



**NEULAND  
CODE OF INTERNAL PROCEDURES AND CONDUCT  
FOR  
REGULATING, MONITORING AND REPORTING  
OF  
TRADING BY INSIDERS  
&  
CODE OF FAIR DISCLOSURES**

Neuland Laboratories Limited,  
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Hyderabad - 500034

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## CHAPTER I - INTRODUCTION

### 1.0 PREAMBLE

This Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders (“Insider Trading Policy / Code”) is aimed at providing guidelines to the employees, directors and officers of Neuland Laboratories Limited (the “Company”), its holding company and subsidiaries as defined hereinafter with respect to transactions in the Company’s securities and the handling of confidential information about the Company and the companies with which it does business. The Insider Trading Policy shall also apply to the other parties including Connected Persons as specified in this Code. This Code is in addition to any other code of conduct and /or rules and regulations of service existing or those which may be brought into effect in future as may be applicable to the Directors and designated employees.

For purposes of this Code, the Company’s securities include equity shares, options to purchase equity shares, debt and other instruments that may be issued from time to time, such as preference shares, warrants, debt and convertible debentures. The Company’s securities also include derivative securities relating to the Company’s shares, even if not issued by the Company, such as exchange-traded options.

This Code has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India (“SEBI”), for prevention of insider trading in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“The Regulations”). This Code supersedes the earlier Insider Trading Policy of the Company and shall be effective from May 15, 2015.

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 issued on January 15, 2015, the Board of Directors of the Company in its meeting held on May 8, 2015 approved the “Neuland Code of Internal Procedures and Conduct for Regulating and Reporting of Trading by Insiders”.

### 2.0 OBJECTIVE

The objective of this Code is to serve as a guiding charter for all concerned persons associated with the functioning of the company and their dealings in its securities. Further, the Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the company to enable them to take informed investment decisions with regard to the company’s securities.

### 3.0 DEFINITIONS

- 3.1 “Act” means the Securities and Exchange Board of India Act, 1992 or any amendments thereof from time to time.
- 3.2 “Board” means the Board of Directors of the Company and includes a Committee thereof.
- 3.3 “Code” or “Code of Conduct” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Neuland Laboratories Limited as amended from time to time.

- 3.4 “Company” means Neuland Laboratories Limited.
- 3.5 “Compliance Officer” means any senior officer, designated so and reporting to the Board of Directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of the listed company or the head of an organization as the case may be.
- 3.6 “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 recognized 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.
- 3.7 “Dealing in Securities” means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- 3.8 Designated Employee(s) shall include :

- i. Directors of the Company and its Material Subsidiaries as defined under clause 49 of the listing agreement.
- ii. Key Managerial Personal of the Company and its Material Subsidiaries, if any
- iii. Senior Management including Functional Heads, such as Head Sales & Marketing, Head IT; Head HR; Head Production; Head Supply Chain Management of the Company and its Material Subsidiaries, if any
- iv. Every employee in Corporate Finance & Accounts, Secretarial and Legal Departments; and
- v. Any other employee as may be determined by the Compliance Officer considering the objectives of the Code

3.9 "Director" means a member of the Board of Directors of the Company.

3.10 "Employee" means every employee of the Company including the Directors in the employment of the Company.

3.11 "Generally available Information" means information that is accessible to the public on a non-discriminatory basis.

3.12 "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

3.13 "Insider" means any person who,  

- i. a connected person; or
- ii. in possession of or having access to unpublished price sensitive information.

3.14 "Key Managerial Person" means person as defined in Section 2(51) of the Companies Act, 2013

3.15 "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:

3.16 "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;

3.17 "Specified Persons" means the Directors, connected persons, the insiders, the Designated Employees and the promoters and immediate relatives are collectively referred to as Specified Persons.

3.18 "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

3.19 "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly

3.20 "Trading Day" means a day on which the recognized stock exchanges are open for trading;

3.21 “Trading Window” means a trading period for trading in the Company's Securities as specified by the Company from time to time. All days shall be the Trading days except those days specified in Clause 10 hereunder.

3.22 “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 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;
- v. changes in key managerial personnel; and
- vi. material events in accordance with the listing agreement

*Explanation: Speculative Reports in print or electronic media shall not be considered as Published Information.*

3.23 “Regulations” shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

Words and expressions used and not defined 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 thereunder shall have the meanings respectively assigned to them in those legislation.

#### **4.0 DESIGNATED PERSONS shall include**

- i) Designated Employees and their immediate relatives
- ii) Connected Person
- iii) Advisers, Auditors, Tax and Management Consultants, Whole-time Legal Advisors etc. who is connected in any of such capacities with the Company at any time during the six months prior to the concerned act.

#### **5.0 COMPLIANCE OFFICER**

5.1 The Company Secretary is designated as the Compliance Officer.

5.2 Duties of Compliance Officer:

The Compliance office is responsible to administer the code and monitor compliance with the regulations under the overall supervision of the Board, his duties inter alia include:

- i. Ensuring compliance of policies and procedures
- ii. Maintenance of records required under the Regulations

- iii. Monitoring adherence to the rules for preservation of Unpublished Price Sensitive Information
- iv. Specify the period during which the trading window shall remain closed
- v. Granting pre-clearances for trades by designated persons
- vi. Reporting to the Board and providing reports to the Chairman of the Audit Committee
- vii. Notify the Stock Exchanges of the disclosures received and other matters as required under the regulations.
- viii. Assisting specified persons in addressing any clarifications regarding the Regulations and this Code.
- ix. Promptly inform SEBI of any violation of the Regulations

In order to discharge the functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge such function. In the performance of the duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

## CHAPTER II - RESTRICTION ON COMMUNICATION AND TRADING

### 6.0 COMMUNICATION OR PROCUREMENT OF UNPUBLISHED PRICE SENSITIVE INFORMATION

- 6.1 No Specified Person shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 6.2 The Specified Persons who are privy to UPSI, shall handle the same strictly on a "Need to Know' basis. This means the UPSI shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their duty and whose possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.
- 6.3 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.
- 6.4 Notwithstanding anything contained in the regulations UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
- Entail an obligation to make an open offer under the takeover regulations where the Board is of informed opinion that the proposed transaction is in the best interests of the Company; or
  - not attract the obligation to make an open offer under the takeover regulations but where the Board is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board may determine.

However, the Board shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purposes mentioned under clause 5.1.4, and shall not otherwise trade in securities of the Company when in possession of UPSI.

- 6.5 The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 6.6 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.



## **7.0 HANDLING OF CONFIDENTIAL INFORMATION**

The Specified Persons privy to confidential information shall, in preserving the confidentiality of information, and to prevent its wrongful dissemination, adopt among others, the following safeguards:

- i) files containing confidential information shall be kept adequately secured
- ii) computer files must have adequate security of login through a password

follow the guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time in consultation with the person in charge of the information technology function.

## **8.0 DEALING WITH SECURITIES WHEN IN POSSESSION OF UPSI**

8.1 No Specified Person shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of UPSI:

Provided that the Specified Person may prove his innocence by demonstrating the circumstances including the following:

- (i) the transaction is an off-market inter-se transfer between promoters who were in possession of the same UPSI without being in breach of Clause 6 and both parties had made a conscious and informed trade decision;
- (ii) in the case of non-individual Specified Persons:
  - a) the individuals who were in possession of such UPSI were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such UPSI 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 UPSI 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;
- (iii) the trades were pursuant to a trading plan set up in accordance with Clause 8.

8.2 In the case of connected persons the onus of establishing, that they were not in possession of UPSI, shall be on such connected persons and in other cases, the onus would be on the Board.

8.3 SEBI may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of the regulations.

## **9.0 TRADING PLAN**

- 9.1 An insider shall be entitled to formulate a trading plan for dealing in 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.
- 9.2 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;
  - (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 issuer of the securities and the second trading day after the disclosure of such financial results; (iii) entail trading for a period of not less than twelve 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 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; and
  - (vi) not entail trading in securities for market abuse.
- 9.3 The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.
- 9.4 The Trading Plan once approved 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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

- 9.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

#### **10.0 TRADING WINDOW AND WINDOW CLOSURE**

- 10.1 Other than the period(s) for which the Trading Window is closed as prescribed hereunder, the same shall remain open for trading in the Securities of the Company. All Designated Persons shall strictly conduct all the trading in Securities of the Company only when the Trading Window is open and no Designated Person shall trade in the Securities of the Company during the period the Trading Window is closed or during any other similar period as may be specified by the Compliance Officer from time-to-time.
- 10.2 Unless otherwise specified by the Compliance Officer, the Trading Window for trading in Securities of the Company shall be closed for the purposes-

- i) financial results;
- ii) dividends;
- iii) change in capital structure;
- iv) mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions;
- v) changes in key managerial personnel; and
- vi) material events in accordance with the listing agreement

10.3 In respect of announcement of financial results, the Trading Window shall remain closed for a period of 15 days prior to the respective dates on which the quarterly, half-yearly or annual standalone/consolidated financial results, as the case may be, are announced.

As regards declaration of interim dividend and other matters referred to in (iii) to (vi) above, the Compliance Officer shall determine the period for closure of the window.

The Trading Window shall be opened 48 hours after the information referred to above is made public.

10.4 The Designated Employees who participate in the Company's Employee Stock Option Plan (ESOP), if any:-

- Shall not sell the Securities of the Company allotted to them on exercise of ESOPs when the Trading Window is closed (however, the exercise of option shall be permitted when the Trading Window is closed).

10.5 Irrespective of the fact that the Trading Window is open, Designated Persons shall not execute a contra trade during the six months following the prior transaction.

In case the sale of Securities of the Company is necessitated due to personal reasons or emergency situations, the holding period referred to above may be waived by the Compliance Officer after recording the reasons in this regard. It may however, be noted that in terms of the Regulations, no such sale will be permitted when the Trading Window is closed.

In case of any contra trade be 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 Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

10.6 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.

## 11.0 OPERATING PROCEDURE FOR PRE-CLEARANCE OF TRADES

### 11.1 Pre-clearance of trades

i) Applicability:

Designated Person shall obtain a pre-clearance approval as per the procedure prescribed hereunder for any trading in any securities of the Company proposed to be undertaken by such Designated Person. Such pre-clearance approval would be required when the value of securities traded whether in one transaction or a series of transactions over a calendar quarter aggregates to a traded value in excess of Rs. 10 Lakhs.

ii) Pre-Clearance Procedure

- a) For the purpose of obtaining a pre-clearance approval, the concerned Designated Person shall make an application in the prescribed form (see **Annexure - 1**) to the Compliance Officer. Such application should be complete and correct in all respects and should be accompanied by such undertakings (see **Annexure - 2**) declarations, indemnity bonds and other documents/papers as may be prescribed by the Compliance Officer from time-to-time. Such application for pre-clearance approval with enclosures must necessarily be sent through electronic mail followed by hard copies of all the documents. The e-mail for this purpose should be sent to the e-mail address [ir@neulandlabs.com](mailto:ir@neulandlabs.com).
- b) The Compliance Officer shall consider the application made as above and shall approve it forthwith preferably on the same working day but not later than the next working day unless he is of the opinion that grant of such an approval would result in a breach of the provisions of this Code, or the Regulations. Such approval/rejection would be conveyed through electronic mail and if no such approval/intimation of rejection is received within a period of 2 (two) working days, the applicant can presume that the approval is deemed to be given.
- c) Every approval letter shall be issued in such format (see **Annexure - 3**) as may be prescribed by the Company from time-to-time. Every approval shall be dated and shall be valid for a period of 7 trading days from the date of approval.
- d) In the absence of the Compliance Officer due to leave etc., the Officer designated by him/her from time-to-time shall discharge the function referred to in (b) above.
- e) Designated Person shall ensure that they complete execution of every pre-cleared deal in the Company's Securities as prescribed above and not later than 7 trading days from date of approval. The Designated Person shall file within 2 working days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed (see **Annexure - 4**).

- f) If a deal is not executed by the Designated Person pursuant to the approval granted by the Compliance Officer within 7 trading days, the approval so granted shall be deemed to have been revoked and the Designated Person shall apply once again to the Compliance Officer for pre clearance of the transaction covered under the said approval.

## 11.2 Reporting Requirements

In addition to complying with the disclosure requirements as prescribed under this Code, all the Designated Persons shall file with the Compliance Officer, inter alia, the details of their/their immediate relative holdings and/or dealings in the Securities of the Company:

- a) within 2 working days from the end of each calendar quarter (**see Annexure - 9**);

## CHAPTER III - DISCLOSURES OF TRADING BY INSIDERS

### 12.0 Initial Disclosure

12.1.1 Every Promoter, Key Managerial Personnel and Director of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members.

The disclosure is to be made in the Format as per Annexure - 5.

12.1.2 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.

The disclosure is to be made in the Format as per Annexure - 6.

### 13.0 Continual Disclosure

13.1.1 Every promoter, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within 2 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 Rs.10 lacs.

The disclosure is to be made in the Format as per Annexure - 7.

13.2 The disclosures made under 12.1 and 12.2 shall include those relating to trading by such person's immediate relatives and by any other person for whom such person takes trading decisions.

13.3 The Compliance Officer shall within 2 trading days of receipt of intimation under clause 12.1 or 12.2 or from becoming aware of such information disclose to all Stock Exchanges on which the Company is listed, the information received.

### 14.0 DISCLOSURE BY OTHER CONNECTED PERSONS

The below mentioned persons shall make initial and continual disclosures as required in clause 10.1 and 10.2 above.

- i) Directors and Key Managerial Personnel of Material Subsidiaries, if any, and their immediate relatives.
- ii) Functional Heads of the Company and its Material Subsidiaries, if any, and their immediate relatives.
- iii) Managers in Corporate Finance, Corporate Accounts, Taxation, Secretarial Departments of the Company and their immediate relatives
- iv) Advisors, Auditors, Tax and Management Consultants, Whole-time Legal Advisors etc. who is connected in any of such capacities with the Company at any time during the past six months

The disclosure is to be made in the Format as per Annexure - 8.

**15.0 RECORDS OF DISCLOSURES RECEIVED BY THE COMPANY**

The Compliance officer shall maintain records of all disclosures received under clause 12 to 14 for a minimum period of 5 years in the form as required under the regulations.

## CHAPTER IV - CODE OF FAIR DISCLOSURES

### 16.0 CODE OF FAIR DISCLOSURE

A code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI) for adhering each of the principles is set out below:

- 16.1 There shall be Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- 16.2 A Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure, shall be ensured.
- 16.3 The Compliance Officer is designated as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
- 16.4 There shall be prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 16.5 The Board of Directors shall ensure that appropriate and fair response shall be provided to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 16.6 The Board of Directors shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- 16.7 The Board of Directors shall develop 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.
- 16.8 The Board of Directors of the company shall ensure that all unpublished price sensitive information is handled on a need-to-know basis.



## CHAPTER V - MISCELLANEOUS

### **17.0 PRACTICES TO BE FOLLOWED BY EMPLOYEES/OFFICERS**

- 17.1 They shall maintain the confidentiality of all UPSI.
- 17.2 They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
- 17.3 They should handle all UPSI on a "need to know" basis.
- 17.4 Any employee/Officer who receives any non-public information directly should immediately report this to the respective head of the department.
- 17.5 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.
- 17.6 Information sent/received through electronic media, should be marked "confidential information" at the top of the information sent/received.
- 17.7 If an employee/Officer has planned the transaction before being in possession of the UPSI, but comes in possession of the same at the time of putting through the transaction, he/she may have to forego the transaction even if he/she believes that he/she may suffer an economic loss or forego an anticipated profit by waiting.
- 17.8 The Directors / Officers / Designated Employees of the company are expected to conduct all their dealings in the securities of the Company only in a valid trading window.

### **18.0 PENALTIES**

#### **18.1 Penalty for Contravention**

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 immediate relatives).

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 the termination of employment.

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.

#### **18.2 Procedure for imposing penalties**

- 18.2.1 Where the Board of Directors, on the basis of written information or on a complaint or action by any regulatory body or on the basis of any other prima facie evidence, is of the opinion that any insider may have contravened these rules, it may appoint an Investigating Officer.

- 18.2.2 The Investigating Officer shall accord a reasonable opportunity to the insider being investigated to show-cause why no action should not be taken.
- 18.2.3 Such insider shall produce before the Investigating Officer such documents in his/her control and furnish the said officer with statements and information relating to the transactions in securities of the company which is being investigated, within such time as the said officer may require.
- 18.2.4 The Investigating Officer shall, within 15 days from the conclusion of the investigation, submit a report to the Board of Directors.
- 18.2.5 After consideration of the investigation report, the Board of Directors shall communicate the findings to the insider being investigated and accord him an opportunity of being heard before taking any action.
- 18.2.6 It may be noted that MENS REA (i.e. guilty intention) need not be an essential ingredient for the offence of insider trading. Hence, a person may be convicted of that offence regardless of whether he has committed it knowingly, willingly or intentionally or not.
- 18.2.7 In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be informed of this by the Compliance Officer.

## 19.0 DERIVATIVES

The disclosures of trading in securities shall also include trading in derivatives of securities (if permitted under Law\*) and the traded value of the derivatives shall be taken into account for purposes of this Code.

***\*Please note that Section 194 of the Companies Act, 2013 prohibits Director or KMP from entering into forward dealings etc.***

## 20.0 ANNEXURES

### ANNEXURE - '1'

#### FORMAT FOR INITIAL DISCLOSURE OF SECURITIES

To  
 The Compliance Officer,  
 Neuland Laboratories Ltd.  
 Hyderabad

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the following details of securities held in the Company as on \_\_\_\_\_ (date of becoming Specified Person).

#### I. Details of securities held by me:

Type of Securities	No. of Securities held	Folio No	Beneficiary A/c Client ID

#### II. Details of Immediate Relatives:

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Procedures and Conduct for Prevention of Insider Trading, I hereby declare that I have the following Immediate Relatives:

Sr. No	Name of the Immediate Relative	Relation with Promoter/Director/Key Managerial Personnel

#### III. Details of Securities held by Immediate Relatives:

Name of Relative	Relationship	Type of Securities	No. of Securities held	Folio No	Beneficiary A/c Client ID

Date:

Signature: \_\_\_\_\_

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE  
APPLICATION FOR PRE-CLEARANCE**

**UNDERTAKING**

To,  
The Compliance Officer  
Neuland Laboratories Limited  
Hyderabad

I, \_\_\_\_\_, \_\_\_\_\_ of the Company  
residing at \_\_\_\_\_, am desirous of dealing in  
\_\_\_\_\_ \* shares of the Company as mentioned in my application dated \_\_\_\_\_  
for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 trading days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

Date:

Signature: \_\_\_\_\_

\* Indicate number of shares

**SPECIMEN OF APPLICATION FOR PRE-CLEARANCE APPROVAL**

Date:

To,  
 The Compliance Officer,  
**Neuland Laboratories Limited**  
 Hyderabad

Dear Sir/Madam,

**Application for Pre-clearance approval in securities of the Company**

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the **Company's Code of Conduct for Prevention of Insider Trading**, I seek approval to purchase / sell / subscription of \_\_\_\_\_ equity shares of the Company as per details given below:

1.	Name of the Applicant		
2.	Designation		
3.	Number of Securities held as on date		
4.	Folio No./DP ID/Client ID No.		
5.	The proposal is for		a) Purchase of Securities b) Subscription of Securities c) Sale of Securities
6.	Proposed date of dealing in securities		
7.	Estimated number of securities proposed to be acquired/subscribed/sold		
8.	Price at which the transaction is proposed		
9.	Current Market Price (as on date of application)		
10.	Whether the proposed transaction will be through stock exchange or off-market deal		
11.	Folio No./DP ID/Client ID No. where the securities will be credited/debited		

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,  
 (Signature of Designated Person)

Name & Employee No.



**Annexure - '4'**

**FORMAT FOR PRE- CLEARANCE ORDER**

To,  
Name: \_\_\_\_\_  
Designation: \_\_\_\_\_  
Place: \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (no's) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,  
For Neuland Laboratories Limited

**Compliance Officer**

Date: \_\_\_\_\_

Encl: Format for submission of details of transaction

**Annexure - '5'**

**FORM A**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (a) read with Regulation 6 (2)-Initial disclosure to the company]**

Neuland Laboratories Limited  
ISIN of the Company : INE794A01010

**Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc)	Securities held as on the date of regulation coming into force (15.05.2015)		% of Shareholding
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
6	7	8	9	10	11

Name & Signature:  
Designation:  
Place:  
Date:

**Annexure - '6'**
**FORM B**
**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
 [Regulation 7 (1) (b) read with Regulation 6 (2)-Disclosure on becoming a  
 director/KMP/Promoter]**

Neuland Laboratories Limited  
 ISIN of the Company : INE794A01010

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director  
 or upon becoming a Promoter of a listed company and other such persons as mentioned  
 in Regulation 6(2)**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc)	Securities held as on the date of regulation coming into force (15.05.2015)		% of Shareholding
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
6	7	8	9	10	11

Name & Signature:  
 Designation:  
 Place:  
 Date:



**Annexure - '7'**
**FORM C**
**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations  
[Regulation 7 (2) read with Regulation 6 (2)-Continual Disclosure]**

Neuland Laboratories Limited  
ISIN of the Company : INE794A01010

**Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2)**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc)	Securities held prior to acquisition/ disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/ public rights/ preferential offer / off market/ Inter-se transfer etc.
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy /Sell /Pledge/ Revoke/Invoke)	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).**

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Place:

Date:

**Annexure - '8'**
**FORM D**
**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
 Regulation 7 (3) - Transactions by Other connected persons as identified by the company**
**Details of trading in securities by other connected persons as identified by the company**

Name, PAN No., CIN/DIN & address with contact nos.	Category of Person (Promoters/ KMP / Directors/ immediate relatives/ others etc)	Securities held prior to acquisition/ disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares specify		Date of intimation to company	Mode of acquisition (market purchase/ public rights/ preferential offer / off market/ Inter-se transfer etc.
		Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/Sell/Pledge/Revoke/Invoke)	Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of trading in securities by other connected persons as identified by the company**

Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:

Designation:

Place:

Date:

**Annexure - '9'**

**QUARTERLY REPORTING BY DESIGNATED PERSONS**

Date : .....

To  
The Compliance Officer  
Neuland Laboratories Ltd  
Hyderabad

I. Quarterly Statement of Shareholdings of Designated Persons:

Name	Designation	Department	No. of shares held on 1 <sup>st</sup> day of quarter	No. of shares bought during the quarter	No. of shares sold during the quarter	No. of shares held on the last day of the quarter

II. Details of shares held by Immediate Relatives:

Name of the Relative	Relationship	No. of shares held on 1 <sup>st</sup> day of quarter	No. of shares bought during the quarter	No. of shares sold during the quarter	No. of shares held on the last day of the quarter

\_\_\_\_\_  
(Signature)