

HATSUN AGRO PRODUCT LIMITED

**NEW CODE OF CONDUCT UNDER REGULATION 9 (1) SEBI (PROHIBITION OF
INSIDER TRADING) REGULATIONS, 2015 TO REGULATE, MONITOR AND
REPORT TRADING BY INSIDERS**

[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Adopted by the Board of Directors on 28th May 2015

HATSUN AGRO PRODUCT LIMITED
CIN: L15499TN1986PLC012747
REGD. OFF: DOMAINE, DOOR NO.1/20A,
RAJIV GANDHI SALAI (OMR)
KARAPAKKAM, CHENNAI – 600 097.
EMAIL: SECRETARIAL@HATSUN.COM; WEBSITE:WWW.HATSUN.COM

NEW CODE OF CONDUCT UNDER REGULATION 9 (1) SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015 TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

Introduction

- A. SEBI vide its Circular No. LD-NRO/ GN/ 2014-15/21/85 dated 15th January 2015 has introduced SEBI (Prohibition of Insider Trading) Regulations, 2015, to be effective from 15th May 2015.
- B. Regulation 9 (1) contained under Chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015 mandates listed companies to formulate a **Code of Conduct (hereinafter referred to as “Code”)** to regulate, monitor and report trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.
- C. This Code is applicable upon the Members of the Board of Directors of the Company with effect from 15th May 2015 and shall supersede the previous code dated 1st April 2005.
- D. Any modifications and/or amendments brought about by SEBI subsequently shall automatically apply to this Code.

I. Important Definitions

- (a) “Compliance Officer” means Company Secretary of the company.
- (b) “Connected person” shall generally include –
 - Directors, Key Managerial Personnel, Specified Employees and Promoters (referred to as “Designated Persons”) who may have access to unpublished price sensitive information; and
 - Immediate Relatives of the above;
- (c) "generally available information" means information that is accessible to the public on a non-discriminatory basis;
- (d) “insider” means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;

- (e) "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;
- (f) "trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (g) "trading day" means a day on which the recognized stock exchanges are open for trading;
- (h) "unpublished price sensitive information" 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 include but not restricted to, information relating to the following: –
 - i. financial results;
 - ii. dividends;
 - iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel; and
 - vi. material events in accordance with the listing agreement.
- (i) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

II. Code

1. Reporting

The Compliance Officer shall report to the Board of Directors ("Board") and in particular, shall provide reports to the Chairman of the Board, on a quarterly basis or at such frequency as may be stipulated by the Board.

2. Information on a need to know basis & Chinese Wall procedures

All information shall be handled within the organisation 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/her legal obligations.

Chinese Walls procedures & processes will be as under -

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing/investment advise or other departments providing support services, considered "public areas".
- ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii. The employees in inside area may be physically segregated from employees in public area.
- iv. Demarcation of the various departments as inside area may be implemented by the Company.
- v. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

3. Designated Persons

The Chairman of the Board shall in consultation with the Compliance Officer specify the designated persons to be covered by such Code on the basis of their role and function in the organisation. Due regard shall be had to the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation.

III. Trading window

4. Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument for monitoring trading by the designated persons. The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
5. The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. 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

IV. Pre-clearance & trades

6. When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of Rs. 10,00,000/- (Rupees Ten Lakh) in value over any calendar quarter, or such other limits as the Board may stipulate. No designated person shall 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.
7. The Compliance Officer shall confidentially maintain a list as a “restricted list” as may be specified in the SEBI regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
8. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
9. Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.
10. A designated person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such contra trade is executed, inadvertently or otherwise, in violation of such a restriction, 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.

11. Disclosure Responsibilities & formats

A. Initial Disclosures of holdings

Every promoter, key managerial personnel and director of the Company shall disclose (as per **Form A**) his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose (as per **Form B**) his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter.

B. Continual Disclosures of trades

Every promoter, employee and director of the Company shall disclose to the Company (as per **Form C**) the number of such securities acquired or disposed of within two (2) 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.10,00,000/- (Rupees Ten lakh) or such other value as may be specified;

The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

C. Other formats / disclosures, to monitor compliance with these Regulations would be as under –

- Reporting of holdings in securities by Designated Persons (as per **Form D**)
- Application-cum-undertaking for pre-clearance (as per **Form E**)

12. Penalty for contravention of Code of Conduct

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer.

13. Applicability of the Code to certain persons

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

This Code is subject to review from time to time.

