



# **SONI MEDICARE LIMITED**

## **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS**

### **1. Introduction**

The Code of Conduct to regulate, monitor and report trading in Securities of the Company was initially formulated by the Company in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“Regulations”).

Pursuant to the amendments in the Regulations from time to time, this revised Code of Conduct to regulate, monitor and report trading in Securities of the Company (hereinafter referred to as “Code”) has been formulated by the Board of Directors of the Company to regulate, monitor and report trading in Securities of the Company by Designated Persons and their Immediate Relatives, effective from April 1, 2019.

### **2. Definitions**

- i) **‘Chinese Walls’** means policies and procedures and physical arrangements designed to manage and safeguard UPSI (defined hereinafter) and prevent inadvertent transmission or communication thereof
- ii) **‘Company’** means **‘Soni Medicare Limited’**
- iii) **‘Compliance Officer’** means **the Company Secretary and in his absence any other senior officer of the Company appointed by the Board of Directors from time to time for the purpose of this Code in pursuance of the Regulations;**
- iv) **‘Designated Persons’** means and includes:
  - All promoters, Directors and Key Managerial Personnel
  - Employees of the Company comprising the top 2 tiers of the Company’s management below the board level.
  - All the employees not covered above, who are working at the Assistant manager level or above in the following departments of the Company
    - i) Finance & Accounts Department and
    - ii) Legal and Secretarial Department and
    - iii) Any other persons, including support staff of the Company belonging to any other departments as may be decided by the Managing Director of the Company in consultation with the Compliance Officer of the Company, from time to time.
- **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis;
- **“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.

- **'Key Managerial Personnel'** shall mean the person holding any of the positions of Managing Director, Chief Financial Officer and Company Secretary of the Company and any other officer designated as key managerial personnel by the Board of Directors as per the provisions of Section 2(51) of the Companies Act, 2013.
- **'Material Financial Relationship'** means a relationship in which one person is a recipient of any kind of payment, such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person, but excludes relationships in which the payment is based on arm's length transactions.
- **'Promoter'** shall have the meaning assigned to it under the Regulations.
- **'Regulations'** shall have the meaning ascribed to such term in Article 1 hereof, which term shall include all amendments therein and replacements thereof;
- **'SEBI'** means Securities and Exchange Board of India
- **'SEBI ACT'** Means Securities and Exchange Board of India Act, 1992
- **'Securities'** shall have the meaning ascribed to such term in the Regulations
- **'Stock Exchanges'** means recognized stock exchange(s) on which the Securities of the Company are listed.
- **'Takeover Code'** means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
- **'Threshold Limit'** means the limit for trading in securities of the Company in any calendar quarter valuing Rs. 10 lakhs or such amount as amended from time to time.
- **'Trading'** means and includes subscribing, buying, selling, dealing, pledging or agreeing to subscribe, buy, sell or deal in or pledge any Securities of the Company, and "Trade" shall be construed accordingly
- **'Trading day'** means a day on which the Stock Exchange(s) are open for trading
- **'Trading Window'** means the period during which Trading in Company's Securities can be carried out; and
- **'Unpublished Price Sensitive Information' or 'UPSI'** 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 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

### **3. Responsibilities and Duties of Compliance Officer**

- a) The Compliance Officer shall be responsible under the overall supervision of the Board of Directors of the Company, for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of Trades as per the Code and implementation of the Code, maintaining records of the designated persons and their immediate relatives and any changes made in the list of Designated Persons and their Immediate Relatives and providing guidance and clarifications sought by Designated Persons regarding the Regulations and the Code.
- b) The Compliance Officer shall report to the Board of Directors and shall provide reports to the Chairperson of the Audit Committee on a quarterly basis in respect of Trading in the Securities of the Company by the Designated Persons and their Immediate Relatives, the trading plans and pre-clearance applications approved and rejected by the Compliance Officer.
- c) The Compliance Officer shall discharge other functions and duties as prescribed in the Code and the Regulations.

