

HI-KLASS TRADING & INVESTMENT LTD.

Regd. Off. :24, Veer Nariman Road, Rehman Building, 2nd Floor, Office No.15, Fort, Mumbai – 400 001.

Tel.: 2287 4084, 2287 4085 * Email : info@hiklass.co.in

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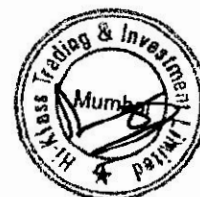
HI-KLASS TRADING AND INVESTMENT LIMITED

CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

Code for Prevention of Insider Trading:

1 DEFINITIONS

- a. **“Act”**, means Securities and Exchange Board of India.
- b. **“Company” or “the Company”**, means Hi-Klass Trading and Investment Limited
- c. **“Board”** means the Board of Director of the Company.
- d. **“Code” or “Code of Conduct”** shall means the Code of Conduct of internal procedure and conduct for Regulating
- e. **“Compliance Officer”**, means Company Secretary 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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.
- f. **“Dealing in securities”**, means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in securities of the Company either as principal or agent.
- g. **“Insider”**, means any person who is or was connected with the company or is deemed to have been connected with the company, and who has received or has had access to such unpublished price sensitive information.
- h. **“connected person”**, means any person who—
 - (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.



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- (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 recognized 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.

Explanation: — The words “connected person” shall mean any person who is a connected person six months prior to an act of insider trading.

- i. **“Unpublished Price Sensitive Information”,** means any information which relates directly or indirectly to a Company and which if published is likely to materially affect the price of the securities of the Company

Explanations:- The following shall be deemed to be the price sensitive information

- i. Quarterly, half yearly and annual financial results of the Company
- ii. Intended declaration of dividend (interim and final).
- iii. Issue of Securities or buy back of securities.



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- iv. Any major expansion or execution of projects
- v. Amalgamation, merger & takeovers
- vi. Disposal of the whole or substantial part of the undertaking, and
- vii. Any significant changes in policies and operations of the Company
- j. **“relative”**, means a person defined in section 2 (77) of the Companies Act, 2013
- k. **“unpublished”** means information which is not published by the Company or its agent and not specific in nature.
- l. **“Trading window”**, means trading period for trading in the Company's securities as specified by the Company from time to time.
- m **“Designated Employee”, means**
 - i. every employee in grade of Assistant General Managers and above;
 - ii. every employee in the finance, accounts, secretarial, and legal department as may be determined and informed by the Compliance Officer; and
 - iii. any other employee as may be determined and informed by the Compliance Office from time to time.
- n. **“Director”**, means member of the Board of Directors of the Company
- o **“Employee”**, means every employee of the Company including the Directors in the employment of the Company.
- p. **“Officer”**, includes any Director, Manager or Secretary or any person in accordance with whose directions or instructions the Board of Directors of the Company or anyone or more of the Directors is or is accustomed to act.
- q. **“Key Managerial Person”** means person defined in Section 2(51) of the Companies Act, 2013
- r. **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
- s. **“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;



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- t. **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto
- u. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy sell, deal in any securities, and "trade" shall be construed accordingly
- v. **"Trading Day"** means a day on which the recognized stock exchanges are open for trading
- w. **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- x. **"Specified Persons"** means the Directors, connected persons, the insiders, the Designated Employees and the promoters and immediate relative's are collectively referred to as Specified Persons.

All terms used in this document, but not defined above shall have the meanings prescribed to them in the Companies Act, 2013.

2. Role of Compliance Officer :

Ms. Neha Kedia, Company Secretary of the Company, shall be the Compliance Officer of the ("the Compliance Officer") for the purpose of this code. The Compliance Officer shall report to Managing Director of the Company or any other person as authorized by the Board to act as Compliance Officer.

