



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

CODE OF CONDUCT PURSUANT TO PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS 2015

Preamble

The Securities and Exchange Board of India (SEBI) have notified a set of new Regulations namely Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Pursuant to Clause 9 of the said Regulations, the Board of Directors of every listed company is required to formulate a Code of Conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with the said regulations. Accordingly, the Board of Directors of Samrat Pharmachem Limited have adopted a new Code of Conduct for trading by insiders replacing the existing Code.

I. Title :

- 1.This Code is called SAMRAT PHARMACHEM LIMITED (INSIDER TRADING) CODE, 2015.
- 2.This Code is applicable to 'Designated Persons' and their Immediate Relatives.
- 3.This Code shall come into force on and from 15th May, 2015

II. Definitions :

In these Code, unless the context otherwise provide:

- 1.“**Act**” means the Securities and Exchange Board of India Act, 1992;
- 2.“**Board**” means the Board of Directors of Samrat Pharmachem Limited ;
- 3.“**Code**” means the Samrat Pharmachem Limited (Insider Trading) Code, 2015;
- 4.“**Compliance Officer**” means any senior Officer designated and appointed by the Board of Directors. The Compliance Officer as on the commencement of this Code is Mr. Nishant Kankaria, Whole time Secretary and Director ;
- 5.“**Connected person**” means
 - (i) any person who is or has during the six months prior to the concerned act been associated with the 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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



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- (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 per cent of the holding or interest;
6. "Designated Persons" means
- All Directors
 - Vice Presidents and General Managers who are functional heads
 - Key executives in the Finance and Secretarial Department located at Accounts / Corporate office of the Company
 - Statutory Auditors / internal auditors
 - Any other employees and their dependents, as may be identified by the Committee who are privy to any price sensitive information.
7. "**Insider**" means any person who is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of the Company, or who has received or has had access to unpublished price sensitive information.
8. "**Officer of the Company**" means any person as defined in of Section 2 (59) of the Companies Act, 2013 and includes the auditor of the Company.
9. "**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.
10. "**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;
11. "**Trading**" means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
12. "**Trading Day**" means a day on which the recognized stock exchanges are open for trading;
13. "**Generally available information**" means the information which is available on Company's website and disclosures made to Stock Exchanges and official press releases made by the Company;
14. "**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: –



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- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, delisting's, 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.

15. "**Unpublished Information**" means any information, which is not officially published by the Company or its agent and is not specific in nature. However speculative reports in print or electronic media by an analyst or reporter or by means of rumor shall not be considered as published information.

III. Code of Conduct on matters relating to insider trading

1. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the 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.
2. No insider shall counsel any other person to deal in shares of the Company on the basis of unpublished price sensitive information.
3. Procedure for 'Designated Persons' to invest in Company's securities
No designated persons, his dependent relatives shall invest in the Company's shares beyond the threshold limit of 2000 shares (prescribed at present) unless;
 - i. He / she takes prior approval of the Committee giving his name, estimated number of shares he / she intends to purchase or sell and details of Depository Participant.
 - ii. He / she files an undertaking stating that:
 1. He / she does not have access to or has not received price sensitive information up to the time of signing the undertaking.
 2. In the event of receiving any price sensitive information after signing the undertaking but before execution of the transaction, he / she will inform the Compliance Officer of the change and will refrain from dealing in the shares of the Company till such information is made public.
 - iii. He / she has not contravened the Code
 1. He / she has made a full and true disclosure in the matter.
 2. The prior approval should be sought in the format as given in **Annexure-1** along with the above undertaking in **Annexure-1A**.
 3. The approval of the Compliance Officer should be in **Annexure-2**
 - i. The Designated person must execute the order for purchase / sale of shares within one week of getting approval from the Compliance Officer otherwise fresh approval will be required. The designated person shall disclose the executed transaction in **Annexure-3**.



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- ii. All Directors / Designated Person 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 6 months following the prior transaction. All Directors / Officers / Designated Person shall also not take positions in derivative transactions in the shares of the Company at any time.
- iii. In case of sale necessitated by personal emergency, holding period of 6 months can be waived by the Compliance Officer, for reasons to be recorded in writing. In case of subscription in the primary market (IPO) 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.

The Designated Persons shall submit the required Forms for seeking approval and disclosures of the securities.

IV. Disclosures

The Board of Directors and Designated Persons shall disclose his / their holdings of the securities of the company on or before 13th June, 2015. Such disclosures shall be as per **Form A** attached herewith.

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 such appointment on becoming a promoter to the company within seven days of such appointment or becoming a promoter. Such disclosures shall be as per **Form B** attached herewith.

Every promoter, employee and director of every 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 or such other value as may be specified. Such disclosures shall be as per **Form C** attached herewith.

Trading Window:

The Designated Persons can trade in shares after taking the approval at all times except: –

1. Seven days before the Board Meetings in which the un-audited quarterly Results / audited results are considered and 48 hours thereafter.
2. Seven days before any matters relating to price sensitive information is considered and 48 hours thereafter.
3. Any other period as notified by the Board of Directors.

VII. Powers of Board to investigate offences

In relation to any offences by Designated Persons the Board or committee constituted shall: –

1. Serve a notice on the Designated Persons provided that, if the Committee is of the opinion that it is necessary in the interest of the Company, it can initiate such proceedings without serving any notice.
2. Investigate such records and documents in his / her possession or in the possession of the Company.
3. Record reasons of the Designated Person in writing.

V. Penalty for Contravention

1. The Company shall have the power to impose the following penalty on the Designated Persons:-
 - (a) Withhold any dividend declared by the Board of the Company.

(b) Employees / Officers / Directors of the Company 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.



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(c) The Company shall also take such steps within its power to recover any profits made in respect of such dealings from the designated person(s).

(d) 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.

(e) In case it is observed by the company / compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading), Regulations, 2015, SEBI shall be informed by the Company.

VI. Power Of The Board To Effect Modifications To These Rules

The Board shall have the powers to make such changes / modifications in these Rules as may be required from time to time to make these Rules more effective and in line with such notifications / changes / amendments made by SEBI.

VII. Caution

All Designated Persons are hereby requested in their own interest not to purchase any shares in the Company beyond the threshold limit as mentioned in Rule IV para 1 without the prior clearance of the Compliance Officer. In case of any difficulty in understanding these Rules all Designated Persons should first contact the Company Secretary / Compliance Officer.