

**BIOFIL CHEMICALS AND  
PHARMACEUTICALS  
LIMITED-**

**CODE OF FAIR DISCLOSURE  
AND CODE OF CONDUCT  
FOR PREVENTION OF  
INSIDER TRADING, 2015**

**(Effective From: 15<sup>th</sup> May 2015)**

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(As approved by the Board of Directors in their meeting held on 30<sup>th</sup> March, 2015)

## PREAMBLE

The Company is always endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. Connected Person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of their work at the Company. No connected person may use their position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. To achieve these objectives, Biofil Chemicals and Pharmaceuticals Limited (BCPL) hereby notifies this New "Code of Fair Disclosure & Practices" and 'Code of Conduct' pursuant to newly enacted Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; which is required to be followed by all the Connected Persons of the Company.

After enactment of this new code, the "Biofil Chemicals and Pharmaceuticals Limited-Code of Conduct for Prevention of Insider Trading" hereby repealed.

## Short title and commencement

This Code shall be called the Code of Fair Disclosure and Code of Conduct for prevention of Insider Trading, 2015 (hereinafter may be referred as „the code“).

The Code will come into effect from 15<sup>th</sup> May 2015 .

## DEFINITION

In the Code, unless the context otherwise requires, the following words, expressions and derivations there from shall have the meanings assigned to them as under:-

- (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 (herein may be referred as SEBI)
  - (c) "**The Company**" means Biofil Chemicals and Pharmaceuticals Limited (BCPL).
  - (d) "**Code**" means this "Biofil Chemicals and Pharmaceuticals Limited - Code of Fair disclosure and Code of Conduct for Prevention of Insider Trading, 2015", as modified from time to time.
  - (e) "**Compliance officer**" means Company Secretary of BCPL or any such officer of the Company as may be designated as a compliance officer of the Company by board of directors from time to time.
  - (f) "**Connected person**" includes-
    - (i) any person who is or has, during the six months prior to the concerned act, been associated with BCPL , 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/permanent, that allows such person, directly/indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
    - (ii) an immediate relative of connected persons specified in clause (i);
    - (iii) An investment Company, trustee Company, asset management company or an employee or directors thereof; or
    - (iv) An official of a Stock Exchange or of clearing house or corporation; or
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- (v) 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
  - (vi) 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
  - (vii) a banker of the company
  - (viii) 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
- (g) **"Designated Person"** shall include a person occupying any of the following position in the Company:
- (i) All directors including executive, non executive and Independent
  - (ii) Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Internal Auditor (CIA), Chief Operating Officer (COO) and Company Secretary or any such equivalent position.
  - (iii) Such other employees as may be designated by the Compliance Officer in consultation with the Managing Director or Chief Executive Officer of the Company considering the objectives of the Code from time to time
- (h) **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis;
- (i) **"Immediate relative"** means a spouse of a connected 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;
- (j) **"Insider"** means any person who is:
- i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
- (k) **"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;
- (l) **"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;
- (m) **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (n) **"Trading day"** means a day on which the recognized stock exchanges are open for trading;
- (o) **"Unpublished price sensitive information"** means any information, relating to BCPL or its securities, directly or indirectly, that is not generally available and 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, delisting, disposals and expansion of business and such other transactions;
  - (v) changes in key managerial personnel; and
  - (vi) material events in accordance with the SEBI Listing Regulations, 2015.

(p) "**Regulations**" means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. (herein referred as „the regulations“)

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Words and expressions used and not defined here or in the regulations but defined in 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 there under shall have the meanings respectively assigned to them in those legislations.

## **RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

### **Prohibition on communication or procurement of unpublished price sensitive information**

Except as provided in the code or the regulations, no insider shall communicate, provide, or allow access to any unpublished price sensitive information relating to 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 Company except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

### **Trading when in possession of unpublished price sensitive information**

4.1 Except as provided in the code or the regulations, no insider shall trade in securities of Company when in possession of unpublished price sensitive information.

### **Trading Plans**

(a) An insider, if so desires, may formulate a trading plan for trading in the securities of the Company 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.

(b) Compliance Officer shall make public disclosure of such trading plan.

The trading plan shall:-

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;(Trading can be done only after 6 months after the public disclosure of plan.
- (ii) 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 Company and the second trading day after the disclosure of such financial results; (Insider can trade only 20 trading days prior to the last day of any financial period for which results are required to be announced by the Company and after 2 days of announcement of financial results of each Quarter.)
- (iii) entail trading for a period of not less than twelve months; (It is not desirable to have frequent announcements of trading plans. Insider presenting trading plan on 1<sup>st</sup> of January can start trading from 1<sup>st</sup> July till 30<sup>th</sup> June of the next year. However, it would be required to submit a trading plan on 1<sup>st</sup> January of every year for trading in future.)
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) 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
- (vi) not entail trading in securities for market abuse.

The trading plan once approved by the compliance officer 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.

*Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation. In such event, the compliance officer shall confirm that the commencement ought to be deferred*

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*until such unpublished price sensitive information becomes generally available information so as to avoid a violation of the code and the regulations.*

After approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges (BSE & NSE) on which the securities of the Company are listed.

#### **DISCLOSURES OF TRADING BY INSIDERS**

Every public disclosure under the code shall be made in **Form-D** annexed hereto.

The disclosures to be made by any person shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

The disclosures of trading in securities shall also include trading in derivatives of securities, if any, and the traded value of the derivatives shall be taken into account for purposes of threshold value of the permissible limit of the trade.

The disclosures shall be maintained by Company for a minimum period of five years and a register shall be maintained giving brief of the disclosures which will be duly initialed by the Compliance Officer.

#### **DISCLOSURES BY CERTAIN PERSONS**

##### **Initial Disclosures.**

- (a) Every promoter, key managerial personnel and director of the Company shall disclose his holding of securities of the company, to the company within **30 days** after the code come into force in **Form A** annexed hereto.
- (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 **7 days** of such appointment or becoming a promoter in **Form B** annexed hereto.

##### **Continual Disclosures.**

- (A) Every promoter, employee and director of the 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. Disclosure regarding the same shall be submitted as **Form-C** annexed hereto.
- (B) The Compliance Officer shall notify the particulars of such trading to the stock exchange (NSE & BSE) within two trading days of receipt of the disclosure or from becoming aware of such information.

##### **Disclosures by other connected persons**

The Company may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in **Form-D** on quarterly basis in order to monitor compliance with these regulations

### **CODE OF FAIR DISCLOSURE & CONDUCT**

This document forms the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (“Code”) adopted by **BIOFIL CHEMICALS AND PHARMACEUTICALS LIMITED** (BCPL). This Code is consistent with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Principles of Fair Disclosure adopted by BCPL are as follows:

1. To promptly make public disclosure of unpublished price sensitive information that would impact price discovery. Such disclosures are made no sooner than credible and concrete information comes into being in order to make such information generally available.
2. To make disclosures of unpublished price sensitive information, as and when made, in a universal and uniform manner through forums like widely circulated media and / or through stock exchanges where its equity shares are listed. Selective disclosure of unpublished price sensitive information is to be avoided.
3. BCPL Chief Financial Officer serves as its Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. To promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise if at all, to make such information generally available.
5. To provide appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
6. To ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. To publish proceedings of meetings with analysts and of other investor relations conferences on its official website [www.biofilgroup.net](http://www.biofilgroup.net) to ensure official confirmation and documentation of disclosures made therein.
8. To handle all unpublished price sensitive information on a need-to-know basis only.



**Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders**

- (1) The C F O shall report to the Board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, on quarterly basis. The Board shall be informed regarding compliances of the code on quarterly basis. (Mention name of the Form)
- (2) Connected Person will not communicate unpublished price sensitive information to any person except in furtherance of the insider"s legitimate purposes, performance of duties or discharge of his legal obligations.
- (3) The company will follow Chinese Wall Policy to prevent the misuse of confidential information,. A "Chinese Wall" policy separates people into two groups, one, the Insiders (referred as the "Designated Persons") possessing the unpublished price sensitive information and second, the Outsiders (i.e. the Public or a person below designated person). As per "Chinese Wall" policy, the designated person (termed as person of Insider Area) is not allowed to communicate the unpublished price sensitive information to other person in organization (termed as person of Public Area). In order to comply with the policy, the Compliance Officer shall take declaration in the form of an Undertaking from the designated person on quarterly basis, to ensure that, they have not communicated any price sensitive information to any outsider. There will be a wall between all the departments of the company in sharing the price sensitive information.
- (4) If a designated person, having possession of the price sensitive information, intends to communicate the same in order to fulfill his legal obligations, then, he must ensure that any provisions of the applicable acts/laws/regulations or guidelines of the Government are not violated and the information is not used for trading purpose in securities of the Company. He shall make a disclosure in this regard to the compliance officer.
- (5) As presently the Company is having only one kind of security (i.e. equity shares), the trading in the shares shall be covered under the code. The compliance officer is entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information before approving any trade.

**TRADING WINDOW**

- (1) Designated persons may execute trades subject to compliance with the code and the regulations. The company shall maintain a register giving details of trades. The register shall be termed as the notional trading window for the purpose of monitoring trading by designated persons.
- (2) The trading window shall generally be closed after declaration of meeting of Board for consideration of financial results upto a period of 48 hours when financial results are made public. Compliance officer may also determine other dates for closing window. And intimate about the closing of trading window to all the Designated employee of the Company and to the Stock Exchange where the securities of the Company are listed.
- (3) Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- (4) The trading window shall reopened after expiry of 48 hours when financial results are made public or any other such time as may be determined by 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, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

- (5) 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.
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- (6) When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above Rupees one lakh. 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 open.
- (7) Trades that have been pre-cleared have to be executed by the designated person within 7 days of Pre-clearance, failing which fresh pre-clearance would be needed for the trades to be executed.
- (8) A designated person who is permitted to trade shall not execute a contra trade within 6 months. However, compliance officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the regulations.
- (9) If a contra trade is 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.
- (10) For making applications for pre-clearance trades executed reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.
- (11) In case it is observed that there has been a violation of the code/ regulations, the Board shall be informed promptly.

#### **Violation of provisions**

- (i) Every Insider 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).
- (ii) The Insider who violates 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 the termination of employment.
- (iii) Action taken by the Company for violation of the Regulations and the Code against any Specified Person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/ rules/ regulations.

This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the stock exchange where the securities of the Company are listed.

This code is subject to review from time to time.

Place: Indore

Ramesh S Shah  
Chairman