



CIN.: L24230GJ2015PLC085451

**CODE OF INTERNAL PROCEDURES AND CONDUCT FOR
PREVENTION OF INSIDER TRADING IN SECURITIES**



CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

This Code is formulated by the Board of Directors of **SOTAC PHARMACEUTICALS LIMITED** ('the Company') and published on website of the Company pursuant to Regulation 8 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended as amended till date on the publication of this policy, hereinafter referred to as SEBI (PIT) Regulations. The Company will adhere to the Principles and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as set out in **Schedule A** of SEBI (PIT) Regulations.

1. Definitions:

- a) "Unpublished price sensitive information (UPSI)"** means any information relating to the Company or its securities, directly or indirectly, that is not generally available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 of the Company and shall, ordinarily including but not restricted to, information relating to the
- (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 and
 - (v) Changes in key managerial personnel.
- b) "Generally available information"** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.
- c) "insider"** means any person who is:
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.

2. Prompt public disclosure of UPSI.

The Company shall make prompt public disclosure of UPSI of concrete and credible nature to make it generally available information. However, no such public disclosure of information on needs to be made by the Company under the SEBI(PIT) Regulations with regard to the ideas or proposals or potential transactions at preliminary or nascent stage pertaining to the following matters:

- (i) Mergers, demergers, amalgamation, re-organization of companies or any other schemes of arrangements and re-structuring among shareholders, debenture holders, security holders or creditors of the Company
- (ii) Acquisitions, sale, disposal of securities or undertaking(s)
- (iii) Sale, disposal or hiving off of units, undertakings, divisions or subsidiary
- (iv) Increase in capital by issue of bonus shares, further issue of securities on rights, preferential basis to shareholders or strategic investors or QIBs unless a credible and concrete information has emerged.

3. Sharing of UPSI for 'legitimate purposes'

Any person authorized by the Board of Directors, or the Managing Director may communicate, provide or allow access to any information including UPSI (hereinafter referred to as 'sharing of any information') in the ordinary course of business of the Company in furtherance of the following legitimate purposes:



- (i) preparation of financial statements,
- (ii) board of directors' meetings and meetings of the committees, senior management,
- (iii) legal matters,
- (iv) facilitating conduct of due diligence carried for undertaking any transactions,
- (v) sharing of information on need- to-know basis or in performance of duties or discharge of legal obligations or for any other genuine purpose as may be deemed necessary by the Managing Directors in the interest of the Company.

The designated persons or the authorized persons may share the UPSI in furtherance of the legal purpose with partners, collaborators, lenders, customers, suppliers, merchant bankers, lead managers, legal advisors, valuers, auditors, insolvency professionals or other advisors and consultants provided that such sharing of information is not earned out to evade or circumvent the SEBI (PIT) Regulations.

However, sharing of any information including UPSI for the purposes mentioned above (which are of illustrative nature and not exhaustive) by, with or amongst the persons mentioned above by the designated person or any authorized person in good faith and in the best interest of the Company shall be considered to be in furtherance of the legitimate purposes provided that such sharing of information is not carried out to evade or circumvent the SEBI (PIT) Regulations.

The Company will give due notice to any person in receipt of UPSI pursuant to legitimate purposes to maintain confidentiality of such UPSI.

4. Uniform and universal dissemination of UPSI

Uniform and universal dissemination of UPSI would be ensured by the Company by adopting a common platform i.e. Stock Exchanges for public disclosure. Once the UPSI is communicated to Stock Exchanges as aforesaid, then other medium of dissemination may also be used to ensure such information is made accessible to the public on a non-discriminatory basis.

5. Designation of a senior officer as a chief investor relations officer

The Company has designated Company Secretary as a Compliance Officer to deal with dissemination of information and disclosure of UPSI to the stock exchanges. The Company will not be required to make disclosures in cases where the proposal is still in progress, or there are impending negotiations or incomplete proposals, the disclosure of which will not be appropriate and could prejudice the Company's legitimate interests.

