

## **CODE FOR “REGULATION AND PROHIBITION OF INSIDER TRADING”**

### **CHAPTER - I**

#### **1. INTRODUCTION**

Insider trading means dealing in securities of a company listed/traded on any stock exchange in India/abroad based on, or when in possession of, unpublished price sensitive information.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”) and notified the same on 15<sup>th</sup> January, 2015 which had repealed the erstwhile SEBI (Prohibition of Insider Trading) Regulations, 1992 and came with effect from 15<sup>th</sup> May, 2015. SEBI has also notified SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 (hereinafter referred to as “the Regulations”) on 17<sup>th</sup> July, 2003 to curb unfair trading and protect small shareholders.

#### **2. OUR COMMITMENT**

Your company Lifesciences India Limited (“the Company”) is liable to adhere with the said regulations in pursuance of Listing Agreement entered with Stock Exchanges i.e. BSE & NSE. So as to ensure timely and adequate disclosure of the Unpublished Price Sensitive Information with respect corporate events, which is likely to affect price of the securities and prohibit any manipulative, fraudulent and unfair trade practices.

Every Director, Officer, Designated Person and connected person of the Company has a duty to safeguard the confidentiality of all such unpublished price sensitive information obtained in the course of his/her work at the Company. No Director, Officer, Designated Officer and connected persons may use his /her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. To achieve these objectives and in compliance with the Regulations, the Board of Directors of the Company has formulated the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” on their Board Meeting dated 25.05.2017. Subsequently as per SEBI amendments in Disclosure formats your Board had approved modification in old Code and renamed it as CODE FOR “REGULATION AND PROHIBITION OF INSIDER TRADING” (hereinafter referred to as “the Code”).

#### **3. TERMS AND REFERENCES**

Various terms as defined under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and used in this code are mentioned hereunder:

3.1. **“Act” means** the Securities and Exchange Board of India Act, 1992 (15 of 1992);

3.2. **“Company/the Company” means** SMS Lifesciences India Limited.

3.3. **“the Code” means** this Code For “Regulation and Prohibition of Insider Trading.

3.4. **“compliance officer” means** any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of company or the head of an organization, as the case may be;

3.5. **“connected person” means,-**

- i. 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.
- 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 recognized or authorized by the Board; or
  - (i) **a banker of the company;** or
  - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company **or** his immediate relative **or** banker of the company, **has more than ten per cent of the holding or interest;**

**NOTE:** *It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company’s operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.*

**3.6. "designated person" shall consist of, Connected Persons who are:**

- i. Promoters of the Company;
- ii. All Directors of the Company and its subsidiaries;
- iii. All employees holding position at one level below the Board or in Senior management grade, by whatever name they called;
- iv. All employees holding position as Vice-President, General Manager or Deputy General Manager, Asst. General Manager or all heads of Units/plants of the Company;
- v. All employees in the Department of Finance and Accounts, Corporate Planning, Legal & Secretarial, Research & Development;
- vi. Executive Secretaries of Directors;
- vii. Any other Connected Person designated by the Company on the basis of their functional role;
- viii. Immediate Relatives of I to VII above.

**3.7. "fraud" includes any act, expression, omission or concealment committed** whether in a deceitful manner **or** not by a person **or** by any other person with his connivance **or** by his agent while dealing in securities in order to induce another person or his agent to deal in securities, whether **or** not there is any wrongful gain or avoidance of any loss, **and shall also include—**

- i. a knowing misrepresentation of the truth or concealment of material fact in order that another person may act to his detriment;
- ii. a suggestion as to a fact which is not true by one who does not believe it to be true;
- iii. an active concealment of a fact by a person having knowledge or belief of the fact;
- iv. a promise made without any intention of performing it;
- v. a representation made in a reckless and careless manner whether it be true or false;
- vi. any such act or omission as any other law specifically declares to be fraudulent,
- vii. deceptive behaviour by a person depriving another of informed consent or full participation,
- viii. a false statement made without reasonable ground for believing it to be true.
- ix. the act of an issuer of securities giving out misinformation that affects the market price of the security, resulting in investors being effectively misled even though they did not rely on the statement itself or anything derived from it other than the market price.

**And "fraudulent" shall be construed accordingly;**

**Nothing contained in this clause shall apply to any general comments made in good faith in regard to—**

- (a) the economic policy of the government
- (b) the economic situation of the country
- (c) trends in the securities market;
- (d) any other matter of a like nature

**Whether such comments are made in public or in private;**

**3.8. "generally available information" means** information that is accessible to the public on a non-discriminatory basis;

***NOTE:** It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what unpublished price sensitive information is. Information published on the website of a stock exchange, would ordinarily be considered generally available.*

**3.9. "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;

**NOTE:** *It is intended that the immediate relatives of a “connected person” too become connected persons for purposes of these regulations. Indeed, this is a rebuttable presumption.*

3.10. **"insider" means** any person who is:

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

**NOTE:** *Since “generally available information” is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an “insider” regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.*

3.11. **“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.

3.12. **"promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

3.13. **"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;

3.14. **“takeover regulations” means** the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

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

**NOTE:** *Under the parliamentary mandate, since the Section 12A (e) and Section 15G of the Act employs the term 'dealing in securities', it is intended to widely define the term “trading” to include dealing. Such a construction is intended to curb the activities based on unpublished price sensitive information which are strictly not buying, selling or subscribing, such as pledging etc when in possession of unpublished price sensitive information.*

3.16. **“trading day” means** a day on which the recognized stock exchanges are open for trading;

3.17. **“trading window” means** trading period for trading in the Company’s Securities. All days shall be the trading periods except when trading window is closed.

3.18. **"unpublished price sensitive information" (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, de-listings, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel; and
- vi. material events in accordance with the listing agreement, as amended.
- vii. any material event specified in any regulation notified by SEBI, time to time.

**NOTE:** *It is intended that information relating to a company or securities, that is not generally available would be unpublished price sensitive information if it is likely to materially affect the price upon coming into the public domain. The types of matters that would ordinarily give rise to unpublished price sensitive information have been listed above to give illustrative guidance of unpublished price sensitive information.*

- 3.19. Words and expressions used and not defined in these regulations 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.

#### **4. GUIDING PRINCIPLES OF THE CODE**

As decided by Board, the guiding principles for adhering this code are under mentioned:

- 4.1. The Company will make prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 4.2. The Company will make, uniform and universal dissemination of UPSI to avoid selective disclosure.
- 4.3. The Company Secretary/Compliance Officer of the Company will be the chief investor relations officer to deal with dissemination of information and disclosure of UPSI.
- 4.4. The Company will make prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 4.5. The Company will provide, appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- 4.6. The Company will ensure that, information if any shared with analysts and research personnel is not UPSI.
- 4.7. The Company will make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company to ensure official confirmation and documentation of disclosures made.
- 4.8. The Company and every official of it will handle all UPSI on a need-to-know basis.

#### **5. APPLICABILITY**

This code shall apply to all Insiders, Designated Persons, Connected Persons, their Immediate Relatives and all persons specified in Regulation 7(3) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

### **CHAPTER - II**

#### **6. COMPLIANCE OFFICER (CO)**

The Company has appointed **Company Secretary as Compliance Officer (CO) who 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 **on Quarterly Basis.**

**6.1. DUTIES OF COMPLIANCE OFFICER**

- i. The CO shall maintain a record of Designated Persons and any changes made to the list of Designated Persons.
- ii. The CO may in consultation with the Chairman/Managing Director/Board and shall as directed by the Board, specifies Trading Window Closure Period from time to time and immediately make an announcement thereof.
- iii. The CO shall maintain a record of Trading Window Closure Period specified from time to time.
- iv. The CO shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers and Designated Persons for a minimum period of **eight years**. The declarations may be taken and preserved in either physical form or electronic form.
- v. The CO shall place before the Chairman/Managing Director/Board, **on quarterly basis**, all the details of the dealing in the securities by Insiders, Designated Persons, Connected Persons, their Immediate Relatives and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.
- vi. **The CO shall assist all the employees/directors in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulation, 2015 and the Company's code of conduct.**
- vii. The CO shall be responsible for overseeing and coordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the Chairman/Managing Director/Board.
- viii. **The CO shall ensure that prohibited period is intimated to all concerned at least 48 hours before the commencement of the said period.**
- ix. **If the Company /compliance officer observes that there has been a violation of the Regulations, SEBI must be informed by the Compliance Officer.**

**7. PRESERVATION OF UPSI**

- 7.1. All Designated & Connected Persons shall maintain the confidentiality of price sensitive information. **All information shall be handled within the organisation on a 'NEED-TO-KNOW BASIS' and no UPSI shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.**
- 7.2. **No insider shall communicate, provide, or allow access** to any UPSI, 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.
- 7.3. **No person shall procure from or cause the communication by any insider** of UPSI, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 7.4. **Notwithstanding anything contained in the Code**, an UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–
  - i. **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;

***NOTE:** It is intended to acknowledge the necessity of communicating, providing, allowing access to or procuring UPSI for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control to assess a potential*

*investment. In an open offer under the takeover regulations, not only would the same price be made available to all shareholders of the company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under those regulations.*

- ii. **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 the proposed transaction is in the best interests of the company and the information that constitute UPSI is disseminated to be made generally available at least 2 (two) trading days prior to the proposed transaction being effected in “Form-E” as the board of directors may determine.**

***NOTE: The Board of Directors, however, would cause public disclosures of such UPSI well before the proposed transaction to rule out any information asymmetry in the market.***

- 7.5. For the purpose of the above clause, **the parties shall be required 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 purpose of Clause 7.4(i) and shall not otherwise trade in securities of the company when in possession of UPSI.

## **8. PROHIBITION OF MANIPULATIVE, FRAUDULENT AND UNFAIR TRADING IN SECURITIES OF THE COMPANY.**

No Insiders, Designated & Connected Persons, their Immediate Relatives and all persons specified in Regulation 7(3) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 shall directly or indirectly:

- 8.1. buy, sell or otherwise deal in securities of the Company in a fraudulent manner;
- 8.2. use or employ, in connection with issue, purchase or sale of securities of the Company listed or proposed to be listed in a recognized stock exchange, any manipulative or deceptive device or contrivance in contravention of the provisions of the Act or the rules or the regulations made there under;
- 8.3. employ any device, scheme or artifice to defraud in connection with dealing in or issue of securities of the Company which are listed or proposed to be listed on a recognized stock exchange;
- 8.4. engage in any act, practice, course of business which operates or would operate as fraud or deceit upon any person in connection with any dealing in or issue of securities of the Company which are listed or proposed to be listed on a recognized stock exchange in contravention of the provisions of the Act or the rules and the regulations made there under.
- 8.5. **Trading in securities shall be deemed to be a fraudulent or an unfair trade practice if it involves fraud and may include all or any of the following, namely:—**
  - i. indulging in an act which creates false or misleading appearance of trading in the securities market;
  - ii. dealing in securities of the Company not intended to effect transfer of beneficial ownership but intended to operate only as a device to inflate, depress or cause fluctuations in the price of such security for wrongful gain or avoidance of loss;
  - iii. advancing or agreeing to advance any money to any person thereby inducing any other person to offer to buy securities of the Company in any issue only with the intention of securing the minimum subscription to such issue;

- iv. paying, offering or agreeing to pay or offer, directly or indirectly, to any person any money or money's worth for inducing such person for dealing in securities of the Company with the object of inflating, depressing, maintaining or causing fluctuation in the price of such security;
- v. any act or omission amounting to manipulation of the price of securities of the Company;
- vi. publishing or causing to publish or reporting or causing to report by a person dealing in securities any information which is not true or which he does not believe to be true prior to or in the course of dealing in securities of the Company;
- vii. entering into a transaction in securities of the Company without intention of performing it or without intention of change of ownership of such security;
- viii. selling, dealing or pledging of stolen or counterfeit securities of the Company whether in physical or dematerialized form;
- ix. an intermediary promising a certain price in respect of buying or selling of securities of the Company to a client and waiting till a discrepancy arises in the price of such security and retaining the difference in prices as profit for himself;
- x. an intermediary providing his clients with such information relating to securities of the Company as cannot be verified by the clients before their dealing in the securities;
- xi. an advertisement that is misleading or that contains information in a distorted manner and which may influence the decision of the investors;
- xii. an intermediary reporting trading transactions to his clients entered into on their behalf in an inflated manner in order to increase his commission and brokerage;
- xiii. an intermediary not disclosing to his client transactions entered into on his behalf including taking an option position;
- xiv. circular transactions in respect of securities of the Company entered into between intermediaries in order to increase commission to provide a false appearance of trading in such security or to inflate, depress or cause fluctuations in the price of such security;
- xv. encouraging the clients by an intermediary to deal in securities of the Company solely with the object of enhancing his brokerage or commission;
- xvi. an intermediary predating or otherwise falsifying records such as contract notes.
- xvii. an intermediary buying or selling securities of the Company in advance of a substantial client order or whereby a futures or option position is taken about an impending transaction in the same or related futures or options contract.
- xviii. planting false or misleading news which may induce sale or purchase of securities of the Company.

**Explanation**– For the purposes of para 8.5 of code, for the removal of doubts, it is clarified that the acts or omissions listed in para 8.5 of code are not exhaustive and that an act or omission is prohibited, if it falls within the purview of para 8.1–8.4 of code, notwithstanding that it is not included in para 8.5 of code or is described as being committed only by a certain category of persons in this sub-regulation.

### CHAPTER - III

#### **9. TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION.**

- 9.1. **No insider shall trade in securities of the Company that are listed or proposed to be listed on a stock exchange when in possession of UPSI:**

**Provided that** the insider may prove his innocence by demonstrating the circumstances including the following:–

- i. the transaction is an off-market inter-se transfer between promoters who were in possession of the same UPSI without being in breach of para 7 & 8 of the Code and both parties had made a conscious and informed trade decision;

- ii. in the case of non-individual insiders: –
  - (a) the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI when they took the decision to trade; and
  - (b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no UPSI 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;
- iii. the trades were pursuant to a trading plan set up in accordance with Para 12.

**NOTE:** *When a person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He traded when in possession of UPSI is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition.*

- 9.2. **In the case of connected persons the onus of establishing, that they were not in possession of UPSI, shall be on such connected persons and in other cases, the onus would be on the Board.**

## **10. PROHIBITION ON FORWARD DEALINGS OR DERIVATIVE TRANSACTIONS IN SECURITIES BY DIRECTOR OR KMP**

- 10.1. No Director/ Key Managerial Personnel of the company **shall buy** in the company or in its subsidiary or associate company—
- i. **a right, to call for delivery or a right to make delivery** at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or
  - ii. **a right, as he/she may elect, to call for delivery or to make delivery** at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.

**Explanation**—For the purposes of this clause, “relevant shares” and “relevant debentures” mean shares and debentures of the company in which the concerned person is a Whole-time Director or other Key Managerial Personnel or shares and debentures of the subsidiary companies.

## **11. TRADING WINDOW CLOSURE**

- 11.1. The trading window shall be closed during the time the information referred to in para 11.2 becomes generally available.
- 11.2. The Trading Window shall be inter-alia closed:
- i. **7 (Seven) trading days prior** to Board meeting for **declaration** of quarterly and half-yearly **financial results and annual financial results;**
  - ii. **7 (Seven) trading days prior** to Board meeting for **declaration of dividend;**
  - iii. **7 (Seven) trading days prior** to Board meeting **for change in capital structure** like issue of securities by way of public/right/bonus, buy-back etc;
  - iv. **7 (Seven) trading days prior** to the Board Meeting held to **approve any mergers, de-mergers, acquisitions, delisting’s, disposals and expansion of business and such other transactions;**

- v. For such period and for any such other material event (in accordance with the Listing Agreement or as per SEBI Regulations) as may be deemed fit by the Compliance Officer;
- 11.3. However if the circumstances so warrants the time for closing the window may be increased or decreased **with the approval of Compliance Officer and Chairman & Managing Director.**
- 11.4. The trading window **may be re-opened not earlier than 48 hours** after the UPSI in question or information referred to in **para 11.2 becomes generally available.**
- 11.5. All Designated Persons and their immediate relatives shall conduct all their trading in the securities of the company only in a valid trading window and shall not trade in company's securities during the periods when trading window is closed, as referred to in clause 11.2 or during any other period as may be specified by the Company from time to time.
- 11.6. **The trading window restrictions 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.**
- 11.7. **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.**
- 11.8. Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer.

## **12. TRADING PLANS FORMULATION & IMPLEMENTATION:**

- 12.1. An **Insider shall be entitled to formulate a trading plan** and present it to the Compliance Officer **for approval and public disclosure** pursuant to which trades may be carried out on his behalf in accordance with such plan.

***NOTE:*** This provision intends to give an option to persons who may be perpetually in possession of UPSI and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of UPSI when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he had pre-decided even before the UPSI came into being.

- 12.2. **SUCH TRADING PLAN SHALL:-**

- i. **NOT ENTAIL COMMENCEMENT OF TRADING ON BEHALF OF THE INSIDER EARLIER THAN 6 (SIX) MONTHS FROM THE PUBLIC DISCLOSURE OF THE PLAN;**

***NOTE:*** *It is intended that to get the benefit of a trading plan, a cool-off period of six months is necessary.*

- ✓ *Such a period is considered reasonably long for UPSI that is in possession of the insider when formulating the trading plan, to become generally available.*
- ✓ *It is also considered to be a reasonable period for a time lag in which new UPSI may come into being without adversely affecting the trading plan formulated earlier.*
- ✓ *In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the insider were to be in possession of the same UPSI both at the time of formulation of the plan and implementation of the same.*

- ii. **NOT ENTAIL** TRADING FOR THE **PERIOD BETWEEN THE 20 (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;**

**NOTE: PROHIBITED period for TRADING PLAN [20 T-Day prior Closure of financial period+2 T-Day]**

For Q-1 results (Unaudited for Q-1) = 4 week before 14<sup>th</sup> Aug. = i.e. 16<sup>st</sup> July – 14<sup>th</sup> Aug.

For Q-2 results (Unaudited for Q-2) = 4 week before 15<sup>th</sup> Nov. = i.e. 16<sup>st</sup> Oct. – 15<sup>th</sup> Nov.

For Q-3 results (Unaudited for Q-3) = 4 week before 15<sup>th</sup> Feb. = i.e. 16<sup>st</sup> Jan. – 15<sup>th</sup> Feb.

For Q-4 results (Unaudited for Q-4) = 4 week before 15<sup>th</sup> may = i.e. 16<sup>st</sup> April – 15<sup>th</sup> May

(Annual Audited) = 4 week before 30<sup>th</sup> may = i.e. 1<sup>st</sup> May – 30<sup>th</sup> May

- iii. ENTAIL TRADING FOR A PERIOD OF **NOT LESS THAN TWELVE MONTHS;** (i.e.1 year -1 plan)

- iv. **NOT ENTAIL OVERLAP OF ANY PERIOD FOR WHICH ANOTHER TRADING PLAN IS ALREADY IN EXISTENCE;**

**NOTE:** It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an insider to time the publication of the unpublished price sensitive information to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.

- v. **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**

- vi. **NOT ENTAIL** TRADING IN SECURITIES FOR MARKET ABUSE.

- 12.3. The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the Regulations or Code and shall be entitled to seek such express undertakings as may be necessary as specified in “**Form-E**” to enable such assessment and to approve and monitor the implementation of the plan.

- 12.4. **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.**

**PROVIDED THAT,** the implementation of the trading plan shall not be commenced if any UPSI 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 UPSI becomes generally available information.**

**PROVIDED FURTHER THAT,** 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.

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

### **13. PRE-CLEARANCE OF TRADES**

- 13.1. Any Insiders, Designated & Connected Persons, their Immediate Relatives and all persons specified in para 11.6, **who intend to trade in the securities of the company involving a value above than Rs. 10 Lakhs** or such other amount as may be specified by the Board of Directors from time to time (as “de minimis Trade) **in one transaction or over a series of transactions in over any calendar quarter**; should apply for pre-clear the transactions as per the pre-trading procedure as described hereunder.  
**PROVIDED THAT**, any above mentioned persons **should apply** for pre-clearance of any proposed trade if such designated person is in possession of UPSI, **even if the trading window is not closed.**
- 13.2. No Insider, Designated & Connected Persons or his/ her immediate relative shall apply for pre-clearance of any proposed trade when the trading window is closed or if he/they are in possession of unpublished price sensitive information.
- 13.3. An application shall be made in “**Form-E**” to the Compliance Officer indicating the **either the value of trades to be effected or the number of securities to be traded along with the nature of the trade** that the any Insider or Designated Persons or their immediate relatives intends to trade 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 any rule made by the company in this behalf.
- 13.4. All Insider or Designated Persons and their immediate relatives **shall execute their order** in respect of securities of the company **within 7 (seven) Trading days** after the approval of pre-clearance is given for specified period. **If the order is not executed within the aforementioned specified period, the concerned Persons must pre-clear the transaction again.**
- 13.5. **Intimation of the trade executed by them must be furnished to Company in “Form-F” within 2 days of transaction.**
- 13.6. In case the Insider or Designated Persons or his/her immediate relative **decides not to execute the trade after securing pre-clearance, he/she shall inform the Compliance Officer of such decision along with reasons thereof immediately.**
- 13.7. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. The declaration shall be executed in specified format to the Company as specified in “**Form-E**”. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- 13.8. It shall be the responsibility of Insider and Designated Persons & their immediate relatives also to ensure compliance of **Chapter – III of the Code.**

### **14. MINIMUM HOLDING PERIOD**

- 14.1. All Designated Persons who buy or sell any number of shares of the company **shall not execute a contra trade i.e. sell or buy any number of shares during the next 6 (six) months following the prior transaction.**
- 14.2. In the case of **subscription under ESOP Scheme(s) of the Company**, the above mentioned entities shall hold their investments **for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.** However, in case the sale of securities is necessitated by personal emergency, the holding period may be waived by

Compliance Officer after recording in writing reasons in this regard. The application for this approval should be made to the Compliance Officer in **Form 'E' (as attached to this code)**.

- 14.3. The aforesaid restrictions on entering into opposite transaction shall not apply to acquisition of securities in the primary market or pursuant to exercise of options vested under any ESOP Scheme(s) of the Company.
- 14.4. **Should a 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 SEBI for **credit to the Investor Protection and Education Fund** administered by SEBI under the Act.
- 14.5. **The Compliance Officer may grant relaxation from strict application of such restriction (as applied under this code) for reasons to be recorded in writing provided that such relaxation does not violate the regulations.**

#### CHAPTER IV

### 15. REPORTING AND DISCLOSURE REQUIREMENTS

#### 15.1. Disclosure Requirements

By Whom	What to be disclosed	When to be disclosed	Form
<b>Initial Disclosures</b>			
Promoter/Director/KMP to the Compliance Officer	Holding of securities of the Company as on the date of this Code taking effect i.e. 15.05.2015	Within thirty days of this Code taking effect i.e. 15.05.2015	Form -A
Promoter/Director/KMP to the Compliance Officer	Holding Of securities of the Company as on date of Appointment or becoming Promoter	Within seven days of such appointment or of becoming Promoter	Form -B
<b>Continual Disclosures</b>			
Promoter/Director/KMP to the Compliance Officer	Details of Form - C	<b>Within two trading days</b> 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. 30 lakh or such other value as may be specified. *disclosure of incremental transactions shall be made when transactions effected after the prior disclosure cross the threshold specified above.	Form -C
Details of trading in securities by other connected persons as identified by the company	Details of Form - D	<b>Within two trading days</b> of receipt of disclosure or becoming aware of such Disclosure.	Form -D

Application received by the Company for pre-clearance	To Stock Exchange	<b>Within 48 Hours of Receipt (if found proper)</b>	Form-E
Submission of Pre-Cleared Securities trading details by Company	To Stock Exchange	<b>Within 24 Hours of Receipt</b>	Form-F

15.2. Updated Forms with regard to the Code shall be available on **Investor Relation Section of SMS Lifesciences India Limited Website.**

15.3. The disclosures to be made by any person under clause 14.1 shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

15.4. The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purpose of computation of limit mentioned under Para 13.1. Directors and KMP shall not participate in forward dealings or derivative transactions in securities as mentioned under Para 10 of this code.

