



# HIKAL LIMITED

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**Code of Internal Procedures and Conduct for  
Regulating, Monitoring and Reporting Trading by  
Insiders**

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## INTRODUCTION & PURPOSE:

Insider trading means trading in Securities of a company by its Directors, Employees, Promoters or other Insiders based on Unpublished Price Sensitive Information. Such dealing by Insiders erodes the investors' confidence in the integrity of the management and is unhealthy for the capital markets.

This Code had been formulated to maintain the highest ethical standards while trading in Securities of the Company by the Insiders. Hikal Limited ("Hikal" / "the Company") had initially implemented a Code of Conduct for Prevention of Insider Trading which was amended from time to time in line with the amendments in SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Insider Trading) Regulations, 2015 to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof. These regulations came into force with effect from 15th May, 2015 and the same were made applicable to all companies whose securities are listed or proposed to be listed on a Stock Exchange. Subsequently, on enactment of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 this code was amended again.

This New Code i.e. Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Insiders (hereinafter referred to as "the Code") is being introduced to replace the earlier Code of Conduct for Prevention of Insider Trading, effective 15th May, 2015, to enhance the standards of governance. This revised code would be effective from 1<sup>st</sup> April, 2019.

The Regulations envisage listed companies formulating a code of conduct to regulate, monitor and report trading by its Designated Persons and their Immediate Relatives by adopting the prescribed minimum standards for achieving compliance with the regulations, establishing principles for fair disclosure of Unpublished Price Sensitive Information ("UPSI") and adopting a policy and procedure for inquiry in case of leak or suspected leak of UPSI.



## 1. DEFINITIONS:

- 1.1. **“Act”** means the Securities and Exchange Board of India Act, 1992.
- 1.2. **“Board”** means Board of Directors of the Company.
- 1.3. **“Code” or “Code of Conduct”** shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Hikal Limited as amended from time to time.
- 1.4. **“Company”** means Hikal Limited.
- 1.5. **“Compliance Officer”** means Company Secretary of the Company or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors 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 Company.
- 1.6. **“Connected Person”** means:
  - (i) 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.
  - (ii) 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 (i); 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 the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

**1.7. “Designated Person” shall include:**

- a) Directors and its material subsidiaries;
- b) Promoters & Promoter Group entities of the Company [and its material subsidiaries];
- c) Key Managerial Personnel [and its material subsidiaries];
- d) Every employee in the grade of General Managers & above [and its material subsidiaries];
- e) Secretaries / Executive Assistants / Personal Assistants of Whole-time Directors & Presidents/Vice Presidents;
- f) Support staff of the Company such as IT, finance or Secretarial Staff who have access to UPSI;
- g) Such other employees of the Company and such other persons as may be determined by the Compliance Officer on the basis of their functional role from time to time.

**1.8. “Director” means a Director appointed to the Board of the Company.**

**1.9. “Effective Date” shall mean May 15, 2015, the day from which the provisions of this Code and the Regulations will come into effect**

**1.10. “Employee” means every employee of the Company including the Directors in the employment of the Company.**

**1.11. “Generally available Information” means information that is accessible to the public on a non-discriminatory basis.**

**1.12. “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**



**1.13. “Insiders”:** means any person who is:

- a) a connected person; or
- b) in possession of or having access to unpublished price sensitive information; or
- c) Designated Person.

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

**1.15. “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 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.

**1.16. “Promoter and “Promoter Group”** 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:

**1.17. “Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

**1.18. “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.

**1.19. “Takeover regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

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

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

**1.22. “Trading window”** refers to the period during which the Company's securities can be traded.

**1.23. “Unpublished Price Sensitive Information” or “UPSI”** means any information, relating to a 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 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, delisting, 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

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 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall have the meanings respectively assigned to them in those legislation.