6. Prompt dissemination of UPSI

During interactions with the investor community, the Company will ensure that no UPSI is disclosed selectively to anyone or group of research analysts or investors to the disadvantage of other stakeholders. In the unlikely event of any UPSI being disclosed selectively, inadvertently or otherwise, at a meeting with analysts or at any investor relations conference or otherwise, such UPSI would be promptly communicated to the stock exchanges where the Company's securities are listed.

7. Appropriate and fair response to queries

The Compliance Officer and in his absence the Executive Director & CEO of the Company is authorized to give an appropriate or fair response to queries on news reports and requests for verification of market rumors, as required under the Listing Regulations and/or SEBI PIT Regulations.



The Company shall typically not respond to speculative media articles or enquiries regarding any activities of the Company and shall provide appropriate and fair response to queries from regulatory authorities on news reports or verification of market rumors.

8. Transcripts or records of proceedings of meetings

The Company 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.

This Code is subject to review from time to time. in the event of any amendment in SEBI (PIT) Regulations, the same shall be deemed to be forming part of this Code and the same will prevail in case any provision of this Code inconsistent with the said amendment.

9. Handling of all UPSI on a need-to-know basis.

The Company shall handle all price sensitive information on a need-to-know basis by creating suitable safeguards to avoid UPSI becoming available to any person who is not required to have access to such information. UPSI, may however be disclosed, to persons who need such information for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Company. The "Policy for determination of "legitimate purposes" is as below:

For determining legitimate purposes, the below mentioned policy shall be adhered to:

- a) UPSI can be shared only on a need-to-know basis and for legitimate purposes and not to evade or circumvent the prohibitions of the Regulations.
- b) UPSI can be shared in the ordinary course of business only if the same is necessary to be shared in order to complete any task / activity / deal including any other assignment for furtherance of the business interests of the company.
- c) Subject to conditions prescribed in (a) and (b) above, UPSI can be shared with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. in respect of proposed assignment or in order to avail professional services from them or other business purposes, as the case may be. UPSI can also be shared in case same is mandatory for performance of duties or discharge of legal obligations.

Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "insider" for purposes of the Regulations.

10. Maintenance of Structured Digital Database:

The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared under this code read with PIT Regulations, along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

The said digital database shall be maintained with adequate internal controls and checks such as time-stamping and audit trails to ensure non-tampering of the database.



11. Pre-clearance of trades:

All Designated Persons, who intend to deal in the securities of the Company when the trading window is opened and if the dealing in securities exceeds 10,000 Equity Shares, should pre-clear the transaction.

The pre-dealing procedure shall be hereunder:

- a. An application shall be made in the prescribed Form (**Annexure 1**) to the Compliance officer indicating the estimated number of securities that the Specified Person intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- b. A Declaration in the prescribed form (**Annexure 2**) shall be made to the Company by such Specified Person specifying, inter alia, the following clauses, as may be applicable:
 - (i) That the employee/director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the Declaration.
 - (ii) That in case the Designated Person has access to or receives "Price Sensitive Information" after the signing of the Declaration but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
 - (iii) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
 - (iv) That he/she undertakes to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.
 - (v) That he/she executes the deal within 7 trading days of the receipt of approval, failing which he/she shall seek pre-clearance again.
 - (vi) That he/she has made a full and true disclosure in the matter.
- c. All Designated Persons shall execute their order in respect of securities of the Company within seven trading days after the approval of pre-clearance in the prescribed form (**Annexure 3**).
- d. The Designated Person shall file within 2 (two) days of the execution of the deal, the details of such deal and in case the transaction is not undertaken, a report to that effect to the Compliance Officer in the prescribed form (**Annexure 4**).
- e. Trades must be executed within seven days after the approval is given, failing which fresh pre-clearance would be needed for the trades to be executed.
- f. All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. 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.
- g. 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.
Provided that this shall not be applicable for trades pursuant to exercise of stock options
- h. In case of subscription in the primary market (initial public offers), the above-mentioned entities shall hold their investments for a minimum period of 30 days.
Provided that the holding period would commence when the securities are actually allotted.
- i. The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.



12. Trading Plan:

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.



Annexure-1
Specimen of Application for Pre-clearance approval

Date:

To,
Compliance Officer
Sotac Pharmaceuticals Limited
Plot No. PF/21, Nr. Acme Pharma,
Opp. Teva Pharma, Sanand GIDC - II,
Sanand, Ahmedabad – 382110, Gujarat (INDIA).

Dear Sir,

Sub: Application for pre-clearance approval in securities of the Company.

Pursuant to the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and the Company's Code of Internal Procedures and Conduct for Prevention of Insider Trading in Securities by insiders of Sotac Pharmaceuticals Limited as amended from time to time, I seek your approval for Purchase/ Sale / Subscription of equity shares of the Company as per details given below:

| Sr. No. | Particulars | Details |
|---------|---|--|
| 1. | Name of the Applicant: | |
| 2. | Designation: | |
| 3. | No. of Securities held as on date: | |
| 4. | Folio no/ DP ID Client ID | |
| 5. | Approval is for | Purchase of Securities Sale of Securities Subscription of Securities |
| 6. | Proposed period for dealing in securities | |
| 7. | Estimated number of securities proposed to be acquired/ sold/subscribed Price at which the transaction is proposed | |
| 8. | Whether the transaction will be through Stock exchange or Off market | |
| 9. | Folio no/ DP ID Client ID where the securities will be credited/ debited (Applicable only in Off market transaction) | |

Thanking you,
Yours faithfully

(Name of Employee)
(Designation) Encl: Declaration



Annexure-2

Specimen of Declaration to be accompanied with Application for Pre-clearance approval

Declaration

To,

Compliance Officer

Sotac Pharmaceuticals Limited

Plot No. PF/21, Nr. Acme Pharma,

Opp. Teva Pharma, Sanand GIDC - II,

Sanand, Ahmedabad – 382110, Gujarat (INDIA).

I, (Name), (Designation) of the Company residing at (Address), am desirous of dealing in Equity shares of the Company as mentioned in my application dated_for pre- clearance of the transaction.

- (a) 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.
- (b) 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.
- (c) I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.
- (d) I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.
- (e) 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 again.
- (f) I declare that I have made full and true disclosure in the matter.

(Name of Employee)

(Designation)

Place:

Date:



Annexure-3
Specimen for Pre-clearance approval

To,
Name: _____ Designation: _____ Address: _____

This is to inform you that your request for dealing in _____ equity 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 trading days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you shall require seeking fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file, to the Company, 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 filed with the Company.

Yours faithfully
For: **Sotac Pharmaceuticals Limited**

Compliance Officer

Date:

Place:

Encl: Specimen for submission of details of transactions.



Annexure-4

Specimen for disclosure of Transactions

(To be submitted within 2 days of transaction/ dealing in securities)

To,
Compliance Officer
Sotac Pharmaceuticals Limited
Plot No. PF/21, Nr. Acme Pharma,
Opp. Teva Pharma, Sanand GIDC - II,
Sanand, Ahmedabad – 382110, Gujarat (INDIA).

I hereby inform that I

- ⇒ have not bought / sold/ subscribed any securities of the Company or
- ⇒ have bought/sold/subscribed to____securities as mentioned below on (date)

| Name of Holder | No. of Securities dealt with | Mode of dealing (Sale/Purchase/ subscription) | Folio no. / DP ID Client ID | Price per securities (in Rs.) |
|----------------|------------------------------|---|-----------------------------|-------------------------------|
| | | | | |

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 5 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I undertake not execute a contra trade within period of six months. In case there is any urgent need to execute contra trade for these securities within the said period, I shall approach the Compliance Officer for necessary approval.

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature:
Name of Holder: _____
Designation: _____

Date:
Place:



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

Pursuant to Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date on the publication of this policy, the Board of Directors of the Company has ensured that the Managing Director has formulated the Company's Code of Conduct for Prevention of Insider Trading, with the Board's approval, to regulate, monitor and report trading by its Designated Persons and their Immediate Relatives towards achieving compliance with the Regulations, adopting the minimum standards set out in Schedule B to the Regulations, without diluting the provisions of the Regulations in any manner, the Company will adhere to the principles of fair disclosures set out in Schedule B of SEBI (PIT) Regulations.

Definitions:

As used in this Code:

- a. **"Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- b. **"Code"** means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.
- c. **"Company"** means **Sotac Pharmaceuticals Limited**.
- d. **"Compliance Officer"** means any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the 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;

Explanation –For the purpose of this code of conduct, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

- e. **"Connected Person"** shall have the meaning given to it under Regulation 2(d) of the Regulations and shall also include the promoters and their directors and key managerial personnel.
- f. **"Designated Persons"** means: -
 - (i) Directors; and
 - (i) Such Employees and Connected Persons (including representatives of the auditors, accountancy firms, law firms, analysts, consultants, etc.) as identified by the Compliance Officer in consultation with the Board in line with the objectives of the Code;
- g. **"Director"** means a member of the Board of Directors of the Company.
- h. **"Employee"** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- i. **"Generally Available Information"** means information that is accessible to the public on a non-discriminatory basis.
- j. **"Immediate Relative"** means the spouse of the Designated Person, and includes parent, sibling and child of such Designated Person or of the spouse, who are either financially dependent on the Designated Person or consults the Designated Person in taking decisions relating to trading in securities.



- k. **"Insider"** means any person who is a Connected Person or in possession of or having access to Unpublished Price Sensitive Information.
- l. **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- m. **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof.
- n. **"Specified Persons"** means all Directors, Employees and Connected Persons of the Company (including all Designated Persons)
- o. **"Trading Day"** means a day on which the recognized stock exchanges are open for trading.
- p. **"Trading"** means and includes an act of subscribing, redeeming, switching, buying, selling, dealing or agreeing to subscribe to, buy, redeem, switch, sell or deal in any Securities of the Company and -trade shall be construed accordingly.
- q. **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;



Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

[read with sub-regulation (1) of regulation 9 and SCHEDULE B]

1. The compliance officer shall report to the board of directors and in particular, shall provide reports to the Chairman of the Audit Committee, or to the Chairman of the board of directors at least once in a year.
2. All information shall be handled within the organization on a need-to know basis and no UPSI shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.

CHINESE WALL

To prevent the misuse of UPSI, the Company has adopted a Chinese Wall Policy which separates those departments which routinely have access to UPSI, (considered as inside areas) from those departments which deal with sale/marketing or other departments providing support services, (considered public areas).

As per the said policy:

- The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- The Employees in inside area may be physically separated from the Employees in public area.
- The demarcation of various departments as inside area shall be determined by the Compliance Officers in consultation with the Board.
- Only in exceptional circumstances, Employees from the public areas are brought over the wall and given UPSI on need to know basis.

3. Designated Persons and immediate relatives of designated persons in the organization shall be governed by an internal code of conduct of the company governing dealing in securities.
4. Designated persons may execute trades subject to compliance with this Code of Conduct. 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 UPSI. Such closure shall be imposed in relation to such securities to which such UPSI relates.

TRADING WINDOW

- The Trading Window shall remain closed from the end of every quarter till 48 hours after the declaration of financial results of respective quarter, half-year, or financial year, as the case may be.
- All the Designated Persons shall strictly conduct all their Trading in the Securities of the Company only when the Trading Window is open
- No Designated Person or their Immediate Relatives 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.
- The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the UPSI 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.
- When the trading window is open, trading by designated persons shall be subject to pre-clearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate.
- 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.

5. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre-cleared have to be executed by the designated person, failing which fresh pre-clearance would be needed for the trades to be executed.



6. The code of conduct shall specify the period, which in any event shall not be less than six months, within which a designated person who is permitted to trade shall not execute a contra 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.
7. The code of conduct shall stipulate such formats as the board of directors deems necessary 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.
8. Without prejudice to the power of the Board [SEBI] under the Act, the sanctions and disciplinary actions, including wage freeze, suspension etc., may be imposed, by the Board of Directors of the listed Company for the contravention of this code of conduct.
9. In case it is observed by the company that there has been a violation of these regulations, it shall promptly inform the stock exchange(s) where the concerned securities are traded.
10. Designated persons shall be required to disclose Name and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
 - a) immediate relatives
 - b) persons with whom such designated person(s) shares a material financial relationship
 - c) Phone, mobile and cell numbers which are used by them

In addition to these, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis.

Explanation - The term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm's length transactions.

11. Listed entities shall have a process for how and when people are brought 'inside' on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information