

BALAXI
Pharmaceuticals Limited

**CODE OF INTERNAL PROCEDURES AND CONDUCT TO
REGULATE, MONITOR AND REPORT TRADING BY
INSIDERS
(Code of Conduct)**

Pursuant to Securities Exchange Board of India, (Prohibition of Insider Trading) Regulations, 2015)

Balaxi

(Amended Code w.e.f April 01, 2019)

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(Code of Conduct)

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SCOPE

This code shall apply to all insiders and designated persons as defined in this code. The Insiders and designated persons are advised not to trade in the securities of the Company while in possession of Unpublished Price Sensitive Information. It is important for 'Insiders' and designated persons to read and understand the Regulations completely to acquaint themselves with the obligations set out therein.

1. DEFINITIONS

- 1.1 "**Act**" means the Securities and Exchange Board of India Act, 1992.
- 1.2 "**Board**" means the Board of Directors of the Company.
- 1.3 "**the Code**" or "**Code of Conduct**" shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by insiders of the Company as amended from time to time.
- 1.4 "**Company**" means Balaxi Pharmaceuticals Limited.
- 1.5 "**Compliance Officer**" means the Company Secretary of the Company, 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and implementation of the code under overall the overall supervision of the Board.
- 1.6 "**Connected Person**" shall have the meaning given to it under Regulation 2(1) (d) of the SEBI(Prohibition of Insider Trading) Regulations, 2015.
- 1.7 "**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.
- 1.8 "**Derivative**" " includes—
- (i) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security;
 - (ii) a contract which derives its value from the prices, or index of prices, of underlying securities.

1.9 **“Designated Person”** shall include

- i. Promoters and Promoter Group
- ii. Members of the Board of Directors
- iii. Key Managerial Personnel & Senior Management Personnel,
- iv. Heads of Departments/Divisions
- v. All employees belongs to A Level & B Level Carder as per HR Policy
- vi. All employees of the Accounts, Finance, Legal & Secretarial Department of Company
- vii. Employees of material subsidiaries of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors.
- viii. Employees upto two levels below of Chief Executive Officer of the Company and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information.
- ix. Any support staff of the Company, such as IT staff or secretarial staff Legal Staff, Finance Staff, Strategy Staff who have access to unpublished price sensitive information.
- x. such other persons identified and notified by the Compliance Officer on the basis of their role and function who would have access to Unpublished Price Sensitive Information, as per the provisions of the Regulations, from time to time

1.10 **“Director”** means and includes every Director on the Board of the Company.

1.11. **“Employee”** means every Employee of the Company, including the Directors in the employment of the Company and shall also include those who are in the payroll of the company under various Carder (ie, A, B & C Level carder).

1.12 **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis. Information published on the website of company or stock exchange, would ordinarily be considered generally available.

1.13 **“Immediate Relative”** means 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.

1.14 **“Insider”** means any person who is:

- i. a Connected Person; or
- ii. in possession of or having access to unpublished price sensitive information.
- iii. Designated person(s) & their immediate relatives.

1.14 **“Key Managerial Personnel”** means a person as defined in Section 2 (51) of the Companies Act, 2013.

1.15 **Senior Management Personnel** means a person employed in A Level Carder as per HR Policy of the company.

1.16 **"Trading Window Close Period"** means:

- (a) the period commencing from the time of announcement of the Board of Directors meeting for consideration of all matters which are deemed to be 'Unpublished Price Sensitive Information' and ending 48 hours after the public announcement of the decision taken by the Board of Directors of the Company; or
- (b) such other period as may be notified by the 'Compliance Officer' from time to time.

1.17 **"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.

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

1.19 **"Trading Day"** means a day on which the recognized stock exchanges are open for Trading.

1.20 **"Trading Plan"** shall mean a plan for trades to be executed in the future by persons who have perpetual access to the unpublished price sensitive information.

1.21 **"Trading Window"** shall mean the window available for Trading in the Securities of the Company.