The Compliance officer shall assist all employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct. The Compliance Officer shall maintain records of all the promoters and designated person

3. Preservation of "Unpublished Price Sensitive Information"

All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

Need to Know

Unpublished Price Sensitive Information is to be handled on a **"need to know"** basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information for legitimate purposes, performance of duties or discharge of his legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

Limited access to confidential information



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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.

4. **Prevention of misuse of “Unpublished Price Sensitive Information” and trading restriction.**

Employees and connected persons designated on the basis of their functional role (“designated persons”) in the Company shall be governed by an internal code of conduct governing dealing in Securities and No unpublished price sensitive information shall be communicated furtherance

i. Trading Window and Window Closure

- The trading period, i.e. the trading period of the stock exchanges, called “trading window”, is available for trading in the Company’s securities.
- The trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is published.
- When the trading window is closed, the Specified Persons shall not trade in the Company’s securities in such period.
- All Specified Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company’s securities during the periods when the trading window is closed, as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.
- In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.

The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates

The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.



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The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company

5. Pre clearance of trades

All designated employees of the Company and their dependent family members who intend to deal in the securities of the Company above a threshold limit of 64,000 securities per trade should pre-clear the transaction as per the pre-dealing procedure as described hereunder. The Company Secretary is authorized to change the number of securities from time to time. An application may be made in Annexure - I, to the Compliance Officer indicating the estimated number of securities that the designated employee and or his/ her dependent family members intend to deal in, the details as to the depository with which they have 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.

An undertaking in Annexure - II shall be executed in favor of the Company by such designated employee incorporating, inter-alia, the following clauses, as may be applicable:

- (a) That the designated employee does not have any access or has not received "Price-Sensitive Information" upto the time of signing the undertaking.
- (b) That in case the designated employee has access to or receives "Price-Sensitive Information" after the signing of the undertaking but before the execution of the transaction he / she shall inform the Compliance Officer of the change in his/ her position and that he / she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (c) That he / she has not contravened the Code for prevention of insider trading as notified by the Company from time to time.
- (d) That he / she has made a full and true disclosure in the matter.

No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors:-

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.



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- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

6. Other Restrictions

The disclosure 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.

The disclosure 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

The disclosure made under this code shall be maintained for a period of five years.

7. Reporting Requirements for transactions in securities

Initial Disclosure

Every promoter/ Key Managerial Personnel / Director / Officers / Designated Employees of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form (Annexure 5).

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 seven days of such appointment or becoming a promoter.

Continual Disclosure

Every promoter, employee and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakhs.

The disclosure shall be made within 2 working days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.



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8. Reporting Requirements for transaction in securities

- All Directors/Designated Persons/ Officers shall forward to the Compliance Officer details of their securities transactions including the statement of their immediate relatives (a) All holdings in securities of the company, at the time of joining the company in Annexure-II; Annual statement of all holdings in securities of the Company in **Annexure -III** within 15 days
- Every promoter, key managerial personnel and director of every company whose securities are listed on any recognized stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of SEBI (Prohibition of Insider Trading) Regulations 2015 taking effect.
- 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 seven days** of such appointment or becoming a promoter
- The Compliance Officer shall maintain records of all the declarations/undertakings/forms as mentioned in this Code, as received from time to time, for a period of five years
- The Compliance Officer shall place before Chairman/ Managing Director/ Committee specified by the Company, on a monthly basis, all the details of the dealing in the securities by Designated Persons/director/Officer of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code.

9. Disclosure by the Company to the Stock Exchange(s)

Within 2 days of the receipt of intimation under Clause 8.3, 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 periods of five years.

The Company is required to frame a Code of Fair Disclosure for prevention of Insider Trading and the same is appended hereto.

10. Penalty for contravention of the code of conduct

Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company



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Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

This Policy Is Only Internal Code Of Conduct And One Of The Measures To Avoid Insider Trading. It Will Be The Responsibility Of Each Employee To Ensure Compliance Of SEBI Guidelines And Other Related Statutes Fully.