15.5. The Compliance Officer shall maintain records of all the disclosures/ declarations/undertakings/ forms as mentioned in this Code, as received from time to time, for a period of **8 (eight) years** and a confidential list of any 'restricted securities' to which the Compliance Officer may require Designated Persons to seek pre-clearance before Trading in such 'restricted securities'.

15.6. The Compliance Officer shall report to the Board of Directors for the purpose of the Code and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board annually.

## CHAPTER V

### **16. MISCELLANEOUS**

16.1. The Board of Directors shall be empowered to amend, modify, interpret these Rules and such Rules shall be effective from such date that the Board may notify in this behalf.

16.2. The Compliance Officer shall provide the Audit Committee of the Board, on a quarterly basis, all the details of Trading in securities by the Designated Persons including any violations of the Rules.

#### **PENALTY FOR CONTRAVENTION OF THE CODE**

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

16.4. All Designated Persons and Connected Persons who trades in securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the Company.

16.5. All Designated Persons who violate this Code of Conduct shall also be subject to disciplinary action by the company, which may include wage, salary freeze, suspension, withholding of promotions etc.

16.6. The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

16.7. In case it is observed by the Company and/or Compliance Officer that there has been violation of the Regulations, SEBI shall be informed by the Company.

**FORM A**

**SEBI (Prohibition of Insider Trading) Regulations, 2015**

*[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]*

Name of the company: **SMS Lifesciences India Limited**

ISIN of the company: \_\_\_\_\_

**Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP/ Directors/immediate relative to/others etc)	Securities held as on the date of regulation coming into force		% of Shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

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

**Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts* lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts* lot size)	Notional value in Rupee terms
6	7	8	9	10	11

**Note:** In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place:

**FORM B****SEBI (Prohibition of Insider Trading) Regulations, 2015**

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

Name of the company: **SMS Lifesciences India Limited**

ISIN of the company: \_\_\_\_\_

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

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP/ Directors/immediate relative to/others etc)	Date of appointment of Director /KMP OR Date of becoming Promoter	Securities held as on the date of regulation coming into force		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

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

**Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts* lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts* lot size)	Notional value in Rupee terms
6	7	8	9	10	11

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**Note:** *In case of Options, notional value shall be calculated based on premium plus strike price of options*

Name & Signature:

Designation:

Date:

Place:

**FORM C****SEBI (Prohibition of Insider Trading) Regulations, 2015**

[Regulation 7 (2) read with Regulation 6(2) – Continual disclosure]

Name of the company: **SMS Lifesciences India Limited**

ISIN of the company: \_\_\_\_\_

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

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

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.**Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Reg. 6(2)**

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of Contract	Contract Specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

**FORM D (Indicative format)**

**SEBI (Prohibition of Insider Trading) Regulations, 2015**

*Regulation 7(3) – Transactions by Other connected persons as identified by the company*

Name of the company: **SMS Lifesciences India Limited**

ISIN of the company: \_\_\_\_\_

**Details of trading in securities by other connected persons as identified by the company**

Name, PAN, CIN/ DIN & address with contact nos.	Connect ion with Company	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/acquisition of shares/sale of shares specify		Date of intimation to company	Mode of acquisition /disposal (on market/public/rights/preferential offer/offmarket/Inter-se transfer, ESOPs etc.)
		Type of security (For eg.– Shares, Warrants, Convertible Debentures etc.)	No. and % of share holding	Type of security (For eg.– Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/Sale/Pledge/Revoked/Invoke)	Type of security (For eg.– Shares, Warrants, Convertible Debentures etc.)	No. and % of share holding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

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

**Details of trading in derivatives by other connected persons as identified by the company**

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of Contract	Contract Specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Date:

Place:

**FORM E (Application for Pre-clearance)**  
**SEBI (Prohibition of Insider Trading) Regulations, 2015**

To,  
**The Compliance Officer,**  
**SMS Lifesciences India Limited,**  
 Plot No: 19-III, Road No:71, Jubilee Hills,  
 Opp.BharatiyaVidyaBhavan Public School,  
 Hyderabad - 500034, Telangana State, India.  
 CIN : L24239AP1987PLC008066  
 Phone : + 91-40-6628 8888  
 Email : [cs@smslife.in](mailto:cs@smslife.in)

**Internal Use**

Recd. Date:

Time:

Sign:

**SUB: APPLICATION FOR PRE-DEALING IN SECURITIES OF THE COMPANY AND UNDERTAKING**

Dear Sir,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's **Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sale/ subscription of \_\_\_\_\_ 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 to securities (c) Sale of securities	
6.	Proposed date of dealing in securities	
7.	Estimated number of securities proposed to be acquired/subscribed/sold	
8.	Price at which the transaction is proposed	
9.	Current market price (as on date of application)	
10.	Whether the proposed transaction will be through stock exchange or off-market deal	
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	
12.	Reason for sale of shares held for less than 30 days (If applicable)#	

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

**I hereby undertake and confirm that,**

- i. I do not have any access or have not received "Unpublished Price Sensitive Information (UPSI)" up to the time of signing this undertaking.
- ii. In case I have access to or have received "UPSI" after the signing of the undertaking but before the execution of the transaction I will inform the Compliance officer of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.

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- iii. I have not contravened the prevailing Code of Conduct for Prevention of Insider Trading.
- iv. I have made a full and true disclosure in this matter.

**I further confirm that:**

- i. If approval is granted, I shall execute the trade within **seven trading days** of the receipt of approval failing which I shall seek pre-clearance afresh.
- ii. I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.
- iii. I shall hold ESOP Shares of the Company for a minimum period of 30 days from the date of acquisition.
- iv. **In the event of this transaction being in violation of the Rules or the applicable laws,**
  - a. I will, unconditionally, release, hold harmless and indemnify to the fullest extent, the Company and its directors and officers, (the 'indemnified persons') for all losses, damages, fines, expenses, suffered by the indemnified persons,
  - b. I will compensate the indemnified persons for all expenses incurred in any investigation, defense, crisis management or public relations activity in relation to this transaction and
  - c. I authorize the Company to recover from me, the profits arising from this transaction and remit the same to the SEBI for credit of the Investor Protection and Education Fund administered by the SEBI.

We further confirm that the aforesaid facts are true and correct and shall be fully responsible for any wrongful acts done by me or my relatives including such penalties as may be imposed by the Company.

You are requested to provide the pre-clearance of trade for the above transaction.

Thanking you,

Yours sincerely,

Place:

Signature:

Date:

Name :

Designation :  
& Department

# Sale of securities (under ESOP) held for less than 30 days shall be considered only if necessitated by personal emergency.

\* Indicate number of shares

**FORM F (Disclosure of Pre Cleared Transactions)**  
**SEBI (Prohibition of Insider Trading) Regulations, 2015**  
(To be submitted within 2 days of transaction / trading in securities of the Company)

To,  
**The Compliance Officer,**  
**SMS Lifesciences India Limited,**  
Plot No: 19-III, Road No:71, Jubilee Hills,  
Opp.BharatiyaVidyaBhavan Public School,  
Hyderabad - 500034, Telangana State, India.  
CIN : U74930TG2006PLC050223  
Phone : + 91-40-6628 8888  
Email : cs@smslife.in

**Internal Use**

Recd. Date:  
Time:

Sign:

**SUB: DISCLOSURE OF TRANSACTIONS**

Sir,

I hereby inform that I have not bought / sold/ subscribed\* any securities of the Company have bought/sold/subscribed\* to \_\_\_\_\_ securities as mentioned below on \_\_\_\_ (date)

\*(strike out whichever is not applicable)

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

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

Signature : \_\_\_\_\_

Name:

Date :