## **2. ROLE OF COMPLIANCE OFFICER**

Compliance Officer shall perform the following functions and shall have the following powers:

- 1.1.** Monitor and administer this Code.
2. Maintain, update and preserve records, as per these Regulations.
3. Clarify issues regarding the Code and redress the grievances of the Designated Persons.
4. Decide and notify the ‘Fixed Closed Periods/ Special Closed Periods’ for Designated Persons / select persons or specific departments, as deemed necessary, and timing when ‘Trading Window’ would be open.
5. Identify and notify the list of Designated Persons on the basis of specific transactions, as required under the Code.
6. The Compliance Officer shall send reports to Board of Directors and the Chairman of Audit Committee, on an annual basis or at such frequency as may be stipulated by the Board of Directors from time-to-time (but not less than once in a year), providing details of the trading in the Securities of the Company by the Designated Persons and the accompanying documents such persons had executed under the pre-dealing procedure as envisaged in this Code.
7. In case it has been observed that there has been violation of violation of this Code, the Compliance Officer shall inform the SEBI promptly.
8. The Compliance Officer can delegate all or any of the above powers to any officer / employee of the Company.



### **3. CODE OF CONDUCT FOR INSIDER TRADING:**

This code is applicable to Designated Person & their Immediate Relatives and Insiders as defined above under clause (1.7), and (1.12) and (1.13) respectively.

### **4. PRESERVATION OF "UNPUBLISHED PRICE SENSITIVE INFORMATION"**

**4.1** All information shall be handled within the Company on a need-to-know basis and no insider shall communicate, provide, or allow access to any 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.

#### **4.1.1 Need to Know**

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., 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 any conflict of interest or appearance of misuse of the information.

#### **4.1.2 Limited access to confidential information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

### **5. PREVENTION OF MISUSE OF "UNPUBLISHED PRICE SENSITIVE INFORMATION"**

All Designated Person shall be governed by an internal code of conduct governing dealing in securities.

- a) No Insider shall communicate, provide, allow access to any UPSI relating to the Company or Securities listed or proposed to be listed, to any person;
- b) No person shall procure from or cause the communication by an Insider of UPSI, relating to the Company or its Securities;

Provided that nothing contained above shall be applicable when UPSI is communicated, provided, allowed access to or procured:

- i. in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations pursuant to appropriate confidentiality and non-disclosure agreement being executed; or
- ii. In the event the Board of Directors direct or cause the public disclosure of UPSI in the best interest of the Company;
- c) In case the Insider is required to communicate, provide, or allow access to any UPSI, such Insider shall do so only upon execution of a Non-Disclosure Agreement (“NDA”) to bind the recipient of the information to maintain confidentiality of the information and to communicate, provide, or allow access to any UPSI only in compliance with the provisions of these Regulations.
- d) A person in receipt of UPSI of the Company pursuant to a Legitimate Purpose shall be considered as Insider for purposes of the Regulations and relevant requirement under this Code will be applicable and shall be complied by such person;
- e) An Insider who shares the UPSI shall intimate the name and other details of such person with whom UPSI is shared under this regulation along with Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available, to the Compliance Officer, or CFO of the Company.
- f) UPSI shall be maintained within the Chinese Walls at all times. In the event any employee is required to be wall – crossed, i.e., brought over the Chinese Wall in order to obtain access to the UPSI for a specific purpose, prior approval of the Compliance Officer must be sought. The Compliance Officer shall consider whether such person being wall – crossed, is being provided UPSI on a Need – to – Know basis and whether such information is specific to the purpose for which their assistance is required.
- g) All persons who have wall – crossed shall be notified that he/she would be considered to be a Designated Person under this Code and consequently, required to comply with all applicable provisions of the Code and Regulations, till such information remains UPSI.

### **5.1 Trading Plan in case of persons who may be perpetually in possession of UPSI**

An insider shall be entitled to formulate a trading plan for trading 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.

### **5.2 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;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) 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
- (vi) not entail trading in securities for market abuse.

**5.3** The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.

**5.4** 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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any 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 Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

**5.5** Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

**5.6** The Compliance Officer shall review the Trading Plan to assess whether the Plan has the 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.

**5.7** Pre-clearances of Trades shall not be required for such Trades which are executed as per an approved Trading Plan.

