



BAL PHARMA LIMITED

CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING TRADING BY THE DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES

(Issued with reference to SEBI (Prohibition of Insider Trading) Regulations 2015)

1. This Code of Conduct may be known as “BAL PHARMA LIMITED Code of Conduct for regulating, monitoring and reporting trading by the designated persons and their immediate relatives”, hereinafter referred to as the “Code of Conduct”.

2. This code of conduct has been made pursuant to Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulation, 2015 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, 2013;
- c) “Body Corporate” means a body corporate as defined in Clause 11 under Section 2 of the Companies Act, 2013;
- d) “Officer” means any persons as defined in Clause 59 of Section 2 of the Companies Act, 2013, 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, 2015 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 any senior officer, designated so and reporting to the board of directors, 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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 company.
- k) "Designated Employees" means the following officials:
- i) All Directors
 - ii) All Vice-Presidents/General Managers/Company Secretary
 - iii) Key managerial personnel
- l) "Immediate Relative" means 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.
- 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
- i) Director/Officer/Designated employee
 - ii) Statutory Auditors / Internal Auditors / Whole time Company Secretary in practice on retainer basis with the Company and Share Transfer Agents of the Company;
 - iii) Employees of the company, who have access to unpublished price sensitive information in the organisation by the board of directors or analogous body;
 - iv) Employees of the material subsidiaries, who have access to unpublished price sensitive information in the organisation by their board of directors;
 - v) All promoters of the Company;
 - vi) Chief Executive officer and employees upto two levels below Chief Executive officer of the company
 - vii) Any support staff of the company such as IT staff or secretarial staff who have access to unpublished price sensitive information.
- o) "Insider" means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;

- p) "Connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- q) "Person deemed to be connected person" if such person-
- i) an immediate relative of connected persons specified in point p above; or
 - ii) a holding company or associate company or subsidiary company; or
 - iii) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
 - iv) an investment company, trustee company, asset management company or an employee or director thereof; or
 - v) an official of a stock exchange or of clearing house or corporation; or
 - vi) 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
 - vii) 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
 - viii) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - ix) a banker of the company; or
 - x) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;
- r) "trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- s) "unpublished price sensitive information" or "UPSI" 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, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel.

- t) “Key managerial personnel” or “KMP” means shall have the meaning as defined under the Companies Act, 2013;
- u) “Trading Plan” means a plan formulated and presented to the Compliance Officer by an Insider, perpetually in possession of unpublished price sensitive information, seeking approval and public disclosure for trading in the securities of the Company.
- v) 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 Designated persons, immediate relatives of designated persons and connected person as defined above;

6. Designated persons and immediate relatives of designated persons 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. Designated persons and immediate relatives of designated persons 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. Designated persons and immediate relatives of designated persons 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. Designated persons and immediate relatives of designated persons will have to forward details of their shares transactions to the Compliance Officer in the prescribed manner;

10. Designated persons and immediate relatives of designated persons will have to keep the files containing confidential information relating to unpublished price sensitive information fully secured. Computer files must be kept with adequate security of login and password etc.,

11. Designated persons and immediate relatives of designated persons shall abide to Code of Corporate practices and procedures for fair disclosure of unpublished price sensitive information.

12. Designated persons and immediate relatives of designated persons shall also be subject to trading restrictions in the following manner –

A. Trading Window

- i. The trading window will be closed from the end of every quarter till 48 hours after the disclosure of financial results, as per SEBI (Prohibition of Insider) Amendment Regulations, 2018.
- ii. The trading window will be closed 10 days before the happening of the following events and shall remain closed upto 48 hours after the the information becomes generally available:-
 - a) Declaration of Dividends (interim and final);
 - b) Issue of Shares by way of public/rights/bonus etc;
 - c) Any major expansion plan or execution of new project;
 - d) Amalgamation, mergers, takeovers and buy back;
 - e) Disposal of the whole or substantially the whole of the undertaking;
 - f) Any changes in policies, plans or operations of the Company.

B. Restriction on Trading

Designated persons and immediate relatives of designated persons shall not conduct any dealing in the shares of the Company during the closure of the Trading window.

