



Marksans Pharma Ltd.

CODE OF CONDUCT

TO REGULATE, MONITOR AND REPORT TRADING IN SECURITIES

OF

MARKSANS PHARMA LIMITED

1. INTRODUCTION

Trading in a Company's securities by insiders who enjoy a special status, when compared with the general investors, as regards price sensitive information, and who, as a result thereof are able to use their special status for individual benefit, is commonly referred to as Insider Trading.

The Securities and Exchange Board of India ("SEBI") has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as "Regulations") dealing, inter alia, with buying, selling or otherwise dealing in securities of companies by Insiders. These Regulations mandates every listed company to frame and implement a Code of Conduct to regulate, monitor and report trading in their securities by the directors, officers, employees and their immediate relatives and other insiders, which need to be followed, if these categories hold, purchase, sell or otherwise deal in such Company's securities.

2. OBJECTIVE AND SCOPE OF THE CODE

The Code of Conduct to regulate, monitor and report trading in securities of Marksans Pharma Limited by the insiders (hereinafter referred to as "the Code") is formulated with a view to serve as a guiding charter for all concerned persons associated with the functioning of the Company and their trading in securities.

Adherence to the Code by the insiders of Marksans Pharma Limited is mandatory. Any violation of this Code and the Regulations will attract action under Securities and Exchange Board of India (SEBI) Act and the Regulations.

3. DEFINITIONS

- a. **"Board"** means Board of Directors of the Company.
- b. **"Code"** means the Code of Conduct to regulate, monitor and report trading in securities of Marksans Pharma Limited.
- c. **"Company"** means Marksans Pharma Limited.
- d. **"Compliance Officer"** means an employee appointed by the Board for the implementation of and overseeing compliance with the Regulations and the Code across the Company. The Company has appointed the Company Secretary as the Compliance Officer for administering this Code.
- e. **"Connected Person"** means any person who is or has during the six months prior to a transaction in the securities of the Company been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication



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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 the 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. The Connected Person shall include an immediate relative of such connected person i.e. a spouse and including 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.

- f. **“Trading”** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities.

- g. **“Designated Persons”** means:
 - i. Promoters of the Company;
 - ii. Directors of the Company;
 - iii. Key Managerial Personnel of the Company;
 - iv. All Employees of the Company comprising top tier of the management upto the Manager Level;
 - iv. All Executives in the Accounts, Taxation, Treasury, Finance, Legal and Secretarial Departments of the Company and in the Corporate Office;
 - v. The respective secretaries / personal assistants / executive assistants of all the above designated persons;
 - vi. Executives of other Departments / Divisions on a case-to-case basis, who could be reasonably expected to have access to unpublished price sensitive information relating to the Company, to be decided by the Compliance Officer from time to time.

- h. **“Insider”** means any person who is
 - (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.

- i. **“Unpublished Price Sensitive Information”** means any information relating to the 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 include 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;
 - (v) change in key managerial personnel; and
 - (vi) material events in accordance with the listing agreement.



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- j. **“Securities”** means the Company’s shares for the present, and in the future, debentures, bonds, derivatives or like instruments that are traded on any Indian Stock Exchange, as applicable.
- k. **“Trading day”** means a day on which the stock exchanges are open for trading.

Words and expressions used herein and not defined in this Code but defined in the Regulations, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulations) Act, 1956 or the Companies Act, 2013, shall have the same meanings respectively assigned to them in those Acts.

4. CONFIDENTIALITY OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Insiders are required to maintain confidentiality of Unpublished Price Sensitive Information and shall adhere to the following:

- (a) Insiders shall not 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 except where such communication is in furtherance of legitimate purposes, performances of duties or discharge of legal obligations;
- (b) Insiders shall not procure from or cause the communication by any other insider of Unpublished Price Sensitive Information relating to the Company or securities listed or proposed to be listed, to any person except where such procurement is in furtherance of legitimate purposes, performances of duties or discharge of legal obligations.
- (c) Unpublished Price Sensitive Information is to be handled on a “need to know” basis i.e. the communication of Unpublished Price Sensitive Information shall be only to those insiders who will need the same for discharge of their duties.
- (d) Unpublished Price Sensitive Information shall not be communicated in a situation in which there would be an uncertainty as regards a conflict of interest or a possibility of the misuse of information.
- (e) If any Unpublished Price Sensitive Information is inadvertently received by any insider, the same shall be immediately reported, in writing, to the Compliance Officer.
- (f) Files containing Unpublished Price Sensitive Information and other confidential information shall be kept secure. Computer files must have adequate security of login, passwords, etc.

5. TRADING RESTRICTIONS

- (a) No insider shall trade in securities of the Company when in possession of Unpublished Price Sensitive Information even when the trading window is open except under a “trading plan” set up in accordance with Regulation 5 of the Regulations.

Regulation 5 of the Regulations permit an insider to formulate a “trading plan” for trading in the securities of the Company (after a period of not less than six months



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from the approval of the trading plan) and present it to the Compliance Officer for approval. Once the trading plan is approved and disclosed, a trade in the securities of the Company in accordance with that trading plan shall be executed after a period of six months. Any insider desirous of formulating a trading plan may contact the Compliance Officer for further details.

- (b) Designated Persons and their immediate relatives shall not trade in securities of the Company when the trading window is closed.
- (c) Designated Persons and their immediate relatives are allowed to trade in the securities of the Company only when the trading window is open. However, trading in securities of the Company by the Designated Persons and their immediate relatives, even when the trading window is open shall be subject to pre-clearance by the Compliance Officer if the value of the proposed trade whether in one transaction or in a series of transactions over any calendar quarter will aggregate in excess of Rs. 10 Lacs. However, no pre-clearance application shall be approved if the Designated Persons and their immediate relatives are in possession of Unpublished Price Sensitive Information even if the trading window is open.
- (d) Once a proposed trade is pre-cleared, the trade must be executed within 7 days of such pre-clearance failing which fresh pre-clearance will be required.
- (e) Once a pre-cleared trade is executed, the trader shall not execute a contra trade within six months from the date of execution of the pre-cleared trade. In case a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be remitted for credit to the Investor Protection and Education Fund administered by SEBI.

6. TRADING WINDOW

Trading Window will remain open if it is not closed under this Code. The trading window will remain closed commencing from the date on which intimation is given by the Company to the Stock Exchanges of the date on which the Board Meeting is to be held for consideration / approval of the items mentioned above in Clause 3i and will end 48 hours after the above information is made public. The period during which the trading window will remain closed, will be intimated in due course.

7. PRE-CLEARANCE OF TRADES

- (a) The designated Persons and their immediate relatives who intend to trade in the securities of the Company and if value of such trade whether in one transaction or a series of transactions over any calendar quarter will aggregate in excess of Rs.10 lacs should pre-clear the intended trades as per the pre-dealing procedure as described hereunder.



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- (b) An application for pre-clearance should be made in **Form E** of this Code to the Compliance Officer indicating the details of the intended trade.
- (c) An undertaking shall be executed in favour of the Company by the applicant incorporating, inter alia, the following clauses, as may be applicable:
- That the Designated Persons and/or their immediate relatives do not have any access to or has not received Unpublished Price Sensitive Information upto the time of signing the undertaking.
 - That in case the Designated Persons and/or their immediate relatives has access to or receives Unpublished Price Sensitive Information after signing of the undertaking but before the execution of the proposed trade he/she and/or his/her immediate relatives shall inform the Compliance Officer of the change in the position and that he/she and/or his/her immediate relatives would completely refrain from trading in the securities of the Company till the time such information becomes public.
 - That he/she and/or his/her immediate relative has not contravened the Code as notified by the Company from time to time.
 - That he/she has made a full and true disclosure in the matter.
- (d) The Compliance Officer shall scrutinize the pre-clearance application within 3 working days and convey his approval of pre-clearance along with reasons thereof. The decision of the Compliance Officer in this respect shall be final. The Compliance Officer shall retain copies of all applications and approvals.
- (e) In case of trading by the Compliance Officer, pre-clearance from the Managing Director shall be obtained.

8. DISCLOSURE OF HOLDINGS AND TRADING

A. INITIAL DISCLOSURE

- (a) Every Promoters, Directors, Key Managerial personnel and Employees of the Company shall disclose (in **Form – A**) his holdings and/or holdings of his immediate relative in the securities of the Company as on 15th May, 2015 to the Company within 30 days from the said date.
- (b) Every person on appointment as a Director, Key Managerial Personnel or Employee of the Company or becoming Promoter of the Company shall disclose (in **Form – B**) his holding and/or holding of his immediate relative in the securities of the Company as on the date of such appointment or becoming promoter to the Company within seven days of such appointment or becoming a promoter.

B. ANNUAL DISCLOSURE

- (a) Every Promoters, Directors, Key Managerial Personnel and Employees of the Company shall disclose (in **Form – A**) his holdings and/or holdings of his



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immediate relative in the securities of the Company as on 31st March every year to the Company within 30 days from the said date.

C. CONTINUAL DISCLOSURE

- (a) Every Promoters, Directors, Key Managerial personnel and Employees of the Company shall disclose (in **Form – C**) to the Company the number of such securities acquired or disposed of within two trading days of such trading if the value of the securities traded, whether in one transaction or in a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 Lac.
- (b) The disclosure received under Clause C(a) above shall be intimated by the Company (in **Form – C**) to the Stock Exchanges within two trading days of receipt of the disclosure or from becoming aware of such information.

D. DISCLOSURE BY OTHER CONNECTED PERSONS

- (a) Every connected person other than the persons under sub-clauses A, B and C above, shall disclose (in **Form – D**) his holdings and/or holdings of his immediate relative in the securities of the Company as on 31st March every year to the Company within 30 days from the said date.

9. DUTIES OF THE COMPLIANCE OFFICER

The Compliance Officer shall be responsible for setting forth policies, procedures and monitoring adherence to this Code and compliance of the Regulations, under the overall supervision of the Board. The Compliance Officer shall submit a report in this regard to the Board of Directors and the Audit Committee of the Company on quarterly basis. Without prejudice to the above, the Compliance Officer shall be responsible for the following:

- (a) Pre-clear the trades of the Designated Persons and their immediate relatives in accordance with this Code.
- (b) Monitor the trades of the Designated Persons, Employees and their immediate relatives.
- (c) Clarify the Regulations and the Company's Code when asked for.
- (d) Maintain records of all Promoters, Directors, Key Managerial Personnel and Employees and their immediate relatives and any changes therein.
- (e) Waiver of the requirement of the holding period, in case of personal emergency, after recording the reasons in this regard.
- (f) Maintain records of all the disclosures made under this Code for a minimum period of 5 years.

10. PENALTY FOR CONTRAVENTION OF THE CODE

In case of any contravention of this Code by the Designated Persons and Employees and their immediate relatives in any manner, the Compliance Officer shall report the same to the Board of Directors for initiating sanctions and disciplinary actions which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc. and shall also inform SEBI of the same.

11. This Code shall be applicable with immediate effect.



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