has access to or receives “Price Sensitive Information” after the signing of the Declaration but before the execution of the transaction he/she shall forthwith inform the Compliance Officer of the change in his position and that he/she shall refrain from dealing in the securities of the Company till the time such information becomes public and after a lapse of 48 hours thereof.
 - 8.2.3 That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
 - 8.2.4 That he/she has made a full and true disclosure in the matter.
- 8.3 Before granting pre-clearance in form (**Annexure 3**), the Compliance Officer shall have due regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 8.4 All Specified Persons/Designated Persons shall execute their order in respect of securities of the Company within seven trading days from the date of the approval of pre-clearance. The Specified Persons/Designated persons shall file within 2 (two) days of the execution of the deal, the details of such deal and changes in the holdings, with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed (**Annexure 4**).
- 8.5 If the order is not executed within seven trading days from the date the approval is given, the employee/director must seek fresh pre-clearance of the transaction.
- 8.6 All Specified Persons/Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction (shall not execute a contra trade) i.e. sell or buy any number of shares during the next six months following the prior transaction. All Specified Persons/Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case any contra trade is executed inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for

remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

- 8.7 The Compliance Officer may lift the ban on contra trade in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

9 Disclosures of Trading by Insiders

- 9.1 The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.
- 9.2 The disclosures of trading in securities shall also include trading in derivatives of securities, if any permitted by law and the traded value of the derivatives shall be taken into account for purposes of this Code.
- 9.3 The disclosures made under this Clause shall be maintained by the Company for a minimum period of five years, in such form as may be specified by SEBI;
- 9.4 Initial Disclosure
- 9.4.1 Every promoter, key managerial personnel and director of the Company shall disclose his holding of securities of the Company as on the date of the regulations taking effect, to the Company within thirty days of the regulations taking effect;
- 9.4.2 Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter.
- 9.5 Continual Disclosures.
- 9.5.1 Every promoter, designated person, and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified by SEBI;
- 9.5.2 The Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause 8.5.1.

9.6 Disclosures by other connected persons.

9.6.1 The Company may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the Company in such form and at such frequency as may be determined by the Company in order to monitor compliance with SEBI regulations and this Code.

10 Penalty for contravention of the code of conduct

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

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

10.3 Designated Persons/Specified Persons/Insider who violates the Code shall also be subject to disciplinary action by the Board of Directors of the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

10.4 The action by the Company shall be in addition to any action that may be taken by SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

11 Code of Fair Disclosure of Unpublished Price Sensitive Information

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

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

- a) There shall be Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b) The Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure shall be ensured.

The disclosure of Unpublished Price Sensitive Information shall be made promptly to the Stock Exchanges where the securities are listed to ensure uniformity and prevent selectivity.

- c) The Chief financial Officer of the Company is designated as Chief Investor Relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

- d) There shall be Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e) The Board of Directors have authorised Managing Director and Chief Financial Officer to ensure that appropriate and fair response shall be provided to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f) The Board of Directors have authorised Managing Director and Chief Financial Officer to ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- g) The Board of Directors have authorised Managing Director and Chief Financial Officer to develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- h) Handling of all “Unpublished Price Sensitive Information” on a need to know basis

12 Corporate Disclosures:

12.1 Company Secretary or Authorized Official shall obtain prior approval of Chairman/Managing Director depending upon the nature of sensitivity of the information before releasing to the Stock Exchanges.

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

12.3 Responding to Market Rumors:

12.3.1 The directors and employees of the Company shall promptly refer any queries or requests for verification of market rumors received from the stock exchanges or from the press or media or from any other source to the Company Secretary/CFO/MD. Replies to all queries or requests for verification of rumors shall be sent only after obtaining the approval of CFO/ MD / Chairman.

12.3.2 The Company Secretary shall on receipt of requests as aforesaid, consult the Chairman/Managing Director/CFO and respond to the same without any delay. The replies shall be signed by such other officer as may be authorized in the absence of Compliance Officer.

- 12.3.3 The Chairman/Managing Director/ shall decide as to the necessity of a public announcement for verifying or denying rumors and thereafter making appropriate disclosures.
- 12.3.4 All the requests/queries received shall be documented and as far as practicable, the Company Secretary shall request for such queries/request to be given in writing. The Company Secretary or the Compliance Officer shall oversee corporate disclosures.
- 12.3.5 The Directors, Officers, and Employees of the Company shall provide only public information to the analysts/research personnel/large investors like financial institutions, private equity etc.
- 12.3.6 In case non-public information is proposed to be provided, by the Directors, Officers and Employees, the person proposing to provide information shall consult Chairman/Managing Director or the advance. Chairman/Managing Director/ CFO in such cases, shall ensure that the information provided to the analysts/research personnel/investors as above is made public simultaneously with such disclosure.

12.4 Handling of unanticipated questions:

- 12.4.1 The Company shall take extreme care and caution when dealing with analysts' questions and defer issues outside the intended scope of discussion.
- 12.4.2 Chairman/Managing Director//Chief Financial Officer should tackle the unanticipated questions carefully. The unanticipated questions may be noted and considered response may be given later If answer to any question requires dissemination of Price Sensitive Information, the Chairman/Managing Director/Chief Financial Officer shall ensure that the same shall be disseminated to the Stock Exchanges and uploaded on the website of the Company to make it generally available, before responding to the question raised by the analysts, research personnel etc.

12.5 Recording of Discussions:

- 12.5.1 The CFO in order to avoid misquoting or misrepresentation, shall arrange for recording the discussions at the meeting and the audio file is uploaded on the web site of the Company till it is substituted by the transcripts of the same.

12.6 Simultaneous Release of Information:

- 12.6.1 Whenever the Company organizes meetings with investment analysts/institutional investors, the Company shall post relevant information on its website after every such meeting.

12.6.2 The Company Secretary in consultation with the Chairman/Managing Director/Executive Director shall get the text of the calls to be posted on the Company's website.

12.7 Medium of Disclosure/dissemination of unpublished price sensitive information:

12.7.1 The unpublished price sensitive information filed by the Company with the Stock exchanges under the listing agreement shall also be posted on the Company's website.

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

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

- a) Finance & Accounts,
- b) IT
- c) Secretarial & Legal
- d) Marketing
- e) Sourcing
- f) Sales and Operations
- g) HR

The employees in the respective areas shall not communicate any price sensitive information to the other areas. In exceptional circumstances the employees in the restricted areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the CFO/Managing Director.

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

Date:

To,
The Compliance Officer,
Likhitha Infrastructure Limited

Dear Sir,

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

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the **Company's** Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, I seek approval to purchase /sale /subscribe _____ equity shares of the Company as per details given below:

| | | | |
|-----|--|--|---|
| 1. | Name of the Applicant | | |
| 2. | Designation | | |
| 3. | Number of Securities held as on date | | |
| 4. | Folio No./DP ID/Client ID No. | | |
| 5. | The proposal is for | | a) Purchase of Securities b) Subscription of Securities c) Sale of Securities |
| 6. | Proposed window of dealing in securities | | |
| 7. | Estimated number of securities proposed to be acquired/subscribed/sold | | |
| 8. | Current Market Price (as on Date of application) | | |
| 9. | Whether the proposed transaction will be through stock exchange or off-market deal | | |
| 10. | Folio No./DP ID/Client ID No. where the securities will be credited/debited | | |

I enclose herewith the form of Declaration signed by me.

Yours faithfully.

(Signature of Designated Person)

Name:

Client Id:

Email:

Cell:

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

To,

Likhitha Infrastructure Limited

I, _____, _____ of the Company residing at _____, am desirous of dealing in _____* shares of the Company as mentioned in my application dated _____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (the Code) up to the time of signing of this Undertaking. I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within one day of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 trading days from the date of approval of pre-clearance failing which I shall seek fresh pre-clearance.

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

Date:

Signature: _____

* Indicate number of shares

Name:

Client Id:

Email Address:

Cell:

ANNEXURE 3

PRE- CLEARANCE APPROVAL

To,

Name: _____

Email Address:

Designation: _____

Client Id:

Place: _____

Cell:

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

In case you do not execute the approved transaction /deal within the aforesaid period you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed format within one day from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary. You shall not execute a contra trade within 6 months from the date of your present trade.

Yours faithfully,
For Likhitha Infrastructure Limited

Compliance Officer

Date: _____

Encl: Format for submission of details of transaction

ANNEXURE 4
REPORT OF TRADES EXECUTED/DECISION NOT TO TRADE WITH REASONS
[Pursuant to Clause 7(iv)]
 (To be submitted within one day of transaction / dealing in securities of the Company)

To,
 The Compliance Officer,
 Likhitha Infrastructure Limited

Date:

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

• have not bought / sold/ subscribed any securities of the Company for the following reasons:

• have bought/sold/subscribed _____ securities as mentioned below on _____(date)

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

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. I shall not enter into a contra trade within 6 months from the previous transaction.

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

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

Details of change in securities held by immediate relatives:

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

I/We declare that I/We have complied with the requirement of the minimum holding period of six months with respect to the securities purchased/sold.

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature: _____
 Name & Designation:
 Client Id:
 Email:
 Cell:

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

To
 The Compliance Officer,
 Likhitha Infrastructure Limited

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

I. Details of securities held by me:

| Type of Securities | No. of Securities held | PAN |
|--------------------|------------------------|-----|
| | | |

II. Details of Immediate Relatives:

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

| Sr. No | Name of the Immediate Relatives | Relation with Designated Person | No. of Securities Held | PAN |
|--------|---------------------------------|---------------------------------|------------------------|-----|
| | | | | |
| | | | | |
| | | | | |

Date:

Signature:

Name:
 Client Id:
 Email:
 Cell:

REPORTING OF HOLDINGS AS ON, _____2018

(INITIAL DISCLOSURE)

To
The Compliance Officer,
Likhitha Infrastructure Limited

I, _____, in my capacity as _____ of the Company hereby submit the following details of securities held in the Company as on 30 July, 2018.

I. Details of securities held by me:

| Type of Securities | No. of Securities held | Folio No | Beneficiary A/c Client ID |
|--------------------|------------------------|----------|---------------------------|
| | | | |

II. Details of Immediate Relatives:

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

| Sr. No | Name of the Immediate Relatives | Relation with Designated Person | No. of Securities Held | Folio No. | Beneficiary A/c Client Id |
|--------|---------------------------------|---------------------------------|------------------------|-----------|---------------------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Date:

Signature:

Name:
Client Id:
Email:
Cell:

CONTINUAL DISCLOSURE

Promoters, Employees and Directors of the Company

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
[Regulations 7 (2) (a)]**

**Details of change in shareholding or voting rights held by Promoters, Employees and Directors
(including their immediate relatives)**

| Name, PAN No. & Address of Promoters / Employees / Directors | No. & % of shares/voting rights held by Promoters / Employees / Directors | Date of receipt of allotment advice/acquisition / sale of shares/voting rights | Date of intimation to Company | Mode of Acquisition (market purchase / public rights / preferential offer etc.) / sale | No. & % of shares/voting rights post acquisition / sale | Trading Member through whom the trade was executed with SEBI Registration no. of the TM | Exchange on which the trade was executed | Buy quantity | Buy Value (₹) | Sell quantity | Sell Value (₹) |
|--|---|--|-------------------------------|--|---|---|--|--------------|---------------|---------------|----------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| | | | | | | | | | | | |

Place :

Signature :

Date :

Name :