

**Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) under Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

**Procedure revised and approved by Board in their Meeting held on 11<sup>th</sup> February 2019**

**Applicable (w.e.f. from April 01, 2019)**

**I. PREAMBLE**

Sub-regulation of Regulation (8) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "Regulations") requires a listed company to formulate and publish on its official website a Code of Practices and Procedure for fair disclosure of Unpublished Price Sensitive Information (hereinafter referred as "Code") in adherence to the principles set out in Schedule A to the said Regulations.

**II. OBJECTIVE OF THE CODE**

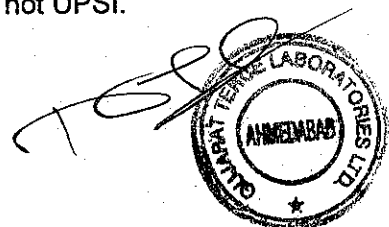
The Code is required for Gujarat Terce Laboratories Limited, ("the Company") to prevent the misuse and ensure timely and adequate disclosure of Unpublished Price Sensitive Information ('UPSI') and to maintain the uniformity, transparency and fairness in dealing with the stakeholders.

**III. GUIDELINES /PRINCIPLES FOR FAIR DISCLOSURE**

The Company, Board, officers, employees and connected persons as defined shall adhere to the following guidelines as framed as under, involving the compliance of Regulations with respect to principles of fair disclosure of unpublished price sensitive information in letter and spirit:

**The Company shall ensure:**

1. prompt public disclosure of Unpublished Price Sensitive Information (UPSI) to stock exchanges and on the website of the Company, that would impact price discovery, as soon as it has credible and concrete information, in order to make such information 'generally available', i.e. to make the information accessible to the public on a non-discriminatory basis. Such disclosure would subject to receipt of internal approvals and made through authorised personnel of the Company, in accordance with applicable corporate and securities laws.
2. Uniform and universal dissemination of UPSI to avoid selective disclosure.
3. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise.
4. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
5. Information shared with analysts and research personnel is not UPSI.



6. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
7. Handling of all UPSI on a need-to-know basis.
8. The Compliance Officer of the Company shall act as the Chief Investor Relations Officer (CIRO) for the purpose of dealing with dissemination of information and disclosure of UPSI as contained herein.
9. The (CIRO) is authorized to respond to any queries that may be received from stock exchanges, press, electronic/ social media or investors, for verification of any market rumours relating to the Company and/ or any of its subsidiaries, subject to internal clearances.

The Code was duly approved by the Board of Directors of the Company and Code shall come into force from 30<sup>th</sup> May, 2015.

**IV. POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES" [Pursuant to Reg.3 (2A) of SEBI (Prohibition of Insider Trading) Regulations, 2015] w.e.f. 01<sup>st</sup> April, 2019**

**PREAMBLE**

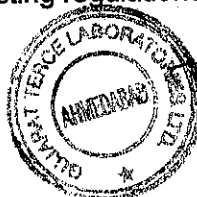
**"Legitimate purpose"**

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 professional or other advisors or consultants, which sharing carried out to evade or circumvent the prohibitions of these regulations.

**"Unpublished price sensitive information" - UPSI**

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 include but not restricted to, information relating the following:

- Financial results;
- Dividends;
- Change in capital structure;
- Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- Changes in key managerial personnel
- Material events in accordance with the listing regulations.



## V. COMMUNICATION OR PROCUREMENT OF UPSI

- ✓ Notice shall be given to all such persons to maintain confidentiality of such UPSI;
- ✓ UPSI may be communicated, where the board of directors is of opinion that sharing of such information is in the best interest of the company, in connection with a transaction that would entail an obligation to make an open offer under the takeover regulation;
- ✓ The board of directors and parties execute agreement to contract confidentiality shall not trade in securities of the company when in possession of UPSI;
- ✓ Board of directors shall ensure structured digital data base is maintained with time stamping along with Permanent Account number or any other identification of authorized by law where PAN is not available;

## VI. AMENDMENT TO THE CODE

This revised code has been reviewed and approved by the Board of Directors of the Company at its meeting held on 11<sup>th</sup> February, 2019. The Board may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure in whole or in part. This Code and any subsequent amendment(s) thereto, shall be promptly intimated to the stock exchange where the securities of the Company are listed.

- VII. The code shall be applicable and binding on all Directors, connected persons and Designated Person (as defined in the Code of Conduct to Regulate, Monitor and Report Trading by Insiders) of the Company.

### "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 per cent of the holding or interest;

**“Designated Persons” shall mean:**

- (a) All the Directors of the Company and Company Secretary and Promoters.
- (b) Vice Presidents, General Managers who are functional heads and State heads
- (c) All the Accounts and Finance Personnel of the Company at Head Office as well as the Finance/Commercial Heads of all the Units/ Branches
- (d) Statutory Auditors / internal auditors
- (e) Any other employees and their dependents, as may be identified by the Committee who are privy to any price sensitive information.

For, Gujarat Terce Laboratories Ltd.



Director