FORM A

Name of the Company: Hatsun Agro Product Limited

ISIN of the Company: L15499TN1986PLC012747

Details of Securities held by Promoter / KMP / Director and such other persons as mentioned in Regulation 6 (2) :-

Name, PAN No/ DIN & address with contact nos.	Category of Person – Promoter / KMP/ Director / Immediate relatives/ others etc.	Number of Securities held as on date of regulation coming into force (type & No)	% of shareholding	Any future / option contracts held (Nos & Notional value)

Date:

Signature:

Name:

Designation:

Form B

Name of the Company: Hatsun Agro Product Limited

ISIN of the Company: L15499TN1986PLC012747

Details of Securities held on appointment of KMP / Director or upon becoming a Promoter of a listed Company and such other persons as mentioned in Regulation 6 (2) :-

Name, PAN No/ DIN & address with contact nos.	Category of Person – Promoter / KMP/ Director / Immediate relatives/ others etc.	Date of Appt (or) Date of becoming Promoter	Number of Securities held as on date of appt (type & No)	% of shareholding	Any future / option contracts held (Nos & Notional value)

Date:

Signature:

Name:

Designation:

FORM C

Name of the Company: Hatsun Agro Product Limited

ISIN of the Company: L15499TN1986PLC012747

Details of change in holding in Securities of Promoter, Employee or Director of a listed company and such other person as mentioned in Regulation 6 (2)

<u>S.No.</u>	<u>Basis of Information</u>	<u>Particulars on Trade</u>
1.	Name, PAN No. & Address of Director/ Employee/Promoter with contact numbers.	
2.	Category of Person (Promoter/Director/KMP/Immediate Relatives/ others etc.,	
3.	Securities held prior to acquisition/disposal (Type of Security and Number)	
4.	Securities acquired / disposed (Type of Security and Number)	
5.	% of Shareholding pre transaction	
6.	% of Shareholding post transaction	
7.	Date of allotment advice/acquisition of shares/sales of shares specify From Date : To Date :	
8.	Date of intimation to Company	
9.	Mode of acquisition(market purchase/public issue/rights/preferential offer/off market/ Inter-se transfer etc.	
10.	Trading in Derivatives (Specify type of contract, Futures or Options etc) – (Buy / Sell) with Value and Number of units.	
11.	Exchange on which the trade was executed.	

Date:

Place:

Signature:

Name:

Designation:

FORM D

Name of the Company: Hatsun Agro Product Limited

ISIN of the Company: L15499TN1986PLC012747

Regulation 7 (3) – Transactions by Other connected persons as identified by the Company

<u>S.No.</u>	<u>Basis of Information</u>	<u>Particulars on Trade</u>
1.	Name, PAN No. & Address of Director/ Employee/Promoter with contact numbers.	
2.	Category of Person (Promoter/Director/KMP/Immediate Relatives/ others etc.,	
3.	Securities held prior to acquisition/disposal (Type of Security and Number)	
4.	Securities acquired / disposed (Type of Security and Number)	
5.	% of Shareholding pre transaction	
6.	% of Shareholding post transaction	
7.	Date of allotment advice/acquisition of shares/sales of shares specify From Date : To Date :	
8.	Date of intimation to Company	
9.	Mode of acquisition(market purchase/public issue/rights/preferential offer/off market/ Inter-se transfer etc.	
10.	Trading in Derivatives (Specify type of contract, Futures or Options etc) – (Buy / Sell) with Value and Number of units.	
11.	Exchange on which the trade was executed.	

Date:

Place:

Signature:

Name:

Designation:

Form E – PRE CLEARANCE OF TRADE
(To be submitted in duplicate)

Date:

**The Compliance Officer
Hatsun Agro Product Limited**

Name of the Applicant	
Designation	
Employee Pay Roll Number	
The Proposal is for	I. Acquisition in the open market II. subscription to the securities III. sale of securities
Proposed date of dealing in securities	
Nature of proposed dealing	Purchase / Sale of securities
Estimated number of securities proposed to be acquired / subscribed / sold	
Price at which the transaction is carried out	
Whether the proposed transaction will be through stock exchange or off market deal	
Name of the Depository DP ID Number And Client ID number	

UNDERTAKING TO FORM E

In relation to the above Dealing, I undertake that:

1. I have no access to nor do I have any information that could be construed as "Price Sensitive Information" as defined in the Code upto the time of signing this undertaking;
2. In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public;
3. I have not contravened the provisions of the code of conduct for prevention of insider trading as notified by the Company from time to time;
4. I have made full and true disclosure in the matter.
5. I hereby declare that I shall execute my order in respect of securities of the Company **within one week after the approval of pre-clearance is given**. If the order is not executed within one week after the approval is given, I undertake to obtain pre-clearance for the transaction again.
6. I hereby confirm that I shall not engage into the reverse transaction ie. Buying/ selling of shares, within 6 months of buying/ selling respectively.

Place:

Date:

Signature