**5.8** Further Trading window norms and restrictions on contra Trades shall not be applicable for approved Trading Plan.

## 6. TRADING RESTRICTIONS

All Designated Person shall be subject to trading restrictions as enumerated below: -

- a) A trading period called “**Trading Window**” shall be available for trading in **Securities**. The Trading window shall be closed during “**Fixed Closed Period**” and “**Special Closed Period**” during which Designated Persons or his/her Immediate Relatives are prohibited from dealing in Securities.
- b) The following periods are hereby notified as “**Fixed Closed Periods**”:
  - i. End of financial quarter/ year, as the case may be, up to forty-eight hours after the declaration of financial results.
  - ii. The dates of the respective Board Meetings for the above purposes will be notified by the Compliance Officer.
- c) “**Special Closed Periods**” will be notified by the Compliance Officer from time-to-time as per the requirements. Typically, events which may necessitate notification of Special Closed Periods will include intended declaration of interim dividend, proposal for issue of bonus shares, proposal for buy-back of shares / issue of shares on rights basis, proposal for merger, etc. or events including, but not restricted to those specified above require a certain period of preparation and pre-work, in which certain Designated Persons are involved. This necessitates notification of Special Closed Periods applicable only to such specified Designated Persons.

**The specified Designated Persons, to whom such a special Closed Period may be notified, are also prohibited from communicating the notification of such Special Closed Period to any other person.**

- d) It is clarified that during Fixed Closed Periods / Special Closed Periods, all Trades in Securities are prohibited, whether the same are within, or in excess of, the threshold limit notified under Clause 7.2 of this Code, i.e. whether requiring pre-clearance or not. Applications for pre-clearance will not be entertained during Fixed Closed Periods/ Special Closed Periods and Designated Persons would need to apply afresh after the expiry of the Fixed Closed Period / Special Closed Period, if they intend to enter into the applied-for transaction.

If a Fixed Closed Period / Special Closed Period is announced after the grant of pre-clearance but during the validity period of such pre-clearance, the pre-clearance shall immediately become void prospectively. Transactions already entered into prior to the announcement of the Fixed Closed Period / Special Closed Period, will however not be considered to be in violation of this Code.

## Monitoring Committee

- a) A committee is constituted under the Code named as Monitoring Committee, comprising of the following officials:
  - i. Managing Director or Chief Executive Officer of the Company;
  - ii. Chief Financial Officer of the Company;
  - iii. Investor Relationship Officer
  - iv. Compliance Officer;
  - v. Any other senior official as decided by Managing Director from time to time
  
- b) The Committee will perform the following functions:
  - i. Review list of Designated Persons periodically and inform the Board regarding the changes, if any.
  - ii. Conduct inquiries/investigations regarding alleged violations of the Code or these Regulations.
  - iii. Decide upon the penal consequences to be imposed on Designated Persons for any contravention of the Code.
  - iv. Waive the penal consequences for contraventions of the Code which does not amount to contravention of the Regulations.  
Seek any such information / documents from the Designated Persons and employee(s) of the Company and their Immediate Relatives, as the case may be, for the purpose of enforcing the provisions of this Code and the Regulations, and it shall be the duty of such persons to provide the same forthwith. Failure or refusal to co-operate in such enquiries shall be deemed to be a serious violation of the obligations owed to the Company under this Code.

## 7. PRE-CLEARANCE OF TRADES

- 7.1** Designated Persons shall conduct their trading in the securities of the Company when the trading window is open.

However, no Designated Person shall be entitled to 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 and hence he shall not be allowed to trade.

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

## 7.2 Pre-trading procedure

- a) Every Designated Person is required to obtain pre-clearance from the Compliance Officer by making an application as per (Annexure 1) and an undertaking as per (Annexure 2) before he/she and / or any of his/her Immediate Relatives, Trade in Securities (either buy / acquire or sell / dispose, etc.), **if the market value of Securities involved in the Trade or series of Trades over any calendar quarter, in aggregate, exceeds Rs. 10 Lakhs.**

The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven Trading Days following the date of approval.

