



HMT LIMITED
एचएमटी लिमिटेड

"कानूनी स्थिति"
निष्कर्ष के लिए नीति

**“POLICY FOR DETERMINATION
OF “LEGITIMATE PURPOSE”**

(As approved by the Board of Directors of the Company on 12.04.2019)

POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSE”

PREAMBLE

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter referred to as the “PIT Regulations”) has amended the (Prohibition of Insider Trading) Regulations, 2015 and will come into force from 1st April, 2019. The PIT Regulations requires every listed company to formulate a policy for determination of “legitimate purposes” as a part of “Codes of Fair Disclosure and Conduct”. In compliance with the said requirements, the Board of Directors has adopted this policy for determination of “legitimate purposes”

1. PURPOSE:

This Policy is to be formulated in Compliance to the Provisions of Regulations 3(2A) of SEBI (Prohibition of Insider Trading Regulations) 2015 which provides Listed Entity shall formulate a policy for determination of legitimate purpose as a part of “Codes of Fair Disclosure and Conduct” formulated under Regulation 8.

2. DEFINITIONS:

- (i) “Act” means the Securities and Exchange Board of India Act, 1992
- (ii) “PIT Regulations” means the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and any amendments thereto.
- (iii) “SEBI” means the Securities and Exchange Board of India
- (iv) “Board” means the Board of Directors of the Company.
- (v) “Company” means HMT Limited
- (vi) “Insider” means any person who is:
 - a) A Connected Person; or
 - b) In possession of or having access to Unpublished Price Sensitive Information.
 - c) Partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc.(collectively referred as Persons) who may possess or having access to UPSI
 - d) Designated Persons and their immediate Relatives
- (vii) 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;
- (viii) Unpublished Price Sensitive Information (UPSIS): means any information, relating to a Company or its Securities, directly or indirectly, that is not generally available,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, demergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- e) Changes in Key Managerial Personnel.

(ix) Legitimate Purpose:

means sharing of Unpublished Price Sensitive Information 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 or consultants etc.(collectively referred as Persons) Provided that such sharing has not been carried out to evade or circumvent the prohibitions of Insider Trading Regulation.

(x) Generally Available Information:

means information that is accessible to the public on a non-discriminatory basis.

- (xi) Compliance officer: means Director (Finance) or in the absence of Director (Finance), any Functional Director or in the absence of Functional Director, any other officer so designated by the Board.

3. OBJECTIVE OF THE POLICY

The objective of this policy is to preserve the confidentiality and prevent the misuse of UPSI. The Company is committed to transparency and fairness in dealing with all the stakeholders. Every Insider has a duty to safeguard the confidentiality of all such information which he/ she obtained in the course of performance of official duties and they should not use their position to gain personal benefit. To achieve these objectives, the Board of Directors through this policy have allowed the Insiders of the Company to share unpublished price sensitive information for legitimate purpose with various stakeholders/agencies of the Company in the ordinary course of Business.

4. DETERMINATION OF LEGITIMATE PURPOSE:

The determination of legitimate purpose will be decided by the Compliance Officer/Chairman and Managing Director

- a. Legitimate purpose shall include sharing of unpublished price sensitive information 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 or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

- b. Any person in receipt of unpublished price sensitive information pursuant to a legitimate purpose shall be considered an "insider" for purposes of the SEBI (PIT) Regulations and due notice shall be given to such person to maintain confidentiality of such unpublished price sensitive information in compliance with the said Regulations.
- c. All the 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 legitimate purpose performance of duties or discharge of legal obligations.
- d. The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.
- e. The agreements entered into involve sharing of UPSI should have a confidentiality clause or else a separate Non-Disclosure Agreement shall be executed with parties to safeguard the disclosure of UPSI.
- f. Any person in receipt of unpublished price sensitive information has to ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and the Code.
- g. The UPSI of the Company shared with Partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc (collectively known as "parties") under prior legal or regulatory obligation owed will be determined as Legitimate Purpose. Following disclosures by the Compliance Officer/Authorised Official of the Company to the aforesaid parties in the ordinary course of business will be considered as Legitimate Purpose:
 - UPSI shared for specific purpose
 - UPSI shared for audit purpose
 - UPSI shared under contractual obligation
 - UPSI shared under legal obligation

5. DUTY TO MAINTAIN CONFIDENTIALITY

In order to protect the confidentiality of the UPSI, due notice will be given to such persons to maintain confidentiality of such USPI.

The Insiders shall comply with the following:

- Insiders shall communicate or counsel or procure or disclose any UPSI to any Persons only for legitimate purposes or performance of duties or discharge of legal obligations.

- Keep the information confidential and not to solicit or disclose to any third party.
- Not to trade in shares of the Company either themselves or through any other source on the basis of such information.

6. NON COMPLIANCE AND PENALTY

Non-compliance, suspected violation shall be reported to the Chairman of the Audit Committee of the Board through the Enquiry Committee constituted for purpose. All reported violations shall be appropriately looked into and dealt with accordingly and if found guilty, such person may be liable for punishment and penalty as mentioned in the Code of Conduct of the Company.

7. INTERPRETATION

Any words used in this Code but not defined herein shall have the same meaning prescribed to it in the Companies Act, 2013 or rules made thereunder, SEBI Act or rules and regulations made thereunder, Accounting Standards or any other relevant legislation/law applicable to the Company. In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Code, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term/provision, the Board of Directors may seek the help of any of the officers of the Company or an outside expert as it may deem fit.

8. AMENDMENTS

The Board of Directors of the company reserve the right to amend or modify this Code in whole or part, in accordance with any regulatory amendment or notification or otherwise, at any time without assigning any reason whatsoever. Any such amended Code will be accordingly updated on the website of the Company.

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.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

This Policy has been approved and adopted by the Board of Directors on 12.04.2019

This Policy shall be hosted on the Company's website

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