

## CODE FOR PROHIBITION OF INSIDER TRADING

### 1. INTRODUCTION

Insider Trading is dealing (buying and/ or selling) in the securities by the shareholder of a company, by any connected or deemed to be connected persons while in possession of any material un-published price sensitive information, in breach of a fiduciary duty or other relationship of a trust and confidence, to gain personal benefit out of such dealing.

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the “**Regulations**”) replaced the *Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992* w.e.f. May 15, 2015. The Regulations requires every listed company to formulate a code of conduct to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with these regulations and enforce a code of internal conduct and procedures based on the model code provided therein.

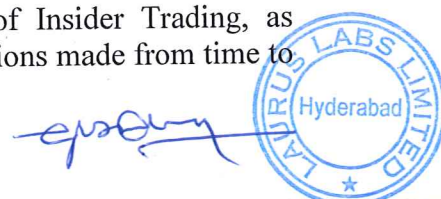
In Compliance with the said requirements, the Company has introduced a Code for Prohibition of Insider Trading (the “**Code**”). This Code shall come into force with effect from August 9, 2016.

### 2. OBJECTIVE

Laurus Labs Limited (the “**Company**”) endeavors to preserve the confidentiality and prevent the misuse of un-published price sensitive information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations. Every Director, Officer, Designated Employee and Connected Person of the Company has a duty to safeguard the confidentiality of all such information which he/ she obtained in the course of performance of official duties. Directors, Officers, Designated Employees and Connected persons of the Company should not use their position to gain personal benefit. To achieve these objectives, the Company hereby notifies this Code (“**Code / Code of Conduct**”).

### 3. DEFINITIONS

- a) “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b) “**Board**” means the Securities and Exchange Board of India.
- c) “**Code**” means the Code of Conduct for prevention of Insider Trading, as notified hereunder, including any amendments/ modifications made from time to time.





- d) **“Calendar Quarter”** means a period of 3 consecutive calendar months, ending with the last day of March, June, September or December.
- e) **“Company”** means Laurus Labs Limited.
- f) **“Compliance Officer”** means the Company Secretary of the Company or any other senior level employee who shall be directed by the board of directors of the Company to act as such and designated as the compliance officer of the Company and 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. For the purpose of this definition, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.
- g) **“Connected Person”** means the persons so defined in the Regulation 2(d) of the Regulations to the extent applicable to the Company. The Regulations is attached as Annexure I
- h) **“Designated Persons”** shall include the following:
- All Promoters of the Company;
  - Employees of the Company in the cadre of General Manager and above;
  - Employees of Accounts & Finance; Costing; Secretarial and Information Technology Departments of the Company in the cadre of Manager and above; and
  - Employees of the material subsidiaries of the Company in the cadre of Vice President and above
- i) **“Employee(s)”** mean employee(s) of the Company, whether working in India or abroad.
- j) **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.
- k) **“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.
- l) **“Insider”** means any person who is a connected person or in possession of or having access to unpublished price sensitive information.







- m) **“Key Managerial Personnel”**, in relation to the Company, means:
- (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer;
  - (v) such other officer as may be prescribed
- n) **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- o) **“Promoter Group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- p) **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- q) **“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.
- r) **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- s) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly.
- t) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- u) **“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 results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
  - (v) changes in key managerial personnel;





- v) **“Working Day”** shall mean the working day when the regular trading is permitted on the concerned stock exchange where the securities of the company are listed.
- w) **“Officer of the Company”** includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the board of directors or any one or more of the directors is or are accustomed to act.

Words and phrases used in the Code and not defined hereinabove shall have the same meaning as defined under the Regulations, 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. COMPLIANCE OFFICER**

- 4.1 The Compliance Officer shall report to the board of directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors but not less than once in a year.
- 4.2 The Compliance Officer shall be responsible for setting forth the 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 Code specified in these Regulations under the overall supervision of the board of directors of the Company.
- 4.3 In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

#### **5. PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- 5.1 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

For the purpose of this Code, the term “legitimate purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.





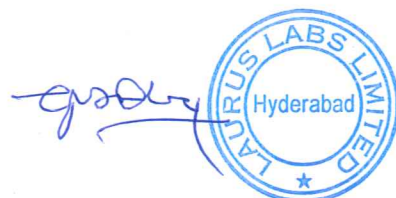


Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- an obligation to make an open offer under the Takeover Regulations where the board of directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company; or
- 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 sharing of such information 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 to be adequate and fair to cover all relevant and material facts.
- 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.
- The board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

5.2 Need to know basis – Unpublished price sensitive information of the Company is to be handled on a “need to know” basis i.e. 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 apprehension of misuse of the information. All unpublished price sensitive information directly received by any employee should immediately be reported to the head of the department.

5.3 Limited access to confidential information - All manual files containing confidential information shall be kept secure. All computer files must have adequate security.