1.22 **"Unpublished Price Sensitive Information(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 include but not restricted to, information relating to the following: –

- (i) Financial results;
- (ii) Dividends;
- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- (v) Changes in Key Managerial Personnel; and

1.2. RESPONSIBILITY OF MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

The Managing Director / Chief Executive Officer of company shall formulate/amend this Code with the approval of the Board of Directors of the Company to regulate, monitor and report trading by its designated persons and their Immediate relatives towards achieving compliance with SEBI (Prohibition on Insider Trading) Regulations, 2015 ("PIT Regulations"), adopting the minimum standards set out in Schedule B of PIT Regulations,

as may be amended from time to time, without diluting the provisions of its regulations in any manner.

1.3. DETERMINATION OF DESIGNATED PERSONS

The Board of Directors shall in consultation with the compliance officer of the Company, shall determine the list of designated persons on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation, who shall be covered by this code.

1.4. APLICABILITY OF THIS CODE

This Code is applicable to the designated persons as may be specified by the Board of Directors and their immediate relatives.

1.5. CHINESE WALL

To prevent the misuse of confidential information, company has laid down Chinese Walls procedures which separate those areas of company that routinely have access to confidential information, considered "inside areas" from those which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".

(i) The employees in the inside area shall not communicate any Unpublished Price Sensitive Information to anyone in public area.

(ii) The Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.

(iii) All the unpublished price sensitive information is to be handled on "need to know basis", i.e., Unpublished Price Sensitive Information should be disclosed only to those within company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the head of the department. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

2 TRADING BY DESIGNATED PERSONS– COMMUNICATION /EXEMPTIONS

2.1 COMMUNICATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

2.1.1 No Insider shall communicate, provide or allow access to unpublished price sensitive information, relating to the 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.

2.1.2 No person shall procure from or cause the communication by any Insider of UPSI, relating to the Company or its Securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

2.1.3 The Insiders who are in possession of unpublished price sensitive information are required to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis.

2.1.4 Need-to-Know

(i) "need to know" basis means that unpublished price sensitive information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

(ii) All non-public information directly received by any employee should immediately be reported to the Compliance officer.

2.1.5. Files containing confidential information shall be kept secure by the persons who are in possession of the same.

2.2 EXEMPTIONS TO COMMUNICATE THE UNPUBLISHED PRICE SENSITIVE INFORMATION:

UNPUBLISHED PRICE SENSITIVE INFORMATION may be communicated, provided, allowed access to or procured, in the following cases:

2.2.1 entail an obligation to make an open offer under the takeover regulations where the Board of Directors is informed opinion that the sharing of such information is in the best interests of the Company;

2.2.2 not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors is of informed opinion that the proposed transaction is in the best interest of the Company and the information that constitutes 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 company's Board of Directors may determine.

2.2.3. For the purpose of the aforementioned exemptions, the Company shall require the parties to execute agreements/memorandum of understanding to ensure confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of the above point (3), and shall not otherwise trade in securities of Company when in possession of UPSI.

2.3. DISSEMINATION OF PRICE SENSITIVE INFORMATION

2.3.1. No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.

2.3.2. Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors.

The following guidelines shall be followed while dealing with analysts and institutional investors:-

- a. Only public information to be provided.
- b. At least 2 (two) Company representatives be present at meetings with analysts, media persons and institutional investors, except in circumstances in which Managing Director can alone represent the company.
- c. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information.
- d. Simultaneous release of information after every such meet.

3 COMPLIANCE OFFICER

3.1 The Company shall appointed the Company Secretary as the Compliance Officer who shall report to the Board and shall provide reports to the Chairman of the Audit Committee at such frequency as may be stipulated by the Board if any events of insider trading occurs. The Board shall appoint or designate any other Director/ A Level Employee/ KMP as the Compliance officer in the absence of a full time Company Secretary.

3.2 The Compliance Officer may, prior to approving any trade, be entitled to seek declaration to the effect that the applicant for pre-clearance is not in possession of any UNPUBLISHED PRICE SENSITIVE INFORMATION.

