



CODE OF CONDUCT TO  
REGULATE, MONITOR AND  
REPORT TRADING BY  
INSIDERS/DESIGNATED PERSONS

**SUNIL HEALTHCARE LIMITED**

**Registered cum Corporate Office**

38E/252A, Vijay Tower, Shahpurjat, New Delhi-110049 India

**Plant & Works**

17/18, Old Industrial Area, Alwar -301001 Rajasthan



## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS/DESIGNATED PERSONS

**This code is being adopted in satisfaction of Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015)**

### **1. Introduction**

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a "Code of Conduct to Regulate, Monitor and Report Trading by Insiders/Designated Persons". The objective of the Code is to regulate, monitor and report Trading in securities of the Company by its employees, designated persons and other connected persons on the basis of unpublished price sensitive information.

### **2. Applicability**

This Code is applicable to all the employees, designated persons and other connected persons of the Company.

### **3. Definitions**

**(A)** In this Code, unless the context otherwise requires:

- (i) **"SEBI Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- (ii) **"Board"** means the Securities Exchange Board of India.
- (iii) **"Compliance Officer" or "Chief Investor Relation 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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 directors of the listed Company or the head of an organization, as the case may be;
- (iv) **"Regulations"** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- (v) **"The Company"** means Sunil Healthcare Limited
- (vi) **"Code"** means this Code of Conduct to regulate, monitor and report trading by employees, designated persons and other connected person of Sunil Healthcare Limited as amended from time to time.
- (vii) **"Connected person"** means,-
  - 1) 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.

- 2) 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 (1); or
  - b. a holding company or associate company or subsidiary company; or
  - c. an intermediary as specified in section 12 of the Act or an employee or director thereof; or
  - d. an investment company, trustee company, asset management company or an employee or director thereof; or
  - e. an official of a stock exchange or of clearing house or corporation; or
  - f. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
  - g. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
  - h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
  - i. a banker of the company; or
  - j. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;
- (viii) "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.
- (ix) Designated Persons shall include :
  - (i) every Promoter, Member of Promoter Group
  - (ii) All members of Board of Directors of the Company and every employee in the grade of General Managers and above;
  - (iii) Every employee in the rank of Manager and above in finance, accounts and secretarial departments;
  - (iv) Key managerial personnel of the Company; and
  - (v) Any other employee as may be determined and informed by the Compliance Officer from time to time.
- (x) "Director" means a member of the Board of Directors of the Company.
- (xi) "Employee" means every employee in the full time employment of the Company.
- (xii) "Generally available Information" means information that is accessible to the public on a non-discriminatory basis.
- (xiii) "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.
- (xiv) "Insider" means any person who: (i) is a connected person; or (ii) in possession of or having access to unpublished price sensitive information.
- (xv) "Key Managerial Personnel" means person as defined in Section 2(51) of the Companies Act, 2013.



- (xvi) "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.
- (xvii) "Promoter Group" 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.
- (xviii) "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. For eg. Shares, warrants, convertible debentures etc.
- (xix) "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- (xx) "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;
- (xxi) "**Trading day**" means a day on which the recognized stock exchanges are open for trading;
- (xxii) "**Unpublished price sensitive information**" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon
  - a) becoming generally available, is likely to materially affect the price of the securities and
  - b) shall, ordinarily including but not restricted to, information relating to the following:-
    - a. financial results;
    - b. dividends;
    - c. change in capital structure;
    - d. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
    - e. changes in key managerial personnel; and
    - f. material events in accordance with the listing agreement

**(B)** Words and expressions used and not defined in these 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. Provisions of the code.**

##### **4.1 Compliance officer**

- (a) Company Secretary of the Company shall act as the Compliance officer.
- (b) The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the board of directors at such frequency as may be stipulated by the board of directors.

##### **4.2 Procurement or communication of unpublished price sensitive information (Regulation - 3)**

- (a) No insider 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.



- (b) 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.
- (c) Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–
  - a. entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company;
  - b. not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information 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 of directors may determine.
- (d) All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to "cross the wall".

#### **4.3 Trading when in possession of unpublished price sensitive information. (Regulation -4)**

- (a) Subject to the proviso of regulation 4(1) of the regulation, no insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information.
- (b) 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 the Board.
- (c) The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

#### **4.4 Trading Plan (Regulation -5)**

- (a) An insider shall be entitled to formulate a trading plan as per the regulation 5(2) of the regulation 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.

Such 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; not entail overlap of any period for which another trading plan is already in existence;
- IV. 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



- V. Not entail trading in securities for market abuse.
- (b) The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
- (c) 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.
- Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and 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 so as to avoid a violation of sub-regulation (1) of regulation 4.
- (d) Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

#### **4.5 Disclosure of Trading by Insiders**

##### **General Provisions (Regulation -6)**

- i. Every public disclosure under this Chapter shall be made in such form as may be specified.
- ii. The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- iii. 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 Chapter. Provided that trading in derivatives of securities is permitted by any law for the time being in force.
- iv. The disclosures made under this Chapter shall be maintained by the company, for a minimum period of five years, in such form as may be specified

##### **Disclosure by Certain Persons (Regulation -7)**

#### **Initial Disclosures**

- 1** Every promoter, key managerial personnel and director of every company whose securities are listed on any recognised stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect. (FORM-A)
- 2** Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or member of promoter group 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. (FORM-B)

#### **Continual Disclosures**

- 1** Every promoter, member of promoter group, designated person and director of every company shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;



- 2 Every company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

**Explanation.** — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

***Disclosures by other connected persons.***

Any company whose securities are listed on a stock exchange may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

**4.6 Trading Window**

- (a) Designated person and immediate relative of designated person in the organisation shall be governed by an internal code of conduct governing dealing in securities. The board of directors shall in consultation with the compliance officer specify the designated persons to be covered by such code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.
- (b) Designated persons may execute trades subject to compliance with the regulation of SEBI (Prohibition of Insider Trading) Regulations, 2015. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
- (c) The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. (d) When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.
- (d) When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.



- (e) The compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.
- (f) Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
- (g) The trades that have been pre-cleared have to be executed by the designated person within not more than seven trading days, failing which fresh pre-clearance would be needed for the trades to be executed.
- (h) A designated person who is permitted to trade shall not execute a contra trade within six months of the earlier trade. The compliance officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
- (i) The formats for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations are available with the Compliance Officer of the Company.
- (j) Without prejudice to the power of the Board under the Act, the code of conduct shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery clawback, removal from services permanently ineligibility for future participation in employee stock option plans, etc.
- (k) If it is observed by the Compliance Officer of the Company, that there has been a violation of these regulations, he shall inform the Board promptly.

## **MISCELLANEOUS**

### **Sanction for violations.**

Any contravention of these regulations shall be dealt with by the Board in accordance with the Act.

### **Power to remove difficulties.**

In order to remove any difficulties in the interpretation or application of the provisions of these regulations, the Board shall have the power to issue directions through guidance notes or circulars.

Provided that where any direction is issued by the Board in a specific case relating to interpretation or application of any provision of these regulations, it shall be done only after affording a reasonable opportunity of being heard to the concerned persons and after recording reasons for the direction.