Provided that the above restriction shall not apply to:

- a) Transaction that is an off-market inter-se transfer between Promoters who were in possession of the same UPSI without being in breach of the Code and both parties had made a conscious and informed trade decision;
- b) Trades pursuant to a Trading Plan set up in accordance with the Code.

C. Additional trading restrictions

All Designated person who Trade in the securities of the Company shall not enter into a contra transaction during the next six months following the prior transaction.

In case the contra trade is necessitated by personal emergency, the strict application may be waived by the Compliance Officer after recording in writing, his/her reasons in this regard, without violating these regulations.

In case of any contra trade be 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 SEBI for credit to the Investor Protection and Education Fund. However this shall not apply for trades pursuant to exercise of stock options.

D. Pre-clearance of Trades

- i. Designated persons and immediate relatives of designated persons of the Company intending to deal in the shares of the Company exceeding 50,000 shares may trade in the securities subject to pre clearance by the Compliance officer.
- ii. The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
- iii. The compliance officer shall seek declaration to the effect that the applicant for pre clearance is not in possession of any unpublished price sensitive information.
- iv. Only after receiving the clearance, the transaction should be carried out.
- v. The execution of the order in respect of the shares of the Company will have to be completed within seven trading days of approval of pre-clearance failing which it will have to be cleared again.
- vi. 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. TRADING PLAN

- i. A Designated person 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 in his/her behalf in accordance with such plan, and such plan, inter alia, 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 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.

ii. The Compliance Officer shall review and approve the Trading Plan and shall disclose the Trading Plan to the stock exchanges.

iii. The Trading Plan once approved shall be irrevocable and the Designated person 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 at the time of formulation of the plan, the Designated person is in possession of UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such UPSI becomes generally available information.

Further, the Designated person shall also not be allowed to Trade in securities of the Company, if the date of Trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer

14. 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, ineligibility for future participation in ESOP (Employees Stock Option Scheme) etc;

15. 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.

16. Disclosures:

i) Initial Disclosures

By Whom	What to be disclosed	When to be disclosed
Promoter/Director/ KMP and to the Company	Holding of securities of the Company as on date of appointment or becoming Promoter	Within seven days of such appointment or of becoming Promoter

ii) Continual Disclosures:

By Whom	What to be disclosed	When to be disclosed
Every promoter, designated	Number of securities acquired	Within two trading days of

person and director shall disclose to the company	or disposed off.	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 lakh.
Connected person	Number of securities acquired or disposed off.	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 Rs. 10 lakh.
Company	Number of securities acquired or disposed off.	Within two trading days of receipt of disclosure or becoming aware of such disclosure

17. Institutional Mechanism for prevention of insider trading

The Company has an effective system of internal controls to ensure compliance with the requirements given in the regulations to prevent insider trading.

The Audit committee of the company shall review compliance with the provisions of the regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively

Provided that nothing contained above shall be applicable when an UPSI is communicated, provided, allowed access to or procured:

- a) in furtherance of legitimate purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and non-disclosure agreements being executed; or
- b) in the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company; or
- c) within a group of persons if such persons have been identified and secluded within a “chinese wall” or information barrier by the Compliance Officer from the rest of the Company for a particular purpose or for a specified period of time in furtherance of legitimate purposes, performance of duties or discharge of legal obligations, and are subjected to, among other conditions, additional confidentiality obligations, information barriers designed to prevent exchanges of UPSI outside the “chinese wall”, and the execution of an undertaking by such persons to abstain and / or forego Trading during such seclusion or till the UPSI no longer constitutes UPSI.

18. Minimum Standards for Code of Conduct for Listed Companies to Regulate, Monitor and Report Trading by Designated Persons

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the board of directors at least once in a financial year.
2. No UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
3. The designated persons shall disclose names and Permanent Account number or any of the following persons to the company on an annual basis and as when the information changes:
 - i) Immediate relatives
 - ii) persons with whom such designated persons shares a material financial relationship
 - iii) Phone, mobile and cell numbers which are used by them.

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

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 during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

19. 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.