### **4. General Restrictions**

- a) No Designated Person (including his/her Immediate Relatives) should trade in the Securities of the Company at any time while in possession of, or having access to, any Unpublished Price Sensitive Information. (UPSI).
- b) Designated Persons are obliged to treat UPSI with due care and they have a duty to safeguard UPSI irrespective of the source of receipt of UPSI. Designated Persons shall use UPSI for the specified purpose(s) only and it must not be used for any personal gain. No Designated Person shall communicate, provide, or allow access, or procure or cause communication of any Unpublished Price Sensitive Information, relating to the Company or its Securities, to any person, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

#### **Determination of Legitimate Purpose**

The term "legitimate purpose" includes sharing of UPSI in the ordinary course of business with Company's collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals or other advisors, service providers or consultants; provided that such sharing of UPSI has not been carried out to evade or circumvent the prohibitions of the regulations.

Whether sharing of UPSI for a particular instance tantamount to 'legitimate purpose' would entirely depend on the specific facts and circumstances of each case. Primarily, the following factors should be considered while sharing the UPSI:



- whether sharing of such UPSI is in the ordinary course of business of the Company;
- whether sharing of such UPSI is in the interests of the Company or in furtherance of a genuine commercial purpose; and
- whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient.

Any person who is in receipt of UPSI pursuant to a “legitimate purpose” shall be considered as an Insider for the purpose of these Regulations and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with the Regulations.

## **5. Preservation of UPSI and Chinese Wall Procedures**

- a) UPSI should be maintained within the Chinese Walls at all times. In the event any person (who is not a Designated Person) is required to be wall – crossed, i.e., brought over the Chinese Wall in order to obtain access to the UPSI for a specific purpose, prior approval of the Managing Director must be sought. The Managing Director shall consider whether such person being wall – crossed, is being provided UPSI on a need – to – know basis. Further, information shared with such wall – crosser should be limited to the specific transaction or purpose for which their assistance is required.
- b) All persons who have wall – crossed should be notified that he would be considered to be a Designated Person under this Code and consequently, required to comply with all applicable provisions of the Code and Regulations, till such information remains UPSI.
- c) UPSI is to be handled on a “need to know” basis. It should be disclosed only to those who need the information to discharge their duties and possession of UPSI by them will not give rise to a conflict of interest or misuse of UPSI.
- d) Files containing UPSI shall be kept secured with restricted access and computer files containing UPSI should be protected with the help of login, passwords, etc
- e) In case of any transaction(s) involving UPSI, the Managing Director shall identify the Designated Person(s) who shall have access to any insider information relating to such sensitive transaction(s). While dealing with such insider information, the Designated Persons shall, to the extent applicable, adhere to the provisions of this Clause 5.

## **6. Prevention of Misuse of UPSI**

All Designated Persons and their Immediate Relatives shall be subject to trading restrictions as stated below:

### **a) Closure of Trading Window**

The Designated Persons and their Immediate Relatives shall trade in the Securities of the Company only when the Trading Window is open; provided that the Trading Window norms shall not be applicable for trades carried out in accordance with a trading plan approved under clause 9 hereof

### **b) Prohibition on Trading in Securities of the Company**

Designated Persons and their Immediate Relatives shall not Trade in the Securities of the Company: (i) during the Prohibited Period (as defined below) or (ii) at any time (even when



the Trading Window is open) if in possession of UPSI.

c) "Prohibited Period" means:

(i) A period from the end of every financial year till 48 hours after declaration of unaudited/audited annual financial results;

(ii) A period from the end of every quarter till 48 hours after declaration of unaudited/audited quarterly financial results; and

(iii) Any period when the Compliance Officer otherwise has reasons to believe that Designated Persons can reasonably be expected to have possession of UPSI; Provided that where such UPSI is proposed to be considered at a meeting of the Board of Directors of the Company, such period shall, as far as practicable, commence at least 7 days before such meeting of the Board of Directors. The Compliance Officer shall determine the timing for re-opening the Trading Window taking into account various factors including UPSI in question becoming Generally Available Information and being capable of assimilation by the market, which in any event shall not be earlier than 48 hours after the information becomes Generally Available Information.

d) The intimation about the Prohibited Period shall be given by the Compliance Officer, wherever required, through e-mail, circular and/or posting on the website of the Company.

