

**Code of Conduct for Insider Trading**  
**(Effective from 15<sup>th</sup> May, 2015)**

**Background:**

"Insider Trading" in general means an act of dealing in the securities of a Company based on some unpublished Price Sensitive Information to which a person may be privy to.

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 requirements the Company has introduced a code of conduct for Prevention of Insider Trading (Insider Trading Policy).

**1. Objective:**

The Company endeavors to prevent misuse of information(s). The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every "Insider", as defined in the SEBI Insider Trading Regulations, has a duty to safeguard the confidentiality of all such information(s) obtained in the course of his/her work at the Company or by virtue of his/her relationship with the Company. No insider shall use his/her position with or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating and/or counseling others with respect to the Securities of the Company. Such persons should also refrain from profiteering by using the unpublished price sensitive information(s).

**2. Definitions:**

"**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

"**Board**" means the Securities and Exchange Board of India;

"**Body Corporate**" means a body corporate as defined in section 2 of the Companies Act, 1956 (1 of 1956);

"**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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 the listed company or the head of an organization, as the case may be;

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

**"Dealing in Securities"** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent:

**"Designated Employees(s)"** shall include:

- i. Every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- ii. Any other employee as may be determined and informed by the Compliance Officer from time to time.

**"Director"** means a member of the Board of Directors of the Company.

**"Employee"** means every employee of the Company including Directors in the employment of the Company.

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

**"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;

**"Insider"** means any person who is:

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

**"Key Managerial Personnel"** means a person as defined in Section 2(51) of the Companies Act, 2013;

**"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;

**"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;

**"Specified"** means specified by the Board in writing;

**"Takeover Regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

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

**"Trading Day"** means a day on which the recognized stock exchanges are open for trading;

**"Unpublished Price Sensitive Information"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

(i) financial result

(ii) dividend

(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; and

(vi) material events in accordance with the listing agreement.

**"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 2015 and any amendments thereto

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 there under shall have the meanings respectively assigned to them in those legislation.

### **3. Applicability of the Policy**

This policy shall be applicable only to the following categories of persons:

#### **a) Officers:**

- All the Directors of Gujarat Themis Biosyn Limited;
- Chief Executive Officer(CEO)/Chief Financial Officer(CFO) of Gujarat Themis Biosyn Limited;
- Company Secretary of Gujarat Themis Biosyn Limited;
- Auditors of Gujarat Themis Biosyn Limited; (hereinafter collectively referred as "the Officers")

#### **b) Designated Employees:**

- All employees in the Accounts, Finance, Taxation, Legal & Secretarial department of Gujarat Themis Biosyn Limited;
- All employees in other Department/Divisions of Gujarat Themis Biosyn Limited from the level of Deputy manager & above;
- All employees who are attached to Directors/MD/CEO' office
- Employees of other Departments/Divisions on a case-to-case basis, who could be reasonable expected to have access to unpublished price sensitive information(s) relating to the Company, to be decided by the Chairman/managing Director/Dy. Managing Director/Compliance Officer, on a case-to-case basis. (hereinafter collectively referred as "the Designated Employees")

#### **c) Dependents:**

- Dependent of the Officers and Designated Employees.
- The Policy is also applicable to the dependent family members of the Officer (Senior level employee) who shall be responsible for adherence of this policy by their dependent family members.

### **4. Compliance Officer:**

a) The Company has appointed a compliance officer (senior level employee) who shall report to the Managing Director/Chief Executive Officer.

b) The compliance officer shall be responsible for

- ⇒ setting forth policies, procedures,
- ⇒ monitoring adherence to the rules for the preservation of "Price Sensitive Information",
- ⇒ pre-clearing of designated employees' and their dependents' trades (directly or through respective department heads as decided by the company), monitoring of trades and the
- ⇒ Implementation of the code of conduct under the overall supervision of the Board of the listed company.

c) The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees and any changes therein.

d) The compliance officer shall maintain records of all the Applications, Undertakings, Declarations etc., submitted by Officers and Designated employees and their dependents for a period of five years from the date of receipt of the document.

e) The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the company's code of conduct.

f) The Managing Director/Compliance Officer shall inform the SEBI of any violation of the Regulations and rules made there under.

## **5. Preservation of "Price Sensitive Information"**

I. All officers and designated Employees of the Company shall

- a) Maintain the confidentiality of all Price Sensitive Information. Employees/ directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
- b) Keep secure all files/papers containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.
- c) handled Unpublished Price Sensitive Information on a "need to know" basis, i.e. Price Sensitive Information should be disclosed only to those within the organisation/firm 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.
- d) Immediately report to the Head of Department all non public Price Sensitive information directly received by him/her.
- e) unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:–
  - (i) 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;
  - (ii) not attracting 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 unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

## II. "Need To Know"

- i) "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.
- ii) all non-public information directly received by any employee should immediately be reported to the head of the department.

## III. Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.

## **6. Prevention of misuse of "Unpublished Price Sensitive Information"**

Employees and connected persons designated on the basis of their functional role ("designated persons") in the organisation shall be governed by an internal code of conduct governing dealing in securities.

### I. Trading plan

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.

### II. Trading plan shall

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (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.

III. The compliance officer shall consider the trading plan as above and approve it forthwith. However, he/she being entitled to take express undertakings as may be

necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

IV. the trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation. The commencement shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the insider shall also not be allowed to deal 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.

V. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## **7. Restriction on trading in shares of the Company**

All Officer and Designated Employees of the Company shall be subject to trading restrictions as enumerated below;

### **a) Trading Window and Window Closure**

i) the trading period, for trading in the company's securities to be called "Trading Window", shall be closed during the time the information referred to in para is unpublished.

ii) the Officers/Designated Employees and their dependents shall not deal in any transaction involving the purchase or sale of shares of the Company during the periods when "Trading Window" (i.e. trading period) is closed.

iii) the Trading Window shall be closed for the period as may be specified by the managing Director/Compliance Officer, subject to the minimum period of seven days, during which any material price sensitive and unpublished event, including the following are proposed:

- Declaration of Financial results (quarterly, half-yearly and annual)
- Declaration of dividends (interim and final)
- Issue of securities by way of public/ rights/bonus etc.
- Any major expansion plans or execution of new projects
- Amalgamation, mergers, takeovers and buy-back
- Disposal of whole or substantially whole of the undertaking

- Any changes in policies, plans or operations of the company
- Such other information, as the managing Director/Compliance Officer may be prescribe from time to time.

iv) The trading window shall be automatically opened 24 hours (one day) after the information referred to in para (iii) is made public.

v) All Officers/Designated Employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred above or during any other period as may be specified by the Company from time to time.

vi) 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.

vii) The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can be reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such scurrilities to which such unpublished price sensitive information relates.

viii) the Compliance officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

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

**b) Pre clearance of trades:**

i) All Officers /Designated Employees of the organisation and their dependents who intend to deal in the securities of the client company exceeding minimum threshold limit of 5000 shares or Rs. 5,00,000/- in transaction value whichever is lower, shall obtain pre-clearance of the transaction(s) from the Compliance Officer before entering into the transaction as per the pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade.

ii) An application may be made in such prescribed form, attached as Annexure 1, to the Compliance officer indicating the name and estimated number of securities that the officer/designated employee intends to deal in. the application shall contain, inter-alia the following information:

- Estimated number of shares intends to deal in
- The details as to the depository with which he/she has a Demat Account.

- Such other details as may be required by the Compliance Officer in this behalf.

iii) An undertaking shall be executed in favour of the Company, forming part of the Application Form as mentioned hereinabove, shall incorporate, inter alia, the following clauses:

- That the officer/designated employee does not have any access or has not received any "Price Sensitive Information" upto the time of signing the undertaking.
- That in case the officer/designated employee has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance officer of the change in his position and that he/she would completely refrain from dealing in the securities of the client company till the time such information becomes public.
- That he/she has not contravened the code of conduct for prevention of insider trading as specified by the organisation/firm from time to time.
- That he/she has made a full and true disclosure in the matter.

iv) An undertaking (Annexure 2) shall be executed in favour of the Company by the such specified Employee incorporating, inter alia, the following clauses, as may be applicable:

- That the employee/ director/officer does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
- That in case the employee/ director/officer has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.
- That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- That he/she has made a full and true disclosure in the matter.

v) All specified persons and their dependents shall execute their order in respect of securities of the company *within one week* after the approval of pre-clearance is given. The specified person shall file within 2(two) days of the execution of the deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. (Annexure4).

vi) Transactions must be executed *within one week* after the approval of pre-clearance is obtained from the Compliance Officer. If transaction is not executed within one week, the Officer(s)/Designated Employee(s) must obtain pre-clearance for the intended transaction once again.

vii) All Officers/Designated Employees who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transactions. All Officers/Designated Employees shall also not take positions in derivative transactions in

the shares of the Company at any time. 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

viii) In case of subscription in the primary market (IPOs) all officers /designated employees must *hold their investments in securities* for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

ix) The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the trading window is closed.

### **C) Other Restrictions:**

i) The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

ii) 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 purposes of this code.

iii) The disclosures made under this Chapter shall be maintained by the company, for a minimum period of five years, in such form as may be specified.

## **8. Reporting Requirements for transactions in securities**

### **(i) Initial Disclosures**

a) Every promoter, key managerial personnel and director of company shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect (Annexure 5).

b) Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter. (Annexure 6).

### **ii) Continual Disclosures**

Every promoter, employee and director of the company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees.

The disclosure shall be made within 2 working days of;

- a) the receipt of intimation of allotment of shares, or
- b) the acquisition of shares or voting rights, as the case may be

### **9. Disclosure by company to stock exchanges**

- i) Within 2 days of the receipt of intimation under Clause 8(ii), the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.
- ii) the Compliance officer shall maintain records of all the declarations in the appropriate form given by the Officers/Designated employees for a minimum period of five years.

### **10. Dissemination of Price Sensitive Information**

- i) No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- ii) Disclosure/ dissemination of price sensitive information with special reference to analysts, media persons and institutional investors:

the following guidelines shall be followed while dealing with analysts and institutional investors:-

- Only Public information to be provided
- at least two company representative be present at meetings with Analysts, brokers or Institutional Investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of Information after every such meet.

### **11. Penalty for contravention of code of conduct**

- i) Every Specified Person shall be individually responsible for complying with the provisions of the code (including to the extent provisions hereof are applicable to his/her dependent)
- ii) Any Specified Person 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.
- iii) Specified Person who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc
- iv) The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.

FORM I –PRE CLEARANCE OF TRADE

(To be submitted in Duplicate)

To,  
The Compliance Officer  
Gujarat Themis Biosyn Ltd.  
Mumbai

Date:

Dear Sir/Madam,

Pursuant to the SEBI (Prohibition of Insider trading) Regulation, 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:

Name of Applicant	
Designation	
Employee pay roll no.	
Number and Value of Securities in the Company held as on the date( with Folio/ DP Id/ Client Id )	
Nature of Securities held	Equity Shares/ other Securities
The Proposal is for	I. Acquisition in the open market II.Subscription to the Securities III. Sale of Securities
Proposed date of dealing in Securities	
Nature of proposed dealing	Purchase/Sale of Securities
Estimated number of Securities proposed to be acquired/subscribed/sold	
Price at which transaction is proposed	
Current Market price( as on the date of application)	
Whether the proposed transaction will be through Stock exchange or off market deal	
Name of the Depository DP ID Number Client ID Number	

I have enclosed herewith the form of undertaking signed by me.

Yours Faithfully,

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

FORMAT OF UNDERTAKING TO BE ACCOMPANIES WITH THE APPLICATION FOR PRE-CLEARANCE UNDERTAKING

To,  
Gujarat Themis Biosyn Limited  
Vapi.

Dear Sir/Madam,

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

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking. In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transactions for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertaking to submit the necessary report within four days of execution of the transactions/ a 'Nil' report if the transaction is not undertaken.

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

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

Date :

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

\*indicate number of shares