

BAL PHARMA LIMITED

Revised Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)

Securities and Exchange Board of India (SEBI) had on January 15, 2015 notified SEBI (Prohibition of Insider Trading) Regulations, 2015 which came into effect from May 15, 2015 which mandates all the listed companies to formulate, practice and publish on its official website a "Code of Practices and Procedure for fair disclosure of Unpublished Price Sensitive Information" in adherence to the principles set out in Schedule A to the said Regulations. These regulations are further amended vide SEBI Notifications dated December 31, 2018 as SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, on January 21, 2019 as SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019, and on July 17, 2020 as SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2020.

Accordingly, Bal Pharma Ltd has drafted and adopted the following revised Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (henceforth known as UPSI):

1. The Company shall ensure prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available, i.e. to make the information accessible to the public on a non discriminatory basis.
2. The Company shall ensure a uniform and universal dissemination of UPSI to avoid selective disclosure.
3. The Company shall ensure prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information 'generally available.
4. The Company shall ensure an appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
5. The Company shall ensure that information shared with analysts and research personnel is not UPSI.
6. The Company shall 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.
7. The Company shall ensure the handling of all UPSI only on a need-to-know basis.
8. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI as contained herein.
9. All the specified personnel who are expected to possess UPSI are directed to adhere to the restrictive provisions of Code of Conduct of the Company in handling and dissemination of UPSI and to act with utmost care and diligence in handling such information.
10. The personnel who are found to be violating the provisions of Code of Conduct shall be subjected to the disciplinary action as prescribed in such code after giving reasonable opportunity to show cause as to why appropriate action can not be initiated against the violators.

11. In the Unlikely event of any UPSI being disclosed selectively, inadvertently or otherwise, at any forum whether in India or Abroad, the Chief Investor Relations Officer (CIRO) of the Company shall take effective steps to promptly disseminate such information to the stock exchanges, for public disclosures.

12. The Chief Investor Relations Officer (CIRO), subject to the approval of Board of Directors has powers to amend or modify this code in whole or in part and as and when warranted.

**POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSES FOR SHARING UPSI”
(Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations 2018)**

SEBI vide its Notification dated December 31, 2018, mandated that the listed companies are required to modify their “Codes of Fair Disclosure and Conduct” formulated under regulation 8 to include therein a “Policy for determination of ‘legitimate purposes’.

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

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 advisor, auditors, insolvency professionals or other advisor or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "Insider" and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information.

The policy briefly shall Include:

POLICY OF “PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI”

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 promptly inform the stock exchange(s) where the concerned securities are traded in such form and such manner as may be specified by the Board from time to time.

IDENTIFICATION OF UPSI AND MAINTAINING ITS CONFIDENTIALITY

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

PROCESS FOR SHARING UPSI

The insider shall conduct the following steps while sharing UPSI:

- i) Satisfy that information is UPSI and sharing is for legitimate purpose.

ii) Identify the persons with whom the information is to be shared.

iii) Notify the recipient that UPSI is being shared and enter into a confidentiality/non-disclosure agreement.

iv) Mode of sharing UPSI shall be either by an email (address directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement.

v) The board of directors or head(s) of the Organization of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.”

vi) The Board shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

PROCESS FOR HOW AND WHEN PEOPLE ARE BROUGHT ‘INSIDE’ ON SENSITIVE TRANSACTIONS

The Board of Directors of the Company shall decide on how and when any person(s) should be brought ‘inside’ on any proposed or ongoing sensitive transaction(s).

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

Legitimate purpose shall include the following:

(i) in the ordinary course of business.

(ii) in furtherance of performance of duty(ies);

(iii) for discharge of legal obligation(s).

(iv) for any other genuine or reasonable purpose as may be determined by the CIRO of the Company.

(v) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

INTIMATION OF DUTIES AND RESPONSIBILITIES AND THE LIABILITY TO THE PERSON(S) WHO HAS/HAVE BEEN BROUGHT INSIDE’ ON SENSITIVE TRANSACTION(S)

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons for the following purposes:

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

INTERNAL CONTROL SYSTEM

The Board of Directors shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and Prevention of Insider Trading Regulations to prevent insider trading.

The Board is authorized to amend or modify this Code in whole or in part and may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.

This Code shall be disclosed on the official website of the Company.

This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed.

This Code has been adopted by the Board of Directors vide Resolution passed through circulation on 8th March, 2021 and shall be deemed to have come in to force from the date of approval by the Board of Directors.

Subsequent modification(s) / amendment (s) to SEBI (Prohibition of Insider Trading) Regulations, 2015 shall automatically apply to this Code.