## **7. Pre-clearance of Trades**

All Designated Persons including their Immediate Relatives intending to Trade in the Securities of the Company up to the Threshold Limit fixed as aforesaid may do so without any clearance from the Compliance Officer.

While calculating the Threshold Limit, the cumulative value of the Securities of the Company Traded, whether in one transaction or series of transactions, during a calendar quarter by the Designated Person and his /her Immediate Relatives shall be taken into account.

Where the Trading Window of the Company is open, the Designated Persons including their Immediate Relatives intending to Trade in the Securities of the Company in excess of the Threshold Limit, shall pre-clear the transactions; provided that the pre-clearance of Trade is not required for a Trade executed as per a trading plan which has been approved under clause 9 hereof

The procedure for pre-clearance of Trades is stated hereunder:

a) The Designated Person should make an application in the prescribed form, as per Annexure - A, to the Compliance Officer indicating the estimated number and value of Securities of the Company that such Designated Person (or his / her Immediate Relative) intends to Trade in and such other details as may be required in this behalf. The application is to be filed along with statement of holding in Securities of the Company at the time of pre-clearance.

b) The Designated Person shall execute an undertaking in favour of the Company incorporating therein inter-alia, the following clauses, as may be applicable.



- (i) that such Designated Person (including his/ her Immediate Relatives) does not have any access to or has not received and is not in possession of any Unpublished Price Sensitive Information upto the time of signing the undertaking;
  - (ii) that in case such Designated Person (including his/ her Immediate Relatives) has access to or receives Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction such Designated Person shall inform the Compliance Officer of the change in the position and that such Designated Person (including his/ her Immediate Relatives) would completely refrain from Trading in the Securities of the Company till the time such information becomes Generally Available Information;
  - (iii) that the Designated Person (including his / her Immediate Relatives) has not contravened the Code; and
  - (iv) that the Designated Person has made a full and true disclosure in the matter.
- (c) Prior to approving any Trades, the Compliance Officer shall have regard to whether the declaration given by the Designated Person, to the effect that he / she is not in possession of any Unpublished Price Sensitive Information, is reasonably capable of being rendered inaccurate.
  - (d) The Designated Persons and their Immediate Relatives shall execute their transactions in respect of Securities of the Company within 7 Trading Days from the date of pre-clearance after which pre-clearance will lapse. Thereafter, a fresh pre-clearance will be needed for the Trades to be executed.
  - e) Where a Trade is not executed after obtaining pre-clearance from the Compliance Officer
  - f) In case the Compliance Officer or his/her Immediate Relatives intend to Trade in the Securities of the Company in excess of the Threshold Limit, he/she shall obtain pre-clearance for the same from the Managing Director of the Company, as per the pre-clearance procedure under this Code.
  - g) Such pre-clearance shall not in any way be deemed to be in confirmation of compliance with the Takeover code, if applicable. The person seeking pre-clearance shall be solely responsible for compliance with the provisions of the Takeover Code, if applicable.

## **8) Trading plans**

- a) A designated person who may be perpetually in possession of UPSI and his/her immediate relatives shall have an option 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 their behalf in the Securities of the Company.
- b) Such trading plan shall:
  - I) Not entail commencement of Trading in securities of the Company on behalf of the



Designated person and/or his/her immediate relatives earlier than 6 months from the public disclosure of the trading plan;

- II) Not entail Trading in Securities of the Company for the period between the 01<sup>st</sup> Trading Day prior after the end of any financial period for which results are required to be announced by the Company and the 2<sup>nd</sup> Trading Day after the disclosure of such financial results;
  - III) Entail trading in securities of the Company for a minimum period of 12 months.
  - 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 in Securities of the Company or the number of securities of the Company to be traded along with the nature of the trade and the intervals at or dates on which such trades in the Securities of the Company shall be effected; and
  - VI) Not entail trading in securities of the Company for market abuse.
- c) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the code or the regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor implementation of the trading plan.
  - d) Upon approval of a trading plan, the Compliance Officer shall notify the trading plan to the Stock Exchanges.
  - e) The trading plan once approved shall be irrevocable and the Designated Person (including his/ her Immediate Relatives) shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any Trade in the Securities of the Company outside the scope of the trading plan;

Provided that the implementation of the trading plan shall not be commenced if any UPSI in possession of the Designated Person and/or Immediate Relatives at the time of formulation of the plan has not become Generally Available Information at the time of commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes Generally Available Information, in compliance with the Regulations.

## **9) Disclosures and Reporting Requirements**

The disclosures required to be made by a person under this provision shall include details of Trades by such person's Immediate Relatives, wherever applicable.

### **I) Initial Disclosure**

The Designated Persons shall make following disclosures to the Compliance Officer:

- a) Within 30 days from the date on which the Regulations come into force, the details of Securities of the Company held by them and their Immediate Relatives.
- b) Within 21 days from the date on which the Code come into force, one time disclosure about Educational Qualification, Past Employers, etc., wherever applicable.



- c) Within 7 days of his / her appointment as or becoming a Designated Person:
  - the details of Securities of the Company held by them and their Immediate Relatives.
  - One time disclosure about Educational Qualification, Past Employers, etc., wherever applicable.
  - The Designated Persons shall provide a one – time declaration containing the details of the names of educational institutions from which the Designated Persons have graduated and names of their past employers, if applicable.

## **II) Continual Disclosure**

- a) Every Designated Person shall disclose to the Compliance Officer, the number of Securities of the Company acquired or disposed of, within 2 Trading Days of such transaction, if the aggregate value of Securities of the Company Traded, whether in one transaction or a series of transactions over any calendar quarter, exceeds Rs. 10 lakhs or such other value as may be specified by SEBI in this regard.
- b) The Designated persons shall forward to the Compliance Officer
  - (i) Quarterly statement of transactions in Securities of the Company within a period of 15 days from the end of a calendar quarter. If there is no transaction in a particular quarter, the “Nil” statement is not required to be submitted.
  - (ii) An Annual statement of holdings in the Securities of the Company within 30 days of the close of financial year.
  - (iii) The details of Immediate Relatives and persons with whom such Designated Person shares a Material Financial Relationship, within 30 days of close of every financial year and within 15 days of any change in such information as submitted to the Company.

## **10) Penalties/Punishments**

- a) Any designated person who trades in securities of the Company or communicates any UPSI in contravention of this code will be penalised and appropriate action will be taken against such Designated Person by the Company after giving reasonable opportunity of being heard in the matter. Such Designated Person shall also be subject to disciplinary action by the Company including wage freeze, suspension, recovery, in-eligibility for future participation in ESOPs etc.
- b) In case any violation of Regulations is observed, the Compliance Officer shall promptly inform the same to SEBI
- c) In addition to the aforesaid penalties/punishments, the persons violating the Regulations will also be subject to any other action by SEBI as per the SEBI Act.

## **11) Miscellaneous**

- a) The gap between clearance of financial results by the Audit Committee and Board of Directors meeting for approval of such financial results should be as narrow as possible and preferably on the same day to avoid leakage of UPSI.
- b) The Board of Directors of the Company shall have power to modify or replace this code in



part or full as may be thought fit from time to time in its absolute discretion.

- c) The decision of the Board of Directors with regard to all matters relating to this code will be final and binding on all concerned.
- d) In case any provisions of this Code are contrary to or inconsistent with the provisions under the Regulations, the provisions of Regulations shall prevail.