3.3 TRADING PLAN FOR PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

3.3.1 An insider shall be entitled 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 his behalf in accordance with such plan.

3.3.2 Trading shall be commenced only after 6 months from the public disclosure of the Trading Plan. Trading Plan shall 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. Trading Plan shall entail Trading for a period of not less than 12 months.

3.3.3 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of the Regulations.

3.3.4 The Compliance Officer shall have the right to seek express undertakings to enable assessment of the Trading Plan and approve the same.

3.3.5 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily implement without any deviation.

3.3.6 The Securities outside the scope of Trading Plan shall not be dealt with by the Insiders.

3.3.7 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 until such UNPUBLISHED PRICE SENSITIVE INFORMATION becomes Generally Available Information.

3.3.8 The Trading Plan shall not overlap any period for which another Trading Plan is already in execution.

3.3.9 The Trading Plan shall state the following:

- Value of trade / number of securities;
- Nature of trade;
- Intervals / dates of effecting such trades

3.3.10 The Trading Plan shall not entail Trading in Securities for market abuse.

3.4 DISCLOSURE OF TRADING PLAN:

3.4.1 Upon approval of the Trading Plan, the Compliance Officer shall notify the Trading Plan to the Stock Exchanges.

3.5 PRE- CLEARANCE OF TRADE:

APPLICABILITY:

3.5.1 The Designated Persons (either in their own name or in any immediate relative's name) who intend to trade in the Security (ies) of the Company, when the 'Trading Window' is not closed, exceeding Rupees Five Lakhs in market value terms, whether in one transaction or a series of transactions over any calendar quarter, shall make prior application in the prescribed Form (**Form 1.1**), with the necessary declarations and undertakings, to the Compliance Officer for Pre-clearance of Trade. However the Designated persons are also allowed to obtained clearance for executing trades below Rupees Five Lakhs in market value terms, whether in one transaction or a series of transactions over any calendar quarter in the above prescribed Form.

It is hereby clarified that the value of Securities traded will include the aggregate of purchases as well as sale of Securities of the Company.

Further it is hereby clarified that, designated persons are not allowed to trade in securities of the company during the trading window closure and/or if they are in possession of Unpublished Price sensitive information

3.5.3 The Compliance Officer shall have the authority to ask for further information, if deemed necessary and it shall be obligatory for the Designated Person to immediately furnish the information sought for by the Compliance Officer.

3.5.4 No such person shall apply for pre-clearance of any proposed trade, as aforesaid, if such person is in possession of Unpublished Price Sensitive Information even if the Trading Window is not closed.

3.5.5 The Compliance Officer (and in his absence the person nominated by the Managing Director of the Company) shall grant approval or reject the application within 2 Trading Days of receipt of the application for pre-clearance in the prescribed Form **(Form 1.2)**. **if the compliance officer does not respond within 2 days trading days, it shall be deemed to be a rejection of the application.**

3.5.6 Such persons shall execute the trade for which pre-clearance has been obtained within 7 Trading Days of such approval. The details of the executed trade shall be communicated to the Compliance Officer in the prescribed form **(Form 1.3)**, within 2 Trading Days thereof.

3.5.7 In case, the person is unable to execute the trade within 7 Trading Days after the approval, the person should report, his decision not to trade, to the Compliance Officer in the prescribed form **(Form 1.4)** and seek fresh approval as mentioned under clause (a), if required.

3.5.8 Pre-clearance, if any, required by the Compliance Officer, shall be obtained from the Chairman or Managing Director or Manager or Chief Executive Officer of the Company and the above provisions shall apply accordingly.

3.5.9 The Designated Person shall communicate to the Compliance Officer the details of the Trading in Securities of the Company in the prescribed form **(Form 1.3)**, within two Trading Days thereof.

3.5.10 The Pre-clearance granted would, however, become void with immediate prospective effect if a Trading Window Close Period is notified during the validity of the pre-clearance.

