



Natco Pharma Limited

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CIN : L24230TG1981PLC003201, www.natcopharma.co.in

April 9, 2019

BSE Limited

Department of Corporate Services
Listing Department,
PJ Tower, Dalal Street,
Mumbai 400001, India
Scrip Code: **524816**

National Stock Exchange of India Limited

Listing Department,
'Exchange Plaza', C-1, Block-G,
Bandra Kurla Complex, Bandra (East),
Mumbai 400051, India
Scrip Code: **NATCOPHARM**

Dear Sir,

Sub: Disclosure under SEBI (Prohibition of Insider Trading) Regulations, 2015 amended from time to time.

In compliance with Regulation 8(2) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, we hereby inform you that pursuant to the requirements of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board of Directors on April 8, 2019 through resolution by circulation, adopted "Policy for determination of Legitimate Purpose" with effect from April 1, 2019 as an annexure to the "Code of Internal Procedures and Conduct to Regulate, Monitor and Report Trading by Insiders in the Securities of the Company", a copy of which is enclosed herewith. The same will be placed on the website of the Company www.natcopharma.co.in.

For Natco Pharma Limited

M Adinarayana
Company Secretary &
Vice President (Legal & Corp Affairs)
Authorised Signatory

Encl: As above

ANNEXURE 7

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSE (Effective from April 01, 2019)

Background:

As per Regulation 3(2A) of Securities Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, it is mandatory for the Board of Directors of the listed company to make a policy for determination of "legitimate purpose". Accordingly, Policy for Determination of Legitimate Purpose ("Policy") is prepared as a part of "Code of Internal Procedures and Conduct to Regulate, Monitor and Report Trading by Insiders in the Securities of The Company" formulated as per Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015 ("Regulations"). This code will be applicable from April 01, 2019.

Objective:

The objective of the policy is to regulate and monitor communication of Unpublished Price Sensitive Information (UPSI) for legitimate purpose in the best interests of the company and to ensure that such UPSI is shared on "need to know" basis and not misused by the recipient thereof.

Policy for determination of legitimate purposes:

- i. "Legitimate Purpose" shall include sharing of Unpublished Price Sensitive Information (UPSI) in the ordinary course of business on a need to know basis, by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the regulations.
- ii. "Legitimate Purpose" shall include but not limited to the following :
 - sharing of information for the preparation of financial statements and MIS in discharge of duties (or) responsibilities of the respective department of the organization.
 - any filing with or investigation, inquiry or request for information by a governmental authority or any regulatory authority.
 - sharing of information with Advocates, law firms, consultancy firms etc.
 - availing / renewal of any financial facility and or compliance with requirements set forth in any credit facility or other agreement evidencing Indebtedness or otherwise required by financing sources thereof,
 - sharing the relevant UPSI with persons engaged or involved in the processes leading to disclosure of events set out in Schedule III to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - fulfilment of a pre-existing obligation.
 - sharing the relevant UPSI with potential customers, marketing partners, joint ventures partners and vendors essential to fulfill the terms and conditions of business contract.
 - Due Diligence relating to acquisition/takeover/merger/demerger or any other similar arrangement/restructuring of the company or its division/brand/products, etc.

- iii. No person shall procure from or cause the communication of UPSI by an insider 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.
- iv. Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "insider" for purposes of this policy and due notice shall be given to such person to maintain confidentiality in compliance with this policy.
- v. The Board of Directors shall require the parties who are in possession of UPSI to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of UPSI.
- vi. The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities along with Permanent Account Number (PAN) or any other identifier authorized by law where PAN is not available, with whom UPSI is shared on legitimate purpose.
- vii. In the event of any doubt, the concerned Insider shall seek the approval of the Compliance Officer along with the full & complete details of the background, purpose and effect on the Company in the event of non-disclosure, to enable the concerned insider to make an informed judgment on the matter.
- viii. Compliance officer shall make necessary decisions if the information procured /possessed comes under the ambit of legitimate purpose.

Changes to this Policy

The Board may amend this Policy from time to time (if required) to incorporate any subsequent amendment(s) /modification(s) brought in by SEBI with respect to matters covered under this Policy or even otherwise.

Approval Authority:

This policy has been approved by the Board of Directors of the company.