## 6. PREVENTION OF MISUSE OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”

### 6.1 No insider shall:

- Trade in Securities of the Company either on their own behalf or on behalf of any other person when in possession of any unpublished price sensitive information; or
- Communicate, provide or allow access to any unpublished price sensitive information, 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.

6.2 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.

### 6.3 The trading plan shall:

- not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- 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;
- entail trading for a period of not less than twelve months;
- not entail overlap of any period for which another trading plan is already in existence;
- 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
- not entail trading in securities for market abuse.

6.4 The Compliance Officer shall consider the trading plan made as above and shall approve it forthwith. However, he shall be entitled to take expressed 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.

6.5 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 at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the trading plan shall be deferred until such 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.

6.6 Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

## 7. TRADING WINDOW

7.1 The trading window shall be, inter alia, closed 15 days prior to and during the time the unpublished price sensitive information is published.

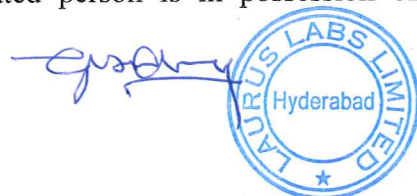
7.2 The Compliance Officer shall intimate the closure of trading window to all the Designated Persons of the Company when he determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such Securities to which such unpublished price sensitive information relates.

7.3 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, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.

7.4 Other than the period(s) for which the Trading Window is closed as specified hereinabove, the same shall remain open for dealing in the Securities of the Company.

## 8. PRE CLEARANCE OF TRADE IN SECURITIES:

All the persons covered by the Code who propose to acquire/sell Securities of the Company which are more than Rs. 8 Lakhs in value or 50,000 shares or 1% of the total shareholding or voting rights, whichever is lower, should pre-clear the transaction. However, no designated person shall be entitled to apply for 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. The pre-dealing procedure shall be hereunder:

- A Designated Person shall make a pre-clearance application to the Compliance Officer in the prescribed format Form 1 along with an undertaking stating that he/she has not contravened the provision of this Code.
- If any person covered by the Code, obtained any Price Sensitive Information after executing the undertaking but prior to transacting in Securities of the Company, he/she shall inform the Compliance Officer and refrain from dealing in Securities of the Company.
- All the persons covered by the Code shall execute their order within 7 Days of pre clearance of trade. If the transaction is not executed within 7 Days of such clearance, fresh approval of the Compliance Officer is required.

All Designated Persons shall conduct their dealings in the securities of the Company only in the "Valid Trading Window" period and shall not enter into "Contra Trade" i.e. opposite or reverse transactions, in the securities of the Company during the next six months following the prior transaction. The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. 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 the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act. When the trading window is closed, the Designated Persons shall not trade in the Company's Securities in such period.

In the case of subscription in the primary market (initial public offers), 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.

In case the sale of securities is necessitated by personal emergency the holding period may be waived by the Compliance Officer after recording in writing his reasons in this regard. The application for the waiver of the minimum period of holding of the securities shall be made by the employee in Form 2 annexed to this Code.

## **9. DISCLOSURE REQUIREMENTS**

### **Initial Disclosure**

Every Promoter, member of the Promoter Group, Key Managerial Personnel and Director of the Company and any other person for whom such person takes trading decisions shall disclose his holding of securities of the Company as on the date of these regulations taking effect, within 30 days in Form A;







Every person on appointment as a Key Managerial Personnel or a Director of the Company or Designated Employee or upon becoming a Promoter or member of the Promoter Group shall disclose his holding of securities of the Company and any other person for whom such person takes trading decisions as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a Promoter in Form B.

### **Continual Disclosure**

Every Promoter, Designated Person and director of Company and any other person for whom such person takes trading decisions 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 by the Compliance Officer from time to time in Form C.

### **Disclosure by the Company to the Stock Exchange(s)**

The Company shall within 2 Working Days the receipt of disclosures as mentioned as aforesaid, disclose to all Stock Exchanges on which the securities of the Company are listed, the information received as aforesaid.

Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes: (i) Immediate Relatives; (ii) Persons with whom such designated person(s) shares material financial relationship; (iii) phone, mobile and cell numbers which are used by them.

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

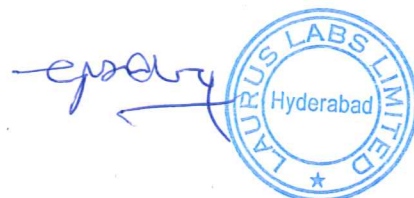
For the purpose of this Code, the term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

## **10. INSTITUTIONAL MECHANISM**

The CEO or Managing Director of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given under the Regulations to prevent insider trading.

Such internal controls shall include the following:

- a) all employees who have access to unpublished price sensitive information are identified as designated employee;





- b) all the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of the Regulations;
- c) adequate restrictions shall be placed on communication or procurement of unpublished price sensitive information as required by the Regulations;
- d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under the Regulations shall be complied with;
- f) periodic process review to evaluate effectiveness of such internal controls.

The Audit Committee of Company shall review compliance with the provisions of the Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

Company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by board of directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the SEBI promptly of such leaks, inquiries and results of such inquiries.

## 11. GENERAL PROVISION

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors / designated employees for a minimum period of five years.

The Compliance Officer shall place before the Board or Audit Committee specified by the Company, on a quarterly basis all the approvals provided to the Designated Persons and the details of the dealing in the securities by such Designated Persons of the company pursuant to such approvals.

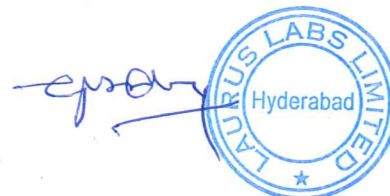
## 12. PENALTIES

Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her immediate relatives).

Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and/or is subject to disciplinary actions, including wage freeze, suspension, recovery, claw back etc., and appropriate action may be taken by the Company. The penalties will be as per the Securities Contract (Regulation) Act, 1956.

The action by the Company shall not preclude SEBI and other authorities from taking any action in case of violation of the Regulations. In case the Regulations or any Statutory Provisions are more stringent than those contained in the Code, the Regulations / Statutory Provisions will prevail.

**DATE :** March 6, 2019







**Prevention of Insider Trading - Initial disclosure**  
**FORM A**  
**Securities and Exchange Board of India (Prohibition of Insider Trading)**  
**Regulations, 2015**  
**[Regulation 7 (1) (a) read with Regulation 6 (2)]**

Name of the company: \_\_\_\_\_

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

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

Name, PAN No. CIN/DIN & address with contact nos.	Category of Person (Promoters/Promoter Group/ KMP/ Directors/ immediate relative/others etc.)	Securities held as on the date of regulation coming into force		% of Shareholding	Open Interest of the Future contracts held as on the date of regulation coming into force	
		Type of security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms

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

Signature:

Designation:

Date:

Place:



**FORM B**  
**Securities and Exchange Board of India (Prohibition of Insider Trading)**  
**Regulations, 2015**  
**[Regulation 7 (1) (b) read with Regulation 6(2)]**

Name of the company: \_\_\_\_\_

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

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

Name, PAN No. CIN/DIN & address with contact nos.	Category of Person (Promoters /Promoter Group/ KMP/ Directors/ immediate relatives/ others etc.)	Date of appointment of Director or /KMP OR Date of becoming Promoter/ Promoter Group	Securities held at the time of becoming Promoter/ Promoter Group/ appointment of Director/ KMP		% of Shareholding	Open Interest of the Future contracts held at the time of becoming Promoter/ Promoter Group /appointment of Director / KMP	
			Type of security (For e.g.- Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee Terms

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

Name:

Signature:

Date:

Place:







**Prevention of Insider Trading - Pre clearance of trades**

**FORM 1**

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

**The Compliance Officer**

\_\_\_\_\_ Ltd.

Address: \_\_\_\_\_

\_\_\_\_\_

**SUB: APPLICATION FOR TRADING IN SECURITIES OF THE COMPANY**

Dear Sir,

I, \_\_\_\_\_ Director / Employee of the Company, propose to trade in the Equity Shares of the Company as per details hereunder:

Relationship with Employee / Director (in case of :  
relation)

No. of Equity Shares held by the person as on date :  
of the application

Date of Last Disclosure :

DP ID :

Client ID :

**Particulars of proposed transaction in Equity Shares of the Company:**

<b>Number Equity Shares held before the Proposed Transaction (A)</b>	<b>Number of Equity Shares proposed to be Sold (B)</b>	<b>Number of Equity Shares proposed to be acquired (C)</b>	<b>Balance holding (A)+(C)/(A)-(B)</b>





I confirm that:

- i) I and my relatives (We) do not have access to any price sensitive information and have complied with the code of conduct for prevention of insider trading as specified by the Company from time to time.
- ii) I/We shall execute the trade of Equity Shares within 7 days of your approval failing which we shall apply again to you for your approval.
- iii) I/We shall hold Equity Shares of the Company for a minimum period of 30 days from the date of acquisition.

I/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:

Date:



**Prevention of Insider Trading - Pre clearance of trades**

**FORM 2**

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

**The Compliance Officer**

\_\_\_\_\_ Ltd.

Address: \_\_\_\_\_

\_\_\_\_\_

**Sub.: Waiver of minimum holding period for Securities of the Company**

Dear Sir,

I have purchased/ Acquired \_\_\_\_\_ Equity Shares of the Company on \_\_\_\_\_ and due to the below mentioned reason, I wish to sell \_\_\_\_\_ Equity Shares before the end of 6 months/ 30 days from the date of purchase/ allotment. Please grant me waiver with respect to the holding of Equity Shares for minimum period of 6 months/ 30 days.

Reason for waiver:

Thanking you,

Signature

Name:-

Designation & Department:

Date: