



## **BAL PHARMA LIMITED**

### **CODE OF INTERNAL PROCEDURE AND CONDUCT**

#### **(Issued with reference to SEBI (Prohibition of Insider Trading) Regulations 1992**

1. This Code of Conduct may be known as “BAL PHARMA LIMITED Code of Conduct for prohibition of Insider Trading”, hereinafter referred to as the “Code of Conduct”.
2. This code of conduct has been made pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulation, 1992 as amended and may be modified by the Board of Directors of the Company from time to time.

#### 3. Definitions:-

For the purpose of this code of conduct:-

- a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- b) Companies Act means the Companies Act, 1956 (1 of 1956);
- c) “Body Corporate” means a body corporate as defined in Clause 7 under Section 2 of the Companies Act, 1956;
- d) “Officer of a Company” means any persons as defined in Clause 30 of Section 2 of the Companies Act, 1956, including an Auditors of the Company;
- e) “Stock Exchange means a stock exchange which is recognized by the Central Government or SEBI under Section 4 of Securities Contracts (Regulation) Act, 1956 (42 of 1956);
- f) “Regulations” means the SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended;
- g) “Company” means BAL PHARMA LIMITED;
- h) “Board of Directors” means the Board of Directors of the Company;
- i) “Committee” means the Committee constituted by the Company for the implementation of these Regulations;

- j) “Compliance Officer” means the Officer appointed by the Board of Directors of the Company for the purpose of these Regulations from time to time;
- k) “Designated Employees means the following officials:
  - (i) All Directors
  - (ii) All Vice-Presidents/General Managers/Company Secretary
- l) “Relative” means Spouse and Dependent children;
- m) “Trading Window” means a trading period for trading in Company’s Shares as specified by the Company from time to time;
- n) “Designated Person” includes a Director/Officer/Designated employee/ Statutory Auditors / Internal Auditors / Whole time Company Secretary in practice on retainership basis with the Company and Share Transfer Agents of the Company;
- o) “Insider” means any person who, is or was connected with the Company or is deemed to have been connected with the Company, and who is reasonably expected to have access to unpublished price sensitive information in respect of shares of the Company or who has received or has had access to such unpublished price sensitive information;
- p) “Connected person” means any person who-
  - (i) is a director, as defined in clause 13 of section 2 of the Companies Act, 1956 of a company, or is deemed to be a director of that company by virtue of sub-clause 10 of section 307 of that Act; or
  - (ii) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company;

Explanation: for the purpose of this definition, the words “connected person” shall include any person who is connected person six months prior to an act of insider trading.

- q) “Person deemed to be connected person” if such person-
  - (i) is a company under the same management of group or any subsidiary company thereof within the meaning of section (1B) of section 370, or sub-section (11) of section 372 of the Companies Act, 1956 or sub clause(g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969, as the case may be; or

- (ii) is an intermediary as specified in section 12 of the Act, investment Company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation;
  - (iii) is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Company or an employee thereof, or is a member of the 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 who have a fiduciary relationship with the company;
  - (iv) is a member of the Board of Directors, or an employee, of a public financial institution as defined in section 4A of the Companies Act, 1956; or
  - (v) is an official or an employee of a self Regulatory Organisation recognized or authorised by the Board of a regulatory body; or
  - (vi) is a relative of any of the aforementioned persons;
  - (vii) is a banker of the company;
  - (viii) relatives of a connected person;
    - (a) a concern, firm, trust, Hindu Undivided Family, Company, Association of Persons wherein the relatives of persons mentioned in sub-clause (vi), (vii) and (viii) has more than 10% of the holding or interest.
- r) “dealing in shares” means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the shares by any person either as principal or agent;
- s) “price sensitive information” means any information which relates directly or indirectly to the Company and which if published is likely to materially affect the price of shares of the Company;

Explanation –

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

- i. Periodical financial results of the Company;
- ii. Intended declaration of dividends (both interim and final);

- iii. Issue of securities or buy-back of securities;
  - iv. Any major expansion plans or execution of new projects;
  - v. Amalgamation or mergers or take-overs;
  - vi. Disposal of the whole or substantial part of the undertaking;
  - vii. Any significant changes in policies, plans or operations of the Company.
- t) “unpublished” means information which is not published by the Company or its Agents and is not specific in nature.

Explanation –

Speculative reports in print or electronic media shall not be considered as published information.

- u) All other words and phrases will have the same meaning as defined under these Regulations as amended from time to time as also under the SEBI Act.
4. The Company Secretary shall be the Compliance Officer for the purpose of this Code of Conduct;
  5. This Code of Conduct will be applicable to Directors/Officers/Designated Employees and their dependent relatives as defined above;
  6. Directors / Officers / Designated Employees and their relatives shall not communicate any unpublished price sensitive information to any person directly or indirectly by way of making a recommendation for the purchase or sale of shares of the Company;
  7. Directors / Officers / Designated Employees and dependent relatives shall not communicate any unpublished price sensitive information to any persons except 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;
  8. Directors / Officers / Designated Employees and their dependent relatives shall not communicate or counsel any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in the shares of the Company;

9. Directors / Officers / Designated Employees will have to forward details of their shares transactions including that of their dependent family members to the Compliance Officer in the following manner:-
10. Directors / Officers / Designated Employees will have to keep the files containing confidential information relating to price sensitive information fully secured. Computer files must be kept with adequate security of login and password etc.,
11. Directors / Officers / Designated Employees and their relatives shall abide to Code of Corporate disclosure practices for Prevention of Insider Trading, formulated by SEBI under SEBI (Prohibition of Insider Trading) Regulations. The text of which is placed as Annexure-F, for your guidance.
12. Directors / Officers / Designated Employees and their relatives shall also be subject to trading restrictions in the following manner -

#### **A. Trading Window**

The trading window will be closed 10 days before the happening of the following events and shall remain closed upto 24 hours after the publication of the price sensitive information:-

- a) Declaration of Financial Results (Quarterly, Half Yearly and Annual);
- b) Declaration of Dividends (interim and final);
- c) Issue of Shares by way of public/rights/bonus etc;
- d) Any major expansion plan or execution of new project;
- e) Amalgamation, mergers, takeovers and buy back;
- f) Disposal of the whole or substantially the whole of the undertaking;
- g) Any changes in policies, plans or operations of the Company.

#### **B. Restriction on Trading**

Directors / Officers / Designated Employees and their relatives shall not conduct any dealing in the shares of the Company during the closure of the Trading window.

### **C. Pre-clearance of Trades**

- i. Directors / Officers / Designated Employees and their relatives of the Company intending to deal in the shares of the Company exceeding 50,000 shares will have to make an application and execute an undertaking to the Compliance Officer in the format given at Annexure-D and at Annexure-E for pre-clearance of the transaction.
- ii. Only after receiving the clearance, the transaction should be carried out.
- iii. The execution of the order in respect of the shares of the Company will have to be completed within one week of approval of pre-clearance failing which it will have to be cleared again.
- iv. The investment in shares will have to be held for minimum period of 30 days from the date of purchase/actual allotment.

In case of personal emergency, the 30 days holding period may be waived by the Compliance Officer after recording his reasons in this regard.

13. Designated Persons who trade in shares or communicate any information for trading in shares in contravention of this Code of Conduct will be penalized and appropriate action will be taken against them by the Company after giving reasonable opportunity to them to show-cause. They shall also be subject to disciplinary action including wage freeze, suspension, in-eligibility for future participation in ESOP (Employees Stock Option Scheme) etc;
14. In addition to the action which may be taken by the Company, the persons violating this Code will also be subject to action by SEBI Act. In case of any violation, the Company shall inform SEBI accordingly.

**Disclosures :**

Designated employees shall make the following disclosures of shares and other securities held by them in the Company by them and their dependent family members , to the Compliance officer.

<b>Periodicity of the disclosure</b>	<b>Disclosure requirement</b>	<b>Time period within which disclosures to be made.</b>
Initial disclosure by designated employees.	No of Securities or voting rights held by them & their dependent family members ( As per Format specified)	Within 1 week of becoming the designated employee of the Company. In case of existing designated employees, within 1 week of coming into effect of this code.
Annual Disclosures by all designated employees.	No of Securities or voting rights held by them & their dependent family members ( As per Format specified)	Annual Disclosure of number of securities held as on 31 <sup>st</sup> March , shall be made within 30 days.
Disclosure of the designated employee if there has been change in the share holding and such change exceeds 5000 shares or 2% of their share holding in the Company or any other limit notified by SEBI.	No of Securities or voting rights held by them & their dependent family members ( As per Format specified in this code of conduct)	Within 4 working days of acquisition / sale/ transfer of shares.

**Penalties for Contravention:**

Violation of this Code will invite severe disciplinary action . Such disciplinary action will be irrespective of the action that may be taken by SEBI under the Regulations.

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