3.6 MINIMUM HOLDING PERIOD

3.6.1. Designated Person who trade in the Securities of the Company, shall not enter into a contra transaction during the next six months following the prior execution of trade i.e. if the Designated Persons and their Immediate Relatives buy any Securities they should not sell any Securities for the next 6 months and vice versa. However, the minimum holding period is not applicable for shares acquired under ESOP.

3.6.2 The Designated Persons shall make an application to sell the Securities acquired, other than those acquired under ESOP, in the prescribed form **(Form 1.5)**, to the Compliance Officer for granting relaxation of the minimum holding period of six months by providing proper justification for seeking such relaxation. The compliance officer shall give relaxation only with consultation of Managing Director.

3.6.3 The Compliance Officer (in his absence the person nominated by the Managing Director) shall grant approval or reject the application within two Trading Days of receipt of the application for granting relaxation of minimum holding period in the prescribed Form **(Form 1.6)**.

3.6.4 In case the relaxation of the minimum holding period of six months is sought by the Compliance Officer, application shall be made to the Chairman or Managing Director or Manager or Chief Executive Officer.

4 TRADING OF SECURITIES OF THE COMPANY

4.1 TRADING WHILE IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION:

4.1.1 No Insider shall trade in Securities of the Company when in possession of unpublished price sensitive information, provided that the Insider may prove his/her innocence by demonstrating the circumstances including the following:

4.1.1.1 The transaction is an off-market inter-se transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of restrictions imposed on communication and Trading by Insiders and both parties had made a conscious and informed trade decision.

4.1.1.2 In case of non- individual Insiders :

- a) The individuals who were in possession of such unpublished price sensitive information were different from the individuals taking Trading decisions and such decision making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
- b) Appropriate and adequate arrangements were in place to ensure that the Regulations are not violated and no unpublished price sensitive information 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.

4.1.1.3 The trades were pursuant to a Trading Plan set up in accordance with the Regulations/Code.

4.1.2 In the case of Connected Persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such Connected Persons and in other cases, the onus would be on SEBI.

4.2. TRADING BY PORTFOLIO MANAGERS

This Code is also applicable to insiders who engage Portfolio Managers to trade in shares and hence the insiders are expected to take due precaution while trading in securities through Portfolio Managers by:

- a. Informing Portfolio Managers about closure of trading window.
- b. Ensuring to seek pre-clearance, wherever applicable, when the Portfolio Manager proposes to trade in the Company's shares exceeding threshold limit and also make continual disclosures, wherever applicable, as provided in this Code.
- c. Ensuring that the portfolio manager abides by the requirement of minimum holding period and not do contra trade as provided in this Code.
- d. Prohibiting the Portfolio manager to trade in securities of company at his own discretion or when the Insider is in possession of UPSI.

Despite the above, if any trading is done by portfolio managers, it will be treated as trading done by the Insider, and therefore the insider will be held responsible for any such non-compliance and subject to such penalties as specified in this Code.

5. TRADING WINDOW CLOSE PERIOD

5.1 The Compliance Officer shall determine "Trading Window Close Period" and shall notify the same to the Designated Persons in relation to such Securities of the Company by posting the closing details on the website of the company and/or in such other manner, as may be decided by the Compliance Officer. ***The intimation about the Trading Window Closure shall be promptly published on the website of the company and designated persons are required to take note of the same before executing any trade and the onus of compliance shall be on the designated persons.***

5.2 The timing for re-opening the Trading Window shall be determined by the Compliance Officer taking into account various factors including 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 48 hours after the information becomes Generally Available.

5.3 The notice for 'Trading Window Close Period' shall be notified by the Compliance Officer to the Designated Persons by Publishing on Website of the company and for other Insiders including persons having contractual or fiduciary relation with the Company in the company website and Stock Exchange website.

5.4 All Designated Persons of the Company shall conduct all their Dealings in Securities only during the Trading Period and shall not deal in any transaction involving the purchase or sale of Securities during the Non – Trading Period, as referred above or during any other period as may be specified by the Company from time to time.

6 DISCLOSURES OF TRADING BY INSIDERS

6.1 Disclosures to be submitted to the Compliance Officer are as detailed below:

- a. An initial disclosure of the total number of Securities of the Company held by the Promoters, Directors and the Key Managerial Personal, in the prescribed form **(Form A)**, within 30 days from May 15, 2015.
- b. An initial disclosure of the total number of Securities of the Company held by the Promoters, Directors and the Key Managerial Personal, in the prescribed form **(Form B)**, within 7 days of becoming a Promoters, Directors and the Key Managerial Personal.

6.2 Continual Disclosure:

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. 10,00,000 or such other value as may be prescribed in **Form- C**.

Company shall notify the particulars of such Trading to the Stock Exchanges within 2 Trading Days of receipt of the disclosure or from becoming aware of such information.

It is hereby clarified that the value of Securities traded will include the aggregate of purchases as well as sale of Securities of the Company, including Securities allotted under ESOPs and arising out of participation in buy-back offers, open offers, rights issues, FPOs, bonus, Preferential Allotment and Private Placement of the Company.

6.3 The Designated Person shall communicate to the Compliance Officer the details of the Trading in Securities of the Company in the prescribed form **(Form 1.3)**, within two Trading Days thereof.

6.4 Half-yearly disclosure, in the prescribed form, by Key Managerial Personnel, Directors, Designated Person shall furnishing details of trades executed in the Securities, if any, during the half-year by them within 30 days of the end of each half-year i.e September 30 and March 31, in the prescribed form **(Form 1.7)**.

No disclosures need to be submitted, if there are no trades during the half-year.

6.5 Annual disclosure, in the prescribed form **(Form 1.8)**, by Designated Persons shall furnishing the total number of Securities held by them at the end of the financial year of the Company, within 30 days from the end of financial year, if they have executed any trades during that financial year.

6.3. Disclosure by Designated Persons

One Time

The Designated person shall disclose the following information, one time basis, to Company;

- (i) his/her Phone, mobile numbers;
- (ii) his/her Permanent Account Number or any other identifier authorized by law

6.3.1. Annual Disclosure;

The Designated person shall disclose the following information, on annual basis, to company within 30 days from the end of the Financial Year and on continual disclosure basis, as and when the information changes within 7 days of such change;

- (i) Name of Immediate Relatives
- (ii) persons with whom such designated person(s) shares a Material Financial Relationship
- (iii) Permanent Account Number or any other identifier authorized by law of (i) & (ii)
- (iv) Phone, mobile and cell numbers of (i) & (ii)

Explanations: -“Material Financial Relationship” shall mean a relationship as relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.”

The above annual disclosure can be made through email also.

7 PENALTIES FOR CONTRAVENTION OF THE CODE

Any insider who trades in securities in contravention of the provisions of this Code or the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 shall be guilty of insider trading and shall be inter-alia liable for punishment and penalty as mentioned in this Code and the Securities & Exchange Board of India Act, 1992, as mentioned below.

7.1. PENALTY FOR NON- COMPLIANCE WITH THE CODE OF CONDUCT

Any employee/ officer / Director who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by company.

Categories of Non-Compliances	Penal/disciplinary actions proposed
1. Executing transaction after expiry relevant period from date of pre-clearance.	a) Written warning notice for first instance of non- compliance.
2. Non reporting of completion of transaction after pre-clearance.	b) For second repeated act-Rs.10,000/- (Rupees Ten Thousand Only) minimum and up to Rs.25,000/- (Rupees Twenty Five Thousand Only) for third repeat non-compliance.
3. Non reporting of transactions aggregating to Rs.5,00,000/- (Rupees Five Lakh Only) per calendar quarter (such	

<p>transaction should not be based on UPSI and should not be undertaken during trading window closure periods).</p>	<p>c) Beyond third repeated act of non-compliance, it would be treated as substantive non-compliance resulting in such action the Managing Committee of the Board may deem fit, which may include suspension, freeze on increment /promotion, demotion, employment termination, recovery, as deemed appropriate.</p>
<p>4. Trading in company Securities during trading window closure period</p>	<p>Any of the following or combination thereof depending on the severity of the case:</p> <p>a) If the gain or loss avoided is less than Rs.10,000/- (Rupees Ten Thousand Only), the penalty is Rs.10,000/- (Rupees Ten Thousand Only).</p> <p>b) If the gain or loss avoided is more than Rs.10,000/- (Rupees Ten Thousand Only), twice the actual gain made or loss avoided.</p> <p>c) Such action the Board may deem fit which may include suspension, freeze on increment/promotion, depromotion, employment termination, recovery.</p>
<p>5. Dealing in company Securities without obtaining pre-clearance</p>	
<p>6. Undertaking opposite transactions / derivative transactions</p>	
<p>7. Passing on price sensitive information or making recommendations directly or indirectly for dealing in securities on the basis of such information</p>	

Notes:

a) The action by company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.

b) In case it is observed by the Compliance Officer that there has been a violation of the Regulations, SEBI shall be informed by Company.

c) The Board or the Compliance Officer may decide the penalty within the above framework by taking into consideration the factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, number of securities transacted, whether the breach occurred as a result of deliberate intent or not, etc.

d) Penalties recovered as per framework will be remitted to SEBI Investor Protection and Education Fund account.

8. NEW POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES FOR SHARING UPSI"

The Board of Directors of company shall formulate, approve and implement a policy for determination of "legitimate purposes for sharing UPSI" as a part of "Codes of Fair Disclosure and

Conduct” which shall be in sync with SEBI (Prohibition of Insider Trading) (Amendment) Regulation, 2018.”

8.1. NEW POLICY OF “PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI”

The company shall formulate written policies and procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information, which shall be approved by Board of Directors of the company and accordingly initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information and inform the Board promptly of such leaks, inquiries and results of such inquiries.

8.2. Identification Of UPSI And Maintaining Its Confidentiality

All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of this Code and PIT regulations;

8.3. DIGITAL DATABASE OF PERSONS WITH WHOM UPSI IS SHARED

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

8.4. PROCESS FOR HOW AND WHEN PEOPLE ARE BROUGHT ‘INSIDE’ ON SENSITIVE TRANSACTIONS.

The Company Secretary/or Senior Management in consultation with Managing Director of the Company shall decide on how and when any person(s) should be brought ‘inside’ on any proposed or ongoing sensitive transaction(s).

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;

- (i) in the ordinary course of business.
- (ii) in furtherance of performance of duty(ies);
- (iii) for discharge of legal obligation(s).
- (iv) for any other genuine or reasonable purpose as may be determined by the Managing Director of the Company.
- (v) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

8.5. INTIMATION OF DUTIES AND RESPONSIBILITIES AND THE LIABILITY TO THE PERSON(S) WHO HAS/HAVE BEEN BROUGHT INSIDE’ ON SENSITIVE TRANSACTION(S).

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an "insider" for purposes of this Code and due notice shall be given to such persons;

- (i) To make aware such person that the information shared is or would be confidential.
- (ii) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- (iii) To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

8.6. INTERNAL CONTROL SYSTEM

The Managing Director/ Chief Executive Officer of Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and PIT regulations to prevent insider trading.

8.7. REVIEW OF COMPLIANCES OF PIT CODE AND VERIFICATION OF INTERNAL CONTROL SYSTEM

The Audit Committee of company shall review compliance with the provisions of these Code and PIT Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.

9. INTERPRETATION OR CLARIFICATION

In case any difficulty or doubt arises in the interpretation of the Code, the matter shall be referred to Compliance officer and/or Managing Director, and their decision shall be final and binding. If the issue involves any act or matter involving the Managing Director, the Chairman of the Audit Committee shall decide upon such issue.

10. ENQUIRIES

For any questions regarding whether they possess or have access to Unpublished Price Sensitive Information, Insiders and Designated Persons may contact the Compliance Officer.

11. DISCLAIMER

The Code is the internal policy of the Company to prevent Insiders and Designated Persons who are considered by the Company to be insiders of the Company for the purposes of the Regulations, from Trading. It is however the responsibility of each of them to ensure compliance with the provisions of the Regulations and other related laws. The Company and the Compliance Officer shall not be responsible or liable for any violation or contravention by any Insiders or Designated Person, of the SEBI (Prohibition of Insider Trading) Regulations, 2015 or other related laws.

12. AMENDMENTS

The Board reserves its right to amend or modify the Code in whole or in part, at any time without assigning any reason whatsoever.

13. CONCLUSIONS

All Designated Persons are advised to familiarize themselves with the SEBI Regulations and comply with the same, as well as with the Code both in letter and in spirit. Designated Persons are also advised to ensure compliance by their Immediate Relatives. For any assistance or clarifications, kindly contact the Compliance Officer of the Company at secretarial@balaxi.in.

Balaxi

Board Approval Date : February 28, 2019

SR. NO. _____

FORM 1.1

Date: _____

APPLICATION FOR PRE-CLEARANCE

To
The Compliance Officer
Balaxi Pharmaceuticals Limited

From: Name _____
Designation _____

Dear Sir,

I, _____, as a Key Managerial Person / Director / Designated Person, seek approval as per details given below:

Securities Held				Trade Proposed		
Name	Relationship	Type of Security	Nos.	Type (Acquisition/ Disposal)	Nos.	Mode (Market/ Others)

Undertaking to be submitted along with the application for preclearance of trade:

In relation to the above dealing, I represent and undertake that:

- I have no access to nor do I have any information that could be construed as "Unpublished Price Sensitive Information" 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 "Unpublished Price Sensitive Information" after 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;

- c) I have not contravened any provisions of the Code;
- d) I have made full and true disclosure in the matter;
- e) The information given above is true and correct

Yours faithfully,

Signature: _____

Name: _____

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FORM 1.2

APPROVAL FOR PRE-CLEARANCE APPLICATION

To
Name: _____

Dear Sir/Madam,

Sub: Approval for pre-clearance to trade

Ref: Your application No.____ dated _____

This has reference to your above mentioned application. Your proposal to trade as below is hereby approved:

Securities Held				Trade Proposed		
Name	Relationship	Type of Security	Nos.	Type (Acquisition/ Disposal)	Nos.	Mode (Market/ Others)

The above approval is valid for 7 Days from today.

You are advised to ensure that the trade executed by you is in full compliance with the Code to Regulate, Monitor and Report Trading by Insiders (Code) as also SEBI (Prohibition of Insider Trading) Regulations, 2015.

Please ensure that:

- (i) after the trade is executed, report the same to the Compliance Officer, by filling Form 1.3 within two Trading Days from the date of execution of the trade;
- (ii) If the trade is not executed for any reason, report the same to the Compliance Officer, by filling Form 1.4, within two Trading Days from the date of expiry of this approval.

For **Balaxi Pharmaceuticals Limited**

Compliance Officer

Date:

FORM 1.3

DISCLOSURE OF TRADE EXECUTED

To
The Compliance Officer
Balaxi Pharmaceuticals Limited

Ref: Preclearance No. _____

I give below the details of trade:

Name & Relationship	Type of Security (Shares/ Debentures)	Mode of acquisition/ disposal [on market/ ESOP/ Others (specify)*]	If Market, mention Exchange through which traded	No of Security	Date of Allotment Advice	Date(s) of Trading		Value (Rs.)	Date of Intimation to the Company
						From	To		

*public/rights/preferential offer/ off market/ transfer within accounts, etc.

Signature: _____

Name: _____

Date:

FORM 1.4

To,

The Compliance Officer
Balaxi Pharmaceuticals Limited

Dear Sir,

I refer to the approval for pre-clearance obtained on _____ vide application no._____. In this regard, I have decided not to sell / buy the shares of the Company for the following reasons:

[or]

[In case of part transactions]

I give below the particulars of trading done for the part quantity in Form 1.3 and I have not traded for the balance quantity for the following reasons:

Yours faithfully,

Signature:_____

Name : _____

Date:

FORM 1.5

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD AND RESTRICTION ON TRADE

Date: _____

To

The Compliance Officer
Balaxi Pharmaceuticals Limited

Sub: Application for waiver of minimum holding period and / or restriction on Trade

I, _____, as a Key Managerial Person / Director / Designated Person, seek approval for executing a sale transaction of the below securities, which if executed, result in non-compliance of Clause 3.6 of the Code to Regulate, Monitor and Report Trading by Insiders:

Securities Held			Trade Proposed		
[Self or Immediate Relative (IR), if IR mention Name and relationship]	Type (Shares, Warrants, Convertible Securities, etc.)	Nos.	Type (Acquisition/ Disposal)	Nos.	Mode (Market/ Others)

I have to execute the trade [*give reasons - such as these equity shares have been allotted by the Company under ESOS which are funded by _____.*]

I hereby declare that:

- (i) I am not presently in possession of Unpublished price Sensitive Information;
- (ii) In the event if I get access to any Unpublished Price Sensitive Information before the validity of this approval and before executing trade for which approval is given, I undertake that I shall not execute the trade until such Unpublished Price Sensitive Information in my possession becomes generally available

Yours faithfully,
Signature_____

Balaxi

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FORM 1.6

WAIVER OF MINIMUM HOLDING PERIOD AND RESTRICTION ON TRADE

To
Name: _____
Designation: _____

Dear Sir/Madam,

Sub: Approval for waiver of minimum holding period and / or restriction on trade

Ref: Your application No. _____ dated _____

This has reference to your application number cited under reference on the above. We hereby approve your application to trade as below:

Securities Held			Trade Proposed		
[Self or Immediate Relative (IR), if IR mention Name and relationship]	Type (Shares, Warrants, Convertible Securities, etc.	Nos.	Type (Acquisition/ Disposal)	Nos.	Mode (Market/ Others)

The above approval is valid for 7 Trading Days from today.

You are advised to ensure that the trade executed by you complies with the Code to Regulate, Monitor and Report Trading by Insiders (Code) except the waiver given by this communication as also SEBI (Prohibition of Insider Trading) Regulations, 2015.

Please ensure that:

- (i) after the trade is executed, report the same to the Compliance Officer, by filling Form 1.3 within two Trading Days from the date of execution of sale;
- (ii) If the trade is not executed for any reason, report the same to the Compliance Officer, by filling Form 1.4, within two Trading Days from the date of expiry of this approval.

For **Balaxi Pharmaceuticals Limited**

Compliance Officer

Balaxi

FORM A

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]

Name of the company: **Balaxi Pharmaceuticals Limited**

ISIN of the company: INE618N01014

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

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

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

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

Name & Signature:

Designation: Date:

FORM B

SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

[Regulation 7 (1) (a) read with Regulation 6 (2) – Disclosure on becoming a director/KMP/Promoter]

Name of the company: **Balaxi Pharmaceuticals Limited**

ISIN of the company: INE618N01014

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

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

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

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options. Name & Signature:

Designation:

Date:

FORM C

SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

[Regulation 7(2) read with Regulation 6(2) – Continual disclosure]

Name of the company: _____

ISIN of the Company: _____

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, CIN/ DIN & address with contact nos.									

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Form 1.7

HALF-YEARLY DISCLOSURE

**DISCLOSURE OF SECURITIES HELD BY THE KEY MANAGERIAL PERSONNEL, DIRECTORS
AND DESIGNATED PERSONS**

Name of Employee:

Category: KMP / Director / Designated Person

Name(Category of person)	Type of Security (Share / Debenture)	Securities			
		Held at the beginning of the half year	Acquired	Disposed	Held at the end of the half year

Signature:

Date:

Form 1.8

ANNUAL DISCLOSURE

**DISCLOSURE OF SECURITIES HELD BY THE KEY MANAGERIAL PERSONNEL, DIRECTORS
AND DESIGNATED PERSON**

Name of Employee:

Category: KMP / Director / Designated Person

Name & Category of person	Type of Security (Share / Debenture)	Securities			
		Held at the beginning of the year	Acquired	Disposed	Held at The end of The year

Signature:

Date: