



# **Hophead Manufacturing** **&** **Testing Pvt. Ltd.**

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

**(Effective from 1<sup>st</sup> April, 2021)**

This Code of Conduct for Prevention of Insider Trading is framed in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2021 as amended (hereinafter referred to as the 'Regulation'), effective 1st April, 2021.

Accordingly, the Code of Conduct for Prevention of Insider Trading (hereinafter referred to as the "Code") was adopted by the Board of Directors of the Company at their meeting held on 15th Jan, 2021.

This Code is applicable on all employees and other connected persons who have access to or could have access to unpublished price sensitive information about the Company. Such persons are required to comply with this Code and to make the necessary disclosures as per Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as adopted by the Company. The Code has been amended with the approval of the Board. It shall be effective from 1<sup>st</sup> April, 2021.

### **I. DEFINITIONS**

1. "Act" means the Securities and Exchange Board of India (SEBI) Act, 1992 (15 of 1992), Rules framed thereunder and any amendments thereto;
2. "Board of Directors" or "Board", means the collective body of the Directors of the Company;
3. "Code" means this Code of Conduct for Prevention of Insider Trading.
4. "Company", "This Company" or "The Company", wherever occur in the policy shall mean "Bangalore Fort Farms Limited".
5. "Compliance Officer" shall the Company Secretary of the Company or any other senior officer appointed by the board of Directors of the Company for the purposes of the Regulations and this Code of Conduct, who shall be 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of Unpublished Price Sensitive Information, monitoring of Trades and the implementation of this Code of Conduct under the overall supervision of the board of Directors of the Company.
6. "Connected Persons" means any person who is or has during the six months prior to the concerned act been associated with the 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. Generally, the following persons shall be deemed to be connected persons unless the contrary is established:

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**Tel:** 80066-66355; **E-mail:** [info@hopheadmtp.in](mailto:info@hopheadmtp.in) **Website:** [www.hopheadmtp.com](http://www.hopheadmtp.com)



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- a. an immediate relative of connected persons;
  - b. a Holding Company or Associate Company or Subsidiary Company of the Company; or
  - c. an intermediary as specified in Section 12 of the Act; 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;
  - 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;
7. "Designated Persons" means :
- a. All Directors;
  - b. Key Managerial Personnel (KMP's) as per Companies Act, 2013
  - c. All employees comprising members of Management two level below the CEO including all functional heads of Company, irrespective of their functional role in the Company or their ability to have access to price sensitive information.;
  - d. Promoters/Promoter Group of the Company;
  - e. Persons in contractual, fiduciary or advisory relationship with the Company i.e. consultants, retainers, auditors, law firms, analysts etc.
  - f. Other persons as designated by the Board of Directors in consultation with Compliance Officer of the Company, from time to time; and
  - g. Immediate relatives of persons covered under clause (a) to (f) above.
8. "immediate relative" means 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;
9. "insider" means any person who is:
- a. a connected person; or
  - b. in possession of or having access to unpublished price sensitive information;
10. "Promoters/ Promoter Group" means the Promoters/ Promoter Group shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
11. "Stock Exchange" shall mean Bombay Stock Exchange Limited (BSE) and Calcutta Stock Exchange Limited (CSE) and any other stock exchange(s) on which the securities of the Company are listed for the time being.
12. "Trading" means and includes subscribing, buying, selling, dealing (including pledging), or agreeing to subscribe, buy, sell, deal in any securities of the Company and "trade" shall be

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construed accordingly;

13. "Unpublished Price Sensitive Information" or "UPSI" means any information which relates directly or indirectly to the Company and which, if published is likely to affect the price discovery of shares of the Company. The following shall be deemed to be Price Sensitive Information:

14. Periodical financial results of the Company;

- a. Intended declaration of dividends (both interim and final);
- b. Issue of securities, buy - back of securities or any forfeiture of shares or change in market lot of the Company's shares;
- c. Acquisition, Merger, De-merger, Amalgamation, Restructuring, Scheme of arrangement or takeovers;
- d. Disposal, spin off or selling division of whole or substantially whole of the undertaking;
- e. Any major expansion plans or execution of new projects or any significant changes in policies, plans or operations of the Company;
- f. Changes in Key Managerial Personnel;
- g. Material events in accordance with the listing agreement; and
- h. Other matters as may be prescribed by SEBI/considered by the Compliance Officer to be price sensitive from time to time.

## **II. INTERPRETATION**

Words and expressions used and not defined in the Code but defined in the Regulations, 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 shall have the meanings respectively assigned to them in those legislation.

## **III. CODE**

### **1 PRESERVATION OF "UPSI" AND PROHIBITION TO DEAL/BUY/SELL/PLEDGE ETC SECURITIES OF THE COMPANY BY INSIDERS**

1.1 The insiders shall maintain the confidentiality of all Unpublished Price Sensitive Information and shall not pass on such information to any person directly or indirectly by way of making a recommendation for the Dealing, purchase or sale of securities.

1.2 The insiders when in possession of any unpublished price sensitive information pertaining to the Company shall not:

- 1.2.1 Deal/Buy/sell securities of the Company, either on their own behalf or on behalf of any other person.
- 1.2.2 Communicate, counsel or procure any unpublished price sensitive information to/ from any person.

### **2 NEED TO KNOW**

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The company will ensure that the handling of all UPSI is on a “need to know” basis, UPSI shall be disclosed to such person who need such information for furtherance of legitimate purpose performance of duties or discharge of legal obligations in relation to the company.

### **3 LIMITED ACCESS TO CONFIDENTIAL INFORMATION**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

### **4 RESTRICTION TO DEAL/ BUY / SELL/ PLEDGE ETC SECURITIES**

- 4.1 The Designated Persons shall not deal/ buy/sell/ pledge etc securities of the Company during Closure of the 'Trading Window', i.e. the period during which trading in the securities of the Company is prohibited. The Designated persons shall conduct all their dealings in the securities of the Company only during an open trading window and shall not deal in any transaction involving the purchase/ sale/ pledge etc of the Company's securities during the periods when the trading window is closed.
- 4.2 The closure of trading Window for the purposes for which a specific notice/ intimation is required to be given to Stock Exchange shall commence from the date on which intimation of the date of Board meeting for consideration of any Unpublished Price Sensitive Information is given to Stock Exchange. However, if the circumstances so warrants, the time for closing of trading window may be increased or decreased by the Compliance Officer.
- 4.3 The Trading Window shall be opened on third calendar day from the day on which the Price sensitive information is communicated to the Stock Exchange and becomes generally available.
- 4.4 The closure of the trading window for the purposes for which no specific notice/ intimation is required to be given to Stock Exchange shall be advised by the Compliance Officer of the Company, while the Trading Window shall be opened on third calendar day from the day on which Price sensitive information is communicated to the Stock Exchange and becomes generally available.

Designated Persons who deal, buy or sell any number of shares of the Company, shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. However, the Compliance Officer(s) is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. If a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act. The application for this approval should be made to the Compliance Officer(s) in format specified in Annexure I.

- 4.5 All Designated persons, who intend to deal in Company's securities (themselves or through immediate relatives) during the period other than trading window closure, are required to

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obtain the pre-clearance of the proposed acquisition/purchase/ sale/pledge transactions as per the procedure described hereunder, if the said transaction of the securities of Company is in excess of 10,000 in number or Rupees Five Lacs in market value, whichever is lower, in transaction(s) in a single day. In case of dealing by Compliance Officer(s), pre-clearance from Managing Director shall be required. An application stating, inter alia, the estimated number of securities that the Designated Person intends to deal in, the details as to the depository with which he has security account and the details as to the securities already held etc, for pre-clearance shall be made to the Compliance Officer of Company in the format specified in Annexure I. An undertaking shall also be executed in favour of the Company by such Designated Person incorporating, inter alia, the following clauses, as may be applicable:

- 4.5.1 That the said Designated Person or his immediate relative does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
  - 4.5.2 That in case the said Designated Person or his immediate relative has access to or receives "Price Sensitive Information" after signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer(s) of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
  - 4.5.3 That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
  - 4.5.4 That he/she has made a full and true disclosure in the matter.
- 4.6 The Compliance Officer(s) will scrutinize the application within 2 working days of submission and communicate the approval/ refusal (alongwith reasons therefore) to the applicant. In the absence of the Compliance Officer(s), the preclearance application will be decided upon by the Managing Director.
- 4.7 In case any transaction has been refused, the Designated Person shall be free to re-apply for pre-clearance of the transaction, which was refused, to Chairman of Audit Committee of the Company. The decision of Chairman of Audit Committee in this regard shall be final.
- 4.8 The pre-clearance approval shall be valid only for seven calendar days from the date of communication and shall lapse thereafter. If the transaction is not consummated within seven calendar days from the approval date, the Designated Person will be required to follow the process of pre clearance again. However the Compliance Officer(s) shall have the right to revoke the clearance granted, before the relevant transaction has been consummated, if considered necessary.
- 4.9 The requirements of pre- clearance of a proposed transaction shall not apply in the following cases:
- 4.9.1 In the event of participation of a public event i.e. a rights or a bonus issue.
  - 4.9.2 In the case of any acquisition of shares through transmission or inheritance, or like mode.
  - 4.9.3 By way of any court settlement or award thereof.

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## **5 TRADING PLAN**

The Designated Persons, who are perpetually in possession of unpublished price sensitive information, shall have an option to formulate their trading plan and present the same to Compliance Officer(s) for approval. Upon approval of Trading Plan, the Compliance Officer(s) shall notify the same to Stock Exchanges where securities of the Company are listed.

The Compliance Officer(s) shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and may seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

The Trading plan shall comply with following requirements:

- 5.1 Trading/Dealing in securities will commence after six months of public disclosure of trading plan.
- 5.2 No Trading/Dealing between twenty (20) trading days prior to last day of any financial period for which results are required to be announced and till second (2) trading day after disclosure of financial results.
- 5.3 Trading plan should be for a period of at least 12 months and there should not be any time overlapping in two trading plans.
- 5.4 Trading plan shall set out either the value of trades to be affected or number of securities to be traded along with the nature of trade and the intervals at or the dates on which such trades shall be affected.
- 5.5 The Trading should not entail/result in market abuse.
- 5.6 The trading plan once approved shall be irrevocable & 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 any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information.

## **6 DISCLOSURES**

- 6.1 Designated Persons shall make the following disclosures of shares and other securities held in the Company by them and their dependent family members, to the Compliance Officer:

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Periodicity of Disclosure	Disclosure Requirement	Time period within which disclosure is to be made
Initial Disclosure by Promoter, <u>KMP</u> and Director(s) of the Company	Number Securities held by them.	a) Within thirty (30) days of coming into effect of SEBI (Prohibition of Insider Trading) Regulations, 2015. b) Within seven (7) days of such appointment
Annual Disclosure by Promoter, <u>employee</u> and Director(s) of the Company	Number Securities held by them.	Within 30 days
Continual Disclosure by Promoter, Employee and Director of the Company, if the number of securities acquired or disposed off, if the value of securities traded individually or cumulatively during a calendar quarter exceeds Rs. 10 lakhs.  For the purpose of continual disclosure as specified above, the disclosure of the incremental transactions after any disclosure under this sub-regulation, shall be made when the transactions effected after the prior disclosure Cross the threshold specified of Rs. Ten lacs during a calendar quarter.  Company shall notify these disclosures within two (2) trading days of receipt of such disclosure or becoming aware of such information to Stock Exchanges where the shares of the Company are listed.	Number of Securities or voting rights acquired or disposed off by them.	Within 2 trading days of dealing/ acquisition/ sale/ transfer of securities.

## 7 GENERAL

- 7.1 In case it is observed by the Company/Compliance Officer(s) that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be informed by the Company.
- 7.2 Designated Persons are advised to pursue this Code and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, carefully and acquaint themselves with all the provisions contained therein. The Compliance Officer(s) shall assist the Designated Persons 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 for Prevention of Insider Trading.
- 7.3 The Compliance Officer(s) shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of trades by designating employees or their immediate relatives and the implementation of the Code of Conduct for Prevention of Insider Trading

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under the overall supervision of the Board of the listed company.

- 7.4 The Compliance officer(s) shall maintain records of all the declarations or information in the appropriate form given by the designated persons for a minimum period of five years.
- 7.5 The Compliance officer(s) shall place before the Chairman of the Audit Committee, on a quarterly basis all the details of the dealing in the securities by Designated Persons and the accompanying documents that such persons had executed the pre- dealing procedure as envisaged in this code.

## **8 CONTRAVENTION**

Any contravention of the code by Designated Persons shall attract strictest disciplinary action including but not restricted to recovery of profits made, wage freeze, suspension and/ or termination of employment.

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