

**CODE OF INTERNAL PROCEDURES AND CONDUCT AND CODE OF  
CORPORATE DISCLOSURES PRACTICES FOR PREVENTION OF INSIDER  
TRADING IN HINDUSTAN PETROLEUM CORPORATION LIMITED**

**CHAPTER – I**

**PRELIMINARY**

- 1.0 a. This code shall be called **“The Code of Internal procedures & conduct for prohibition of Insider Trading in dealing with Securities of HPCL.**
- b. It shall come into force with effect from September 29, 2015.

**2.0 Definitions & Explanations:**

- a. “Act” means Securities and Exchange Board of India Act, 1992
- b. “Board” means Securities and Exchange Board of India (“SEBI”)
- c. “Regulations” : Regulations means SEBI (Prohibition of Insider Trading) Regulations, 2015.
- d. **Compliance Officer:**

The Company Secretary will function as Compliance Officer Dy. Company Secretary & Head – Shares Department, will function as Assistant Compliance Officers, who will be assisted by a team of employees to be nominated from time to time in discharging their duties.

The Compliance Officer will report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors as such frequency as may be stipulated by the Board of Directors.

e. **Connected person:**

“Connected Person” means

- (i) any person who is or has during the six months prior to the concerned act been associated with HPCL, 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 HPCL (i.e. Designated Persons) or holds any position including a professional or business relationship between himself and the HPCL whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 any 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 Trustee of a mutual fund or 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 HPCL; or
  - (j) A concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a HPCL or his immediate relative or banker of the company, has more than ten percent of the holding or interest.

f. **“Designated Persons”** shall include:

- ✓ All Directors, their Executive Assistants and their Executive/ Confidential Secretaries.
- ✓ Specified
  - I. Executive Directors including CVO
  - II. Executive/Confidential Secretaries.
  - III. General Managers
  - IV. Deputy General Managers
- ✓ Identified positions of employees from Company Secretary, Corporate / Marketing Finance, Corporate Planning and Strategy, Delhi Coordination Office etc.,
- ✓ Any other employee of the Corporation as may be notified by the Compliance Officer from time to time with the approval of the Company Secretary & Executive Director – Corporate Finance.
- ✓ Immediate Relatives of above.
- ✓ Insiders who is connected person or persons having possession of Unpublished Price Sensitive Information.

In case any designated person who is an Employee leaves the services of the Company for any reason whatsoever, he / she will continue to be considered as such for a further period of six months subsequent to the date of leaving the Company as envisaged under SEBI (Prohibition of Insider Trading) Regulations, 2013.

In the event the Designated Person who is an Employees is transferred/promoted to other position not covered above, he/she shall inform to the Compliance Officer for deletion of his/her name from the list of Designated Employees. The Compliance Officer in coordination with Executive Director (Finance) shall consider the request and advise the employee suitably.

The Compliance Officer in coordination with ED-CF modify the list of employees under the "Designated Person" to be covered in the code from time to time on the basis of likely possession of Price Sensitive Information.

**g. "Generally available Information" means:**

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

**h. "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 decision relating to trading in securities.

**i. "Insider" means any person who is:**

- i) A connected person; or
- ii) In possession of or having access to unpublished price sensitive information.

**j. "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 modifications thereof;**

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

**l. "Trading day" means a day on which the recognized stock exchanges are open for trading.**

**m. "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 (42 of 1956) or any modification thereof except units of Mutual Fund.**

**n. "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 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-merger, acquisitions, delistings, disposal and expansion of business and such other transactions.
  - e) Changes in the Key Managerial Personnel and
  - f) Material events in accordance with Listing Agreement.
- o.** **“Takeover Regulations”** means the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and any amendments thereto.

## **CHAPTER II**

### **APPLICABILITY**

- 3.0** This “Code of Internal Procedures and Conduct for prohibition of Insider trading in dealing with the securities of “HPCL” shall apply to all “Insiders” as defined in clause (f) above including Connected Person and Designated Persons.

## **CHAPTER III**

### **RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS.**

**4.0 Trading Restrictions:**

**Communication or procurement of Unpublished Price Sensitive Information.**

- 4.1 No Insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.2 No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.3 Notwithstanding anything contained in this regulations, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would –
- (i) Entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the company is of informed opinion that the proposed transaction is in the best interest of the company.
  - (ii) Not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two working days prior

to the proposed transactions being effected in such form as the Board of Directors may determine.

- (iii) For the purpose of this sub-regulation, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of this sub-regulations and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

## **5.0 Trading when in possession of Unpublished Price Sensitive Information:**

- 5.1 No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when possession of **Unpublished Price Sensitive Information**.
- 5.2 In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the SEBI.
- 5.3 The Company shall specify such procedures and requirements, from time to time, as may deem necessary for the purpose of these regulations. In this regard, following procedures are specified:

All Insiders of the Company are required to adhere to the Trading Restriction as follows, if they desire to trade in the shares / securities of HPCL :

- (i) The Company shall specify the Trading period called 'Trading Window' for trading in the Company's securities.
- (ii) When the Trading Window is closed, the Insiders shall not trade in the Company's Securities.
- (iii) Trading Window will be opened 48 hours after the Price Sensitive information is made Public.
- (iv) To pre-clear the transaction as per the **pre-clearing procedure** for trading of shares beyond the specified number during the period when the trading window is not closed. (See Para 11 below).
- (v) To give an **undertaking** executed in favour of the Company in the specified format along with application for pre-clearance of trading. (Annexure II).
- (vi) To execute the orders in respect of securities of the Company within one week after the approval of the pre-clearance is given, failing which, the deal should be pre-cleared again.
- (vii) Inform the Compliance Officer / Assistant Compliance Officers within 7 days of completion of the transactions, with requisite details.
- (viii) All directors/officers/designated employees who 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.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

- (ix) In case the sale of securities is necessitated by personal emergency, the holding period of 6 months may be waived by the Compliance Officer after recording in writing the reasons in this regard.

## **6.0 Trading Plans:**

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

6.2 Such Trading Plan shall:

- Not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan
