



# **SOLARA ACTIVE PHARMA SCIENCES LIMITED**

## **CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING**

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## **1. INTRODUCTION**

The Board of Directors of the Company in their meeting held on April 11, 2018 have approved the policy for prevention of Insider Trading titled “Solara – Code of Conduct for Prohibition of Insider Trading, 2015 (the “Solara PIT Code 2015”/ the “Code”).

The Code will be applicable with effect from shares are listed on the Stock Exchanges and is in accordance with the terms of Securities and Exchange Board of India (Prohibition of Insider Trading Regulations) 2015.

## **2. APPLICABILITY**

This Code shall be applicable to Designated Employees defined herein.

## **3. GENERAL PRINCIPLES**

The underlying principles in defining the Code:

- Ensure confidentiality of all Unpublished Price Sensitive Information (“UPSI”), its business and affairs and make no use of the UPSI for personal interest.
- Ensure UPSI shall be disseminated promptly in uniform and universal manner in order to avoid selective disclosures.
- To ensure handling of UPSI on need to know basis.
- Ensure compliance of all applicable laws and regulations including Company’s internal policies.

## **4. DEFINITIONS**

- 1) **“Act”** means the Securities and Exchange Board of India Act, 1992, as may be amended from time to time.
- 2) **“Board”** means Board of Directors of the Company.
- 3) **“Code”** means this Code of Conduct for Prohibition of Insider Trading in the Securities, as amended by the Board from time to time.
- 4) **“Company”** means Solara Active Pharma Sciences Limited
- 5) **“Compliance Officer”** means Company Secretary of the Company.
- 6) **“Connected Person”** shall have the meaning ascribed to it under Regulation 2(d) of the Regulations and shall also include the promoters, directors and key managerial personnel of the Company.
- 7) **“Designated Employees”** shall include the following:

- a) Promoters of the Company
  - b) Directors of the Company
  - c) Employees of the Company in the cadre of Vice Presidents & above
  - d) Employees associated with Managing Director and CEO's office
  - e) Employees of Central Finance (excluding Shared Services), Secretarial and Legal Departments
  - f) Employees of Corporate Action/ Project Specific Teams
  - g) Consultants engaged with the Company on key projects
  - h) Statutory Auditors and Internal Auditors of the Company;
  - i) Immediate Relatives/ Dependents of all the above who are financially dependent; and
  - j) any other employee designated by the Board in consultation with the Compliance Officer, either for a specific period of time or for an indefinite period of time, based on such person's role, function, designation and seniority in the Company and the extent to which such person may have access to Unpublished Price Sensitive Information.
- 8) **"Dealing in Securities"** means an act of subscribing to, buying, selling, or agreeing to subscribe to, buy, sell or deal in Securities of the Company either as Principal or Agent.
- 9) **"Dependent"** shall mean spouse, children and parents who are financially dependent on the Designated Employee.
- 10) **"Insider"** means any person who a connected person including is deemed to be connected person and Designated Employees in possession of or having access to unpublished price sensitive information.
- 11) **"Officer of the Company"** means any person as defined in Sub Section (59) of Section 2 of the Companies Act 2013, including the Auditors of the Company.
- 12) **"Promoter"** shall have the meaning ascribed to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- 13) **"Price Sensitive Information"** means any information which relates directly or indirectly to the Company and which if published, is likely to materially affect the price of Securities of the Company.

*Following shall be deemed to be Price Sensitive Information but does not limit to below:*

- *financial results;*
- *dividends;*
- *change in capital structure;*
- *mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;*
- *changes in key managerial personnel; and*
- *material events in accordance with the listing agreement.*

14) **“Securities”** means the securities of the Company which includes:

- i) shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature;
- ii) puts, calls or any other option on the Company’s securities even though they are not issued by the Company;
- iii) futures, derivatives and hybrids; and
- iv) such other instruments as may be declared to be such by the Compliance Officer from time to time.

15) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.

16) **“Trading Plan”** has the meaning ascribed to in Clause 5 (1) of the SEBI Insider Trading Regulations 2015

17) **“Trading Window”** means a trading period for dealing in the Company's shares during which Designated Employees can deal in the shares of the Company.

## **5. COMPLIANCE OFFICER – APPOINTMENT AND DUTIES**

5.1 The Board shall appoint the Company Secretary as the Compliance Officer to ensure compliance with and for effective implementation of the Regulations, as well as this Code, across the Company. The Compliance Officer shall report to the Board of the Company.

5.2 The Compliance Officer shall maintain a record (either manual or in electronic form) of the Designated Employees and their Immediate Relatives (as set forth in Annexure - A) and changes thereto from time-to-time.

5.3 The Compliance Officer shall assist all the Designated Employees in addressing any clarifications regarding the Regulations and this Code.

## **6. REPORTING REQUIREMENT FOR DESIGNATED EMPLOYEES AND THEIR RELATIVES TO INVEST IN COMPANY’S SHARES**

### *Initial Disclosures*

6.1 Every Promoter, Key Managerial Personnel and Director of the Company shall disclose his holding of the Securities of the Company as at May 15, 2015 to the Company within 30 days of this Regulation taking effect in such form as may be prescribed under the Regulation.

6.2 Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter shall disclose his holding of the Securities of the Company as on the date of appointment or becoming a Promoter to the Company within 7 days of such appointment or becoming a Promoter in such form as may be prescribed under the Regulation.

6.3 Every other Designated Employee shall file a declaration with the Compliance Officer providing the names of Dependents within the meaning of this Code along with their shareholdings as on the date of appointment as Designated Employee of the Company within 15 days of such appointment in prescribed format (**Annexure A**).

### *Continual Disclosures*

6.4 Every Designated Employee shall disclose to the Company the number of such securities acquired/ disposed of within 2 (two) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transaction over any calendar quarter aggregates to a traded value in excess of Rs. 10 lakhs.

6.5 Each Designated Employee on an annual basis will update the holding details of self and his/her Dependents within 15 days of 31<sup>st</sup> March each year in the prescribed format (**Annexure A**).

6.6 The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors / officers / designated employees for a minimum period of three years.

### *Disclosures by other connected persons*

6.7 Any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the Company in the prescribed format and at such frequency as may be determined by the Company in order to monitor compliance with these regulations.

## **7. PRESERVATION OF PRICE SENSITIVE INFORMATION**

7.1 All Employees shall maintain the confidentiality of all Price Sensitive Information. They shall, while in possession of any Price Sensitive Information, neither deal in the shares of the Company on the basis of Price Sensitive Information nor pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of shares of the Company.

- Communicate, provide or allow access of Price Sensitive Information to any person directly or indirectly, including by way of making a recommendation for the purchase or sale of the Securities unless such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations;
- Discuss Price Sensitive Information in public places;
- Disclose Price Sensitive Information to any Employee who does not need to know the information for discharging his or her duties;
- Recommend to anyone that they may undertake Dealing in the Securities while being in possession, control or knowledge of the Price Sensitive Information;
- Be seen or perceived to be Dealing in the Securities while in possession of Price Sensitive Information.

7.2 Need to Know Basis: Price Sensitive Information is to be handled on a “need to know” basis, i.e., should be disclosed only to those within and outside the Company who need to know such information to discharge their duty, in furtherance of a legitimate purpose and whose possession of such information will not give rise to a conflict of interest or appearance of misuse thereof.

7.3 Limited access to confidential information: Files containing Confidential or Unpublished Price Sensitive Information shall be kept secure. Computer files must have adequate security of login and password. Without prejudice to the above, employees shall follow such guidelines for maintenance of electronic records and systems as may be prescribed by the Compliance Officer from time to time.

## **8. CHINESE WALL PROCEDURES**

**8.1** To prevent the misuse of Price Sensitive Information, the Company shall adopt a Chinese Wall system in which departments which routinely have access to Price Sensitive Information (“inside areas”) shall be separated from departments dealing in sales/marketing, or any other such department providing support services to customers and clients (“public areas”).

**8.2** The following shall act as a guideline in the implementation of a Chinese Walls policy:

- The Employees in the inside areas are not allowed to communicate any to Price Sensitive Information to anyone in the public areas;
- The Employees in the inside areas may be physically separated from the Employees in public area;
- Employees from the public areas may be ‘brought over the wall’ and allowed the possession of Price Sensitive Information only in exceptional circumstances and on a strict ‘need to know’ basis, as per the intimation and under the supervision of the Compliance Officer.

## **9. TRADING RESTRICTIONS**

All Designated Employees of the Company shall be subject to trading restrictions in the following manner:

### ***9.1 Trading Window***

The Trading Window shall be closed during the time price sensitive information is unpublished.

Window closure period for announcement of Financial Results starts 15 days prior to the date of the Board Meeting for considering financial results. Trading Window opens on the 3<sup>rd</sup> Trading Day after announcement of financial results.

All Designated Employees shall conduct all their dealings in the Securities only when the Trading Window is open and no Designated Person or their immediate relative shall deal in the Securities during the period when the Trading Window is closed or during any other period as may be specified by the Compliance Officer from time to time.

### ***9.2 Pre-clearance of Trade***

All Designated Employees of the Company intending to deal in the securities of the Company to seek pre-clearance in the prescribed form from the Compliance Officer of the Company. Such pre-clearance shall be valid for a period of 7 days from the date of approval.

If a transaction is not executed within the approval period, Designated Employees (as the case may be) must apply to the Compliance Officer for pre clearance of the transaction, if they intend to transact again.

Upon completion of the proposed transaction, the Designated Employee to report the transaction in the prescribed format to the Company.

When such transactions reported by the Designated Employee crosses the threshold of Rs. 10 Lakhs, the Company shall notify the particulars of such trading to the stock exchanges on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

### ***9.3 Restriction on opposite transactions***

Designated Employee are restricted from entering into opposite transactions i.e., sell or buy any number of shares during next six months following the prior transaction.

*Explanation: if a Designated Employee has bought shares of the company, he can continue to buy the shares (when the Trading Window is open and subject to Pre-clearance) but cannot sell any number of shares for a period of 6 months from the last date when he bought the shares. Similarly if he sells the shares of the company, he can continue to sell any number of shares but can not buy any shares for a period of 6 months from the last date when he sold the shares.*

In case of personal emergency the 6 months holding period may be waived by the Compliance Officer after recording in writing the reasons in this regard.

Notwithstanding the above, should the Designated Employees execute an opposite transaction, inadvertently or otherwise, in violation of the restrictions set out above, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

### ***9.4 Restrictions on Derivative Transactions***

Designated Employees of the Company shall not take positions in derivative transactions in the shares of the Company at any time.

## **10. TRADING PLAN**

Designated Employees who wish to trade in Securities may formulate a trading plan as prescribed under the SEBI Regulation.

The Trading Plan so formulated shall be presented to the Compliance Officer and for public disclosure. It shall adhere to the following terms:

- (a) It shall not entail commencement of trading on behalf of the Insider earlier than six (6) months from the public disclosure of the Trading Plan;
- (b) It shall not entail trading for the period between the twentieth (20th) Trading Day prior to the last day of any financial period for which quarterly results or annual result are required to be announced by the Company and the second (2nd) Trading Day after the disclosure of such financial results;
- (c) The Trading Plan shall entail trading for a period of not less than twelve months;
- (d) It shall not entail overlap of any period for which another Trading Plan is already in existence;
- (e) It shall not entail trading in the Securities for market abuse;
- (f) It shall set out either the value of trades to be effected or the number of the Securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected.

The Compliance Officer shall review the Trading Plan to assess whether such plan would have any potential for violation of the Regulations and shall be entitled to seek such express undertaking as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

The Trading Plan, once approved, shall be irrevocable and the Designated Employee shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the Securities outside the scope of the Trading Plan. However, the implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the Designated Employee is in possession of unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such unpublished Price Sensitive Information becomes generally available information. Further, the Designated Employee shall also not be allowed to Trade in Securities, if the date of Trading in Securities, as per the approved Trading Plan coincides with the date of closure of Trading Window announced by the Compliance Officer.

Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the Securities are listed.

## **11. POWERS TO INVESTIGATE OFFENCES**

In relation to any offences by Designated Employees shall: -

- a. Serve a notice on the Designated Employee. Provided that, if the Board is of the opinion that it is necessary in the interest of the Company, it can initiate such proceedings without serving any notice.
- b. Investigate such records and documents in his/ her possession or in the possession of the Company.
- c. Record reasons of the Designated Employee in writing.

## **12. PENALTY FOR CONTRAVENTION**

Every Employee, Director, Promoter and Designated Employee shall be individually responsible for complying with the applicable provisions of this Code (including to the extent the provisions hereof are applicable to their Immediate Relatives).

Any contravention of the Code shall, in addition to being penalised in accordance with the law, also be subject to disciplinary action which in respect of an Employee may include wage freeze, suspension or termination of employment, or any other measure deemed appropriate by the Board.

Action taken by the Company for violation of the Regulations or this Code against any person will not preclude SEBI from taking any action for violation of the Regulations or any other applicable laws/rules/regulations.

In the event that a violation of the Regulations by any person has been identified by the Compliance Officer, he/ she shall forthwith inform the Audit Committee of the Company about the violation. The penal action will be initiated by the Compliance Officer on obtaining suitable directions from the Audit Committee. The Compliance Officer shall simultaneously inform SEBI about such violation. The person, against whom information has been furnished by the Company/Compliance Officer to SEBI for violations of the Regulations/Code, shall provide all information and render



necessary co-operation as may be required by the Company, Compliance Officer or SEBI in this connection.

**13. POWER OF THE BOARD / COMPLIANCE OFFICER TO EFFECT MODIFICATIONS TO THESE RULES**

The Board / Compliance Officer may amend, abrogate, modify or revise any or all clauses of this Code in accordance with the applicable provisions of the Regulations, and all other applicable laws from time to time.

**14. CAUTION**

All Designated Employees are hereby requested in their own interest not to trade in the shares of the Company without prior clearance of the Compliance Officer. In case of any difficulty in understanding this Code all Designated Employees should contact the Compliance Officer/ Company Secretary.

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**Annexure A**

**(To be furnished by the Designated Employee to the Compliance officer furnishing details of Self and Immediate Relatives upon appointment and on an yearly basis)**

1. Name of Designated Employee:
  - a) Designation :
  - b) Address (Official) :
  - c) DP ID : Client ID : PAN
  - d) No. of Shares :
  
2. Name of Spouse :
  - DP ID : Client ID : PAN
  - No. of Shares :
  
3. Name of Immediate Relative :
  - Relationship :
  - DP ID : Client ID : PAN
  - No. of Shares :
  
4. Name of Immediate Relative :
  - Relationship :
  - DP ID : Client ID : PAN
  - No. of Shares :
  
5. Name of Immediate Relative :
  - Relationship :
  - DP ID : Client ID : PAN
  - No. of Shares :

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

Date :

*Note: Immediate Relative as defined under the SEBI Prohibition of Insider Trading Code includes Spouse of the Designated Employee. Further parents, sibling and children of the Designated Employee and his/ her Spouse are included only if they are financially dependent on the Designated Employee or consults him/ her for trading decisions. Please provide your disclosure accordingly.*

**Annexure B**

**Pre-clearance Form  
(To be furnished to the Compliance Officer for Pre-clearance)  
(Valid for a period of 7 days from the date of approval)**

I Mr. \_\_\_\_\_ s/o. \_\_\_\_\_ residing at  
\_\_\_\_\_ designated as \_\_\_\_\_

wish to deal in the shares of the Company in my own name, for which I furnish the following particulars:-

- a) Number of shares intended to be purchased:
- b) Number of shares intended to be sold:
- c) DP Id :                      Client Id :

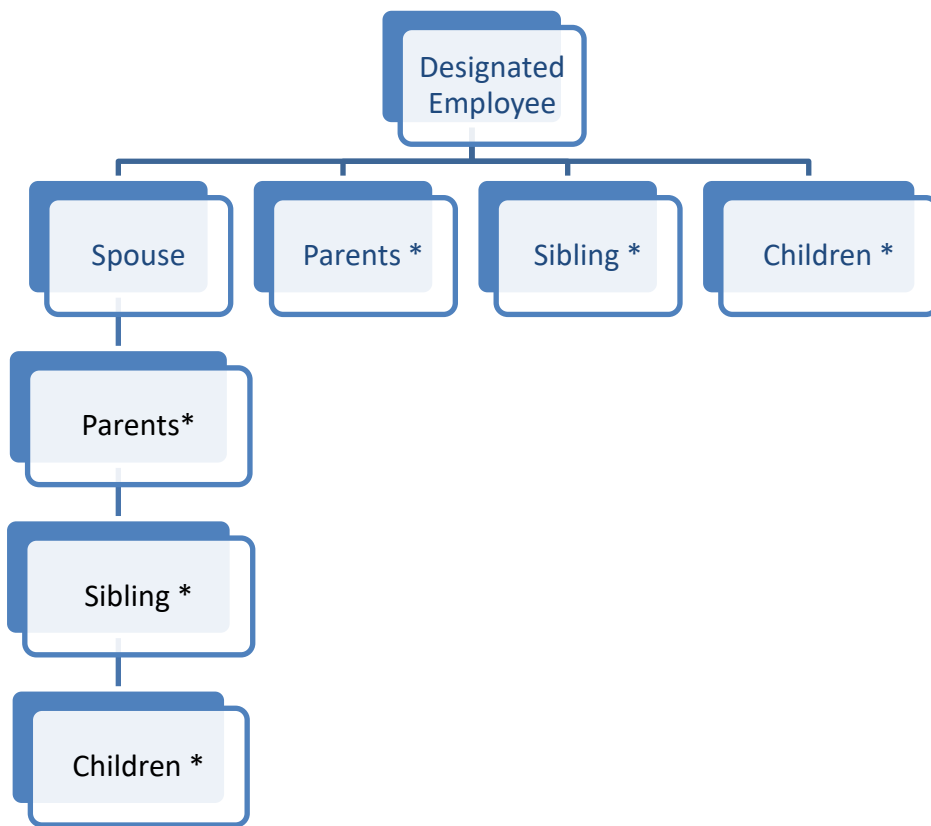
I also declare that:

- a) That I do not have any access to nor have I received price sensitive information upto the time of signing this undertaking.
- b) That in the event of receipt of such price sensitive information after signing this undertaking but before the execution of the transaction I will inform the Compliance Officer of the change and will refrain from dealing till such information is made public.
- c) That I have not contravened the code of conduct for prevention of Insider Trading Rules as framed by the Company.
- d) That I have made a full and true disclosure in the matter.
- e) That unless previously approved by the Compliance officer, I will not sell the securities within 6 months of such acquisition.

DATE:  
PLACE:

.....  
NAME  
DESIGNATION

## IMMEDIATE RELATIVES



**\* Will be considered as connected only if financially dependent on the Insider OR Consults the Insider for trading in securities**



**SOLARA**  
Active Pharma Sciences

The Compliance Officer  
Solara Active Pharma Sciences Limited  
Chennai.

RE: Solara Active Pharma Sciences Limited - Insider Trading Rules,

I, \_\_\_\_\_ hereby acknowledge receipt of Solara Active Pharma Sciences Limited – Insider Trading Rules (Code), as amended, and confirm that I have read and understood the code in entirety.

I hereby agree to abide and comply with the Code.

Regards

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

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

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

## Version Control Sheet

<b>Version Number</b>	<b>Date of Board Meeting</b>	<b>Remarks</b>
V 1	Approved and adopted by the Board in its meeting held on April 11, 2018	In line with the Securities and Exchange Board of India (SEBI) notified SEBI (Prohibition of Insider Trading Regulations) 2015