

# PHAARMASIA LIMITED

CIN: L24239TG1981PLC002915

Registered office: 16, Phase-III, IDA, Jeedimetla, Hyderabad TG 500055

Email: [Phaarmasia@gmail.com](mailto:Phaarmasia@gmail.com) Contact: 040 - 23095002

## **Insider Trading Policy**

**PHAARMASIA LIMITED** (the “Company”) is a Public Limited Company whose equity shares are listed on BSE Limited and subject to the rules and regulations issued by the Securities and Exchange Board of India (SEBI).

The Board of Directors of the Company have adopted this Insider Trading Policy (the “Policy”) to comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“SEBI Regulations”).

The SEBI Regulations prohibit an Insider from Trading in the securities of a company listed on any stock exchange on the basis of any unpublished price sensitive information.

Unpublished Price Sensitive Information (“UPSI”) means any information, which relates directly or indirectly, to the Company or its securities, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities of the Company.

“Generally available” information means information that is accessible to the public on a non- discriminatory basis.

UPSI includes, without limitation, information relating to the following:

- i. Financial results, financial condition, projections or forecasts of the Company;
- ii. Dividends (both interim and final);
- iii. Change in capital structure;
- iv. Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- v. Changes in the Board of Directors or Key Managerial Personnel; and
- vi. Material events in accordance with the listing agreement.

The SEBI Regulations prohibit the communication of UPSI to any person except as required under law. Further, procuring any person to Trade in the securities of any company on the basis of UPSI is also prohibited under the SEBI Regulations and the securities laws. Violations of the SEBI Regulations and the securities laws subject Insiders to severe penalties including fines and imprisonment.

### **1. Rules**

The rules shall be called ‘**Rules for Trading in the securities of PHAARMASIA LIMITED by an Insider**’ (“Rules”). These Rules shall come into force with immediate effect.

### **2. Definitions**

## 1. **Compliance Officer**

“Compliance Officer” means the Chief Compliance Officer of the Company or the Company Secretary for the purpose of administration of the insider trading policy.

## 2. **Connected Person**

“Connected Person,” includes –

- i. A Director of the Company;
- ii. A Key Managerial Personnel of the Company;
- iii. An Officer of the Company;
- iv. Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, (x) allowed access to UPSI or (y) reasonably expected to be allowed access to UPSI;
- v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, (x) allowed access to UPSI or (y) reasonably expected to be allowed access to UPSI;
- vi. An employee of the Company who has access to UPSI or is reasonably expected to have access to UPSI;
- vii. Any person who has a professional or business relationship and that relationship that, directly or indirectly, (x) allows access to UPSI or (y) is reasonably expected to allow access to UPSI;

3. **Code**” means this Code of Fair disclosure and conduct for Prevention of Insider Trading”

4. **"Designated Persons"** shall include -

- a. All Directors
- b. All Key Managerial Personnel
- c. Employees in the Grade of G-4 and above
- d. All employees in Finance and Secretarial Departments
- e. Secretaries to all Whole time Directors including Chairman & Managing Director
- f. Any other employee of the Company that may be notified by the Compliance Officer, from time to time, with the approval of Chairman and Managing Director.

5. **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis;
6. **"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;
7. "Insider" means any person who is:
  - i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
8. "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;
9. "Reporting Officer" means the Chairman and Managing Director of the Company (CMD)
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. "takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
12. "trading in securities" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities,;
13. "trading day" means a day on which the recognized stock exchanges are open for trading;

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.

### **3. PROCEDURES FOR PRESERVATION AND DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

#### **3.1 PRESERVATION OF UNPUBLISHED PRICESENSITIVE INFORMATION (UPSI):**

No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the company or its securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, 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 unless for the purpose and manner permitted in Regulations.

### **3.2 TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION:**

No Promoter, Director, Designated employee or any insider of the company (Specified Persons) shall trade in securities of the company, when in possession of unpublished price sensitive information **unless**:

(i) the transaction is an off-market *inter-se* transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach 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 unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information 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 unpublished price sensitive information 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;

### **3.3 PROHIBITION ON DEALING, COMMUNICATING OR COUNSELLING OF UPSI:**

All Specified Persons shall maintain the confidentiality of all unpublished Price Sensitive Information coming into their possession or control.

To comply with this confidentiality obligation, the Designated Persons shall not:

- (i) pass on UPSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company; or
- (ii) disclose UPSI to their family members, friends, business associates or any other individual, or
- (iii) discuss UPSI in public places, or
- (iv) disclose UPSI to any Employee who does not *need to know* the information for discharging his or her duties, or
- (v) recommend to anyone that they may undertake Dealing in Securities of the Company while being in possession, control or knowledge of UPSI, or
- (vi) be seen or perceived to be Dealing in Securities of the Company on the basis of unpublished UPSI.

### **3.3 Limited access to unpublished Price sensitive information:**

The Insiders may be liable for communicating or material, unpublished price sensitive information to a third party (“Beneficiary”) and insider trading violations are not limited to trading or tipping by insiders and persons other than insiders also can be liable for insider trading, including beneficiary who trade on material, unpublished price sensitive information tipped to them or individuals who trade on material, unpublished price sensitive information which has been misappropriated.

Beneficiary inherit an insider’s duties and are liable for trading on material, unpublished price sensitive information illegally tipped to them by an insider. Similarly, just as insiders are liable for the insider trading of their beneficiary, so are beneficiary who pass the information along to others who trade. In other words, a Beneficiary’s liability for insider trading is no different from that of an insider.

Beneficiary can obtain material, unpublished price sensitive information by receiving overt tips from others or through, among other things, conversations at social, business or other gatherings.

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

All Unpublished price sensitive information directly received by any Employee shall be immediately reported to the head of the department.

## **4. Procedure for preventing insider trading**

The following procedures have been established, and will be maintained and enforced, by the company to prevent insider trading. Specified Persons is/are required to follow these procedures.

### **4.1 Disclosures by certain persons**

#### **(1) Initial Disclosures:**

- (a) Every promoter, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange 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;
- (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.

**(2) Continual Disclosures:**

- (a) 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 as per SEBI Guidelines.
- (b) the Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

**4.2 Disclosures by other connected persons:**

The Board of Directors of the company may require any connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency in order to monitor compliance with these regulations.

**4.3 Inquiries from Third Parties:**

Inquiries from third parties, such as industry analysts or members of the media, about the Company, should be directed to the Chairman & Managing Director or Chief Financial Officer/Company Secretary or other appropriate person designated by them.

**4.4 Trading in Securities of the Company:**

- (i) No Designated Person is/are shall purchase or sell any type of security while in possession of material unpublished price sensitive information relating to the security, whether the issuer of such security is the Company, its subsidiary or any other affiliated company.
- (ii) Additionally, No Designated Person is/are shall purchase or sell any security of the Company during the closure of the Trading window.
- (iii) Employees, directors or their respective dependent family members, should not directly or indirectly participate in transactions involving trading activities, which by their aggressive or speculative nature may give rise to an appearance of impropriety. Such activities would include short sales, the purchase of put or call options or the writing of such options. Moreover, these persons shall not purchase then sell, or sell and then repurchase, the Company's securities within a month period.

**4.5 Trading Window:**

- Trading window shall refer to specified period during which the trading in securities of the Company is permitted. During the closure of Trading Window,

trading in securities of the Company is prohibited for designated employees and is restricted for other employees.

- The “Trading Window” shall be closed for any period beginning with the first day of the following month of any fiscal quarter of the Company (i.e. April, July, October and January) and ending with the public release of earnings data for the respective fiscal quarter prepared in accordance with the listing agreement with the Stock Exchanges.
- The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.
- The timing for re-opening of the trading window shall be determined by the compliance Officer 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.
- Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- 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.
- The Compliance Officer may also notify the period for any other occasion during which the trading window shall be closed.
- All designated persons of the company shall conduct all their dealings in the securities of the Company only in a valid trading window period 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.
- When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above the thresholds as stipulated in this Code.
- No designated person shall 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.
- Employees other than designated persons may deal in the securities of the Company only by way of selling and not otherwise during the closure of trading window, subject to compliance with pre-dealing procedure.

## **5. Penalty for Contravention of Code:**

- 5.1 Every Designated Person shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Dependents).
- 5.2 The Designated Persons who violate this Code shall, in addition to any other penal action that may be taken by the Company pursuant to law, also be subject to disciplinary action including wage freeze, suspension etc by the Company in accordance with the Code of conduct adopted by the Board of Directors of the company.
- 5.3 Action taken by the Company for violation of the Regulations and the Code against any Designated Person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.
- 5.4 Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a penalty of Rs.25 crores or three times the amount of profits made out of insider trading, whichever is higher.
- 5.5 Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine which may extend to Rs.25 crores or with both.
- 5.6 Without prejudice to its rights under Section 24 of the SEBI Act, under Regulation 11, SEBI can also pass any or all of the following orders to an Insider found indulging in insider trading –
- directing him / her not to deal in the Company's Securities in any particular manner.
  - prohibiting him/her from disposing of any of the Securities acquired in violation of the Regulations.
  - restraining him/her from communicating or counseling any other person to deal in Company's Securities.
  - declaring the transactions in Securities as null and void.
  - directing the person who acquired Securities in violation of the Regulations, to deliver the Securities back to the seller or alternatively pay the Seller the price as provided.
  - directing him/her to transfer specified amount to investor protection fund of a recognized Stock Exchange.

## **6. Amendments:**

The Board of Directors of the Company shall have full discretion and power to amend this Code as and when it deems necessary.