- (i) Pre-clearance by Compliance Officer to Designated Person shall be given in prescribed Form *(Annexure 3)*.
- (ii) All Designated Person shall execute their order in respect of securities of the Company within 7 (seven) trading days after the approval of pre-clearance is given. The Specified Person shall file within 2 (two) days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. *(Annexure 4)*.
- (iii) If the order is not executed within 7 (seven) trading days after the approval is given, the Specified Person must pre-clear the transaction again.
- (iv) If the pre-cleared Trade is not executed within seven Trading Days after the approval is given, the Designated Person must secure pre-clearance of the Trade again. Also, the Designated Persons should intimate the Compliance Officer of the decision not to Trade after securing pre-clearance as per (Annexure 5).

## 7.3 Other Restrictions:

- (i) The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- (ii) 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 Code. Provided that trading in derivatives of securities is permitted by any law for the time being in force.
- (iii) The disclosures made under this Code shall be maintained for a period of 5 (five) years.

## 8. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

- Every Designated Person, including, a person upon being designated as such, is required to furnish the names 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 as per (Annexure 6):
  - (i) Immediate Relatives;
  - (ii) persons with whom such Designated Person(s) shares a Material Financial Relationship;
  - (iii) Phone, mobile and cell numbers which are used by them;

### 8.1 Initial Disclosures

- Every Designated Person, including a person upon being designated as such, is also required to furnish:
  - (i) The names of educational institutions from which designated persons have graduated;
  - (ii) The names of their past employers; and
  - (iii) details of Securities and derivative positions in Securities presently held by him/her or his/her Immediate Relatives as per (Annexure 7);
- 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 securities of the Company as on the date of appointment or becoming a promoter, to the Company within 7 (seven) days of such appointment or becoming a promoter. (Annexure 8).

### 8.2 Continual Disclosures

- Every Promoter, member of Promoter Group, Designated Person and director of the Company shall disclose as (Annexure 9) to the Company, the number of Securities acquired or disposed by them or their Immediate Relatives or any other person for whom they take trading decisions, within 2 (two) Trading Days of such transaction, if the aggregate value of Securities Traded, whether in one transaction or a series of transactions over any calendar quarter, exceeds Rs. 10 Lakhs.

However, no Designated Person shall be entitled to 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 and hence he shall not be allowed to trade.

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

**Explanation:** It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in this clause.

### **8.3 Disclosure by the Company to the Stock Exchange(s)**

- Within 2 (two) trading days of the receipt of intimation under Clause 7.2, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.
- 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 five years.

### **8.4 Disclosures by other connected persons**

A Company 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. (*Annexure 10*).

### **8.5 Half yearly / Annual Disclosures**

All Directors, KMP, Promoters, Designated Persons and their Immediate Relatives trading in the securities of the Company shall be required to forward following details of their Securities transactions including the holdings of Immediate Relatives to the Compliance Officer -

- Annual statement of all holdings in securities of the Company in (*Annexure 11*) as on March 31 of each year, before April 30 of that year.

### **8.6 Records of disclosures received by the Company**

The Compliance officer shall place before the Chairman of the Audit Committee or to the Chairman of the Board of Directors, on yearly basis, all the details of the trading in securities of the Company under and the accompanying documents that such persons had executed under the aforesaid pre-clearance / trading procedure.

## **9. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT**

Violations of any provisions of this code of conduct or SEBI (Prohibition of Insider Trading) Regulations, 2015, may attract any of the following sanctions and disciplinary actions as the Board of Directors may decide based on the recommendations of the Audit Committee:

- a) Warning
- b) Salary freeze
- c) Cut in the increment
- d) Claw back of incentive
- e) Suspension
- f) Termination of employment

The above sanctions or disciplinary actions as may be imposed by the Company will be in addition to the penal provisions stated under the SEBI Regulations, as may be applicable.

## **10. CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:**

This Code shall come into force from 15th day of May, 2015 and as amended with effect from 1<sup>st</sup> April, 2019.

The Board of Directors of Hikal Limited have always thrived to conduct its business in a fair and transparent manner with a view to protect the interest of all the stakeholders in the Company. Towards achieving this objective, the Company and the members of the Board, Key Managerial Personnel, all employees and connected persons shall adhere to the following principles of fair disclosure of unpublished price sensitive information in letter as well as in spirit:

- 10.1 The Company shall ensure prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being, in order to make such information generally available.
- 10.2 The Company shall ensure Uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
- 10.3 Company ensures that all Unpublished Price Sensitive Information is strictly made available on a Need- to- Know basis. 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.

- 10.4 The term ‘Legitimate Purpose’ includes sharing of UPSI in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors and consultants, provided that such sharing has not been carried out to evade or circumvent the prohibition of these regulations.

For determining ‘Legitimate Purpose’, the following factors shall be taken into consideration:

- a) Whether the information has been shared for the purpose of undertaking normal course of activity as required under the assigned scope of work;
  - b) Whether sharing of such information is customary business practice;
  - c) Whether the purpose for which the information is shared has well established precedence in the Company’s history;
  - d) Whether such information relates to regular and frequent activities of the Company;
  - e) Whether such information and the purpose of sharing were apparent and predictable.
- 10.5 The Company Secretary of the Company shall act as the Chief Investor Relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information relating to the Company to the investors, analysts, press and electronic/ social media.
- 10.6 The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- 10.7 The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- 10.8 The Company will ensure that information shared with analysts and research personnel, if any, is not unpublished price sensitive information.
- 10.9 The Company shall develop and follow 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.
- 10.10 The Company shall handle all unpublished price sensitive information on a need to-know basis.

The Company will also promptly intimate any amendment to this Code of Corporate Disclosure Practices to the Stock Exchanges where Hikal’s Securities are listed, as required under the Insider Trading Regulations.



## **11. POLICY FOR PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI OR SUSPECTED LEAK OF UPSI**

‘Leak of UPSI’ shall refer to such act / circumstance(s) by virtue of which any UPSI is made available or becomes available, by any means or mode to any person, association, body, firm, agency, society, entity or to a group thereof, whether registered or otherwise before its official publication or announcement or formal circulation in public domain and which shall also include any purported attempt thereof.

### **Process of inquiry in case of leak of UPSI or suspected leak of UPSI**

- a) Inquiry under this policy shall commence based on a written complaint received from any employee, department of the Company, Designated Person, Depository, Stock Exchange, Regional Director or any official thereof, Registrar of Companies or any official thereof, regulatory / statutory authority or any other department of Central or State Government.
- b) On receipt of the Complaint, Monitoring Committee shall conduct the inquiry for investigating the matter.
- c) Within 5 (five) working days of receipt of the complaint, the Monitoring Committee, shall, where it deems fit, write to the person alleged to have cause the leak or suspected leak, intimating the details of the complaint received and requesting him/her, where necessary, to give a written representation within 7 (seven) working days of receipt of letter.
- d) If, based on a preliminary inquiry into the matter, the Monitoring Committee feels that the complaint has been lodged to secure needless publicity for defamatory matter which is detrimental to the interest of the Company then it may discard the complaint with reasons to be recorded in writing.
- e) In cases where the Monitoring Committee finds that the complaint merits further investigation, it shall proceed to investigate in the matter and for such purpose may consult such persons, whether internal or otherwise or obtain such external assistance or opinion, as it may deem expedient in this regard. During the course of such investigation, Monitoring Committee may call for such additional documents, representations, etc. as he may deem fit and issue notices, to such persons, as may be necessary, to seek additional details/information.
- f) As part of such investigation, the Monitoring Committee may, where necessary, issue notice to the person alleged to have cause the leak or suspected leak asking him/her to show cause as to why the Company should not initiate disciplinary proceedings, as applicable, against him/her.

- g) On completion of the preliminary investigation under point (d), receipt of reply to the notices issued under point (f) or on non-receipt thereof, Monitoring Committee shall refer the matter to the Chairman of the Audit Committee, along with its opinion, for his/her consideration.
- h) Chairman of the Audit Committee on receipt of such opinion shall proceed to convene a meeting of the Audit Committee and shall actually convene the concerned meeting within a period of 30 days of receipt of opinion of Monitoring Committee.
- i) The Audit Committee shall consider the matter and put forward its recommendation to the Board. The Board, on receipt of such recommendation and after due review, if forms an opinion that the person alleged to have caused the leak or suspected leak, is guilty of leak of UPSI or suspected leak of UPSI, then it will order for necessary disciplinary proceedings of the Company, which will be in addition to the penal provisions stated under the Regulations and any other statutory enactments, as applicable and direct the Compliance Officer for informing to the SEBI of such leak, inquiries and result of such inquiries.
- j) The Company *suo moto* reserves the right of initiating an inquiry under this policy against any Designated Person or employee if it has reasons to believe that such person has leaked UPSI or suspected to leak of UPSI.
- k) This policy shall not in any way preclude any referrals, complaints, measures, actions etc. which can be instituted or which are available under the existing Whistle Blower Policy of the Company.

## 12. MISCELLANEOUS

- a) For all queries or difficulties, relating to this Code Designated Persons, Insiders or any employees may contact the Compliance Officer for assistance.
- b) The Chief Executive Officer or Managing Director shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations to prevent Insider Trading;
- c) The Audit Committee of the Company shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively
- d) The Board shall review periodically this Code and shall also have the power to amend any of the provisions of this Code, substitute any of the provisions with a new provision or replace this Code entirely with a new Code. The Board may also establish further rules and procedures, from time- to- time, to give effect to the intent of this Code and good corporate governance.



- e) This Code in whole or in part, shall stand modified, amended from time-to-time, without any further act on the part of the Company, as and when there would be any statutory modification(s), amendment(s), revision(s) to the applicable provisions thereto.
- f) This Code has been uploaded on the Company's website and internal portal. All the employees, Designated Persons and Insiders hereby acknowledge having read and fully understood their obligations herein and have undertaken to unconditionally abide by the same. The responsibility of compliance shall be entirely on the employees, Designated Persons and Insiders including any violation by their Immediate Relatives.

**For Hikal Limited**

**Date: April 1, 2019**

**Place: Mumbai**

**Jai Hiremath**

**Chairman & Managing Director**



## ANNEXURE 1

### SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

Date:

To,  
The Compliance Officer,  
Hikal Limited,

Dear Sir,

**Sub: Application for Pre-dealing approval in securities of the Company**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting Trading by Insiders, I seek approval to purchase / sale / subscription of \_\_\_\_\_ equity shares of the Company as per details given below:

1.	Name of the Specified Person	
2.	Designation (if applicable)	
3.	Number of securities held as on date	
4.	Folio No. / DP ID / Client ID No.)	
5.	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities (d) Other
6.	Proposed date of trading in securities	
7.	Estimated number of securities proposed to be acquired/subscribed/sold	
8.	Price at which the transaction is proposed	
9.	Current market price (as on date of application)	
10.	Whether the proposed transaction will be through stock exchange or off-market deal	
11.	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	
12.	PAN of the Designated Persons	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of Employee)



## ANNEXURE 2

### FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE UNDERTAKING

To,  
The Compliance Officer,  
Hikal Limited,

I, \_\_\_\_\_, \_\_\_\_\_ of the Company / Immediate Relative [●] residing at \_\_\_\_\_, am / is desirous of dealing in \_\_\_\_\_ \* equity shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I / my Immediate Relative(s) am / are not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for Insider Trading [the Code]) up to the time of signing this Undertaking.

In the event that I / my Immediate Relative(s) have access to or received any information that could be construed as "Unpublished 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 (and ensure that my Immediate Relatives refrain) from trading in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within two days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I / my Immediate Relative(s) shall execute the deal within 7 (seven) trading days of the receipt of approval failing which I / my Immediate Relative(s) shall seek pre-clearance again.

I declare that I have made full and true disclosure in the matter.

Date :

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

\* Indicate number of shares



### ANNEXURE 3

#### FORMAT FOR PRE- CLEARANCE ORDER

To,  
Name : \_\_\_\_\_  
Designation (if applicable) : \_\_\_\_\_  
Place : \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (nos) 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 would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file 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 necessary.

This Pre-Clearance approval has been granted pursuant to the Undertaking submitted by you as **Annexure 2**. Any violation of this Code / Regulations shall result in, among others, disciplinary action as prescribed in this Code/ Regulations.

Yours faithfully,  
For Hikal Limited

Compliance Officer

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

Encl: Format for submission of details of transaction



#### ANNEXURE 4

##### FORMAT FOR DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 days of transaction / trading in securities of the Company)

To,  
The Compliance Officer,  
Hikal Limited,

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_ (date).

Name of holder	No. of securities dealt with	Bought/sold/subscribed	DP ID/Client ID / Folio No	Price (Rs.)

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 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/ my Immediate Relative(s) agree to hold the above Securities for a minimum period of six months. In case there is any urgent need to sell these Securities within the said period, I shall approach the Compliance Officer for necessary approval. (Applicable in case of purchase / subscription).

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).

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

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

Name :

Designation:



**ANNEXURE 5**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

**Name of the Company:** \_\_\_\_\_

**ISIN of the Company:** \_\_\_\_\_

**Name of Designated Person:**

This is to inform you that trading in Securities for which pre-clearance was granted, as per details given below, could not completed.

Name of Designated Person / Immediate Relative	Details of pre-clearance sought				
	Date of pre-clearance application	Date of approval	Nature and no. of Securities	Approximate market value of Securities (in Rs.)	Type of transaction

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

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

Name:

Designation



**ANNEXURE 6**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

**Name of the Company:** \_\_\_\_\_

**ISIN of the Company:** \_\_\_\_\_

**Name of Designated Person:**

A. Details of Immediate Relatives

Name and Address of Immediate Relative	Relationship with Designated Person	PAN of Immediate Relatives/ Other identifier authorized by law	Phone, mobile and cell number of Immediate Relative

B. Details of persons with whom Designated Person shares Material Financial Relationship

Name and Address of the Person	Relationship with the Person	PAN of the Person / Other identifier authorized by law	Phone, mobile and cell number of the Person

**Signature:**

**Date:**



**ANNEXURE 7**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

**Name of the Company:** \_\_\_\_\_

**ISIN of the Company:** \_\_\_\_\_

<b>Details of the educational institution(s)</b>		
Name of Institution	Details of Degree	Year when degree obtained

<b>Details of the all past employers</b>	
Name of Employer/organization	Years spent in the organization

**Details of Securities held on being appointed as Designated Person and Immediate Relatives**

Name, PAN/ CIN/DIN & Address with contact Nos.	Category of Person (Designated Persons/ Imme diate Relatives /others etc.)	Date of appointme nt of Designate d Person	Securities held at the time of becoming Designated Person		% of Shareholding	Open Interest of the Future Contracts held at the time of becoming Designated Person	
			Type of Security (e.g. – Shares, Warrants, Convertible Debentures etc.)	No.		Number of units (contracts * lot size)	Notional value in Rupee terms
1	2	3	4	5	6	7	

*Note: "Securities" shall have the meaning as defined under Regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

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

Date :

Designation :

Place :



## ANNEXURE 8

### Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (1) (b) read with Regulation 6(2)]

Name of the company: **Hikal Limited**

ISIN of the company: **INE475B01022**

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

Name, PAN/ CIN/DIN & Address with contact Nos.	Category of Person (Promoters/ member of Promoter Group/KMP / Directors/ Immediate relative /others etc.)	Date of appointment of Director / KMP OR Date of becoming a Promoter/member of Promoter Group	Securities held at the time of becoming a Promoter/member of Promoter Group/ appointment of a Director/KMP		% of Shareholding
			Type of Security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	
1	2	3	4	5	6

*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 on appointment of Key Managerial Personnel (KMP) or a Director or upon becoming a Promoter or member of Promoter Group of a listed Company and other such persons as mentioned in Regulation 6(2)**

Open Interest of the Future Contracts held at the time of becoming Promoter/ member of Promoter Group/appointment of a Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/ member of Promoter Group/appointment of a Director/KMP		
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
7	8	9	10	11	12

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

Signature:  
Designation:

Date:  
Place:



**ANNEXURE 9**

**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**  
[Regulation 7 (2) read with Regulation 6(2)]

Name of the company: **Hikal Limited**

ISIN of the company: **INE475B01022**

**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.	Category of Person (Promoters/ member of Promoter Group/ KMP / Directors/ Immediate relative /others etc.)	Securities held prior to acquisition/ disposal		Securities acquired/Disposed of				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ sale of shares, specify		Date of intimation to Company	Mode of acquisition / disposal (on market/public/ rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)
		Type of Security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of Security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/ Sale/ Pledge / Revoke/ Invoke)	Type of Security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.



**Details of trading in derivatives of the company by Promoter, member of Promoter Group, Designated Person or Director of a listed company and other such persons as mentioned in Regulation 6(2)**

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the Trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value in Rupee term	Number of units (contracts * lot size)	Notional Value in Rupee term	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

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

Signature:  
Designation:

Date:  
Place:



ANNEXURE 10

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
Regulation 7(3) – Transactions by Other Connected Persons

Name of the company: **Hikal Limited**

ISIN of the company: **INE475B01022**

Name, PAN/CIN/DIN, & address with contact Nos. of other connected persons as identified by the Company	Connection with company	Securities held prior to acquisition/disposal		Securities acquired/Disposed of				Securities held post acquisition/disposal		Date of allotment advice/acquisition of shares/sale of shares specify		Date of intimation to the Company	Mode of acquisition/disposal (on market/public/rights/ Preferential offer / off market/Inter-se transfer, ESOPs etc.)
		Type of Security (For e.g. - Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	Type of Security (For e.g. - Shares, Warrants, Convertible Debentures etc.)	No.	Value	Transaction Type (Buy/Sale/Pledge/ Revoke/ Invoke)	Type of Security (For e.g. – Shares, Warrants, Convertible Debentures etc.)	No. and % of shareholding	From	To		
1	2	3	4	5	6	7	8	9	10	11	12	13	14





Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the Trade was executed
Type of Contract	Contract specifications	Buy		Sell		
		Notional Value in Rupee term	Number of units (contracts lot size)	Notional Value in Rupee term	Number of units (contracts lot size)	
15	16	17	18	19	20	21

**Note:** None of my immediate relatives hold/trade in the securities of the Company & I do not take any decisions for trading in the Company's securities for any other persons. *(strike off whichever is not applicable)*

Signature:  
Designation:

Date:  
Place:



## ANNEXURE 11

To,  
The Compliance Officer

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

Name of the company: **Hikal Limited**

ISIN of the company: **INE475B01022**

### Details of Securities held by Designated Persons and Immediate Relatives

#### I. Self Declaration

Name & Designation	DP ID No.	Client ID / Folio No.	No. of Shares Held on 1 <sup>st</sup> April ____	No. of Shares Bought during the year	No. of Shares Sold during the year	No. of Shares held on 31 <sup>st</sup> March ____

#### II. Immediate Relatives

Name & Designation	DP ID No.	Client ID / Folio No.	No. of Shares Held on 1 <sup>st</sup> April ____	No. of Shares Bought during the year	No. of Shares Sold during the year	No. of Shares held on 31 <sup>st</sup> March ____

*Note: "Securities" shall have the meaning as defined under Regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

I declare that the dealings in securities were carried out while trading window was open and in terms of the permission from Compliance Officer.

I further declare that the securities purchased / sold as mentioned herein above by me along with my Immediate Relatives, have not been purchased / sold by entering into any opposite transaction entered during the last 6 months.

Signature:  
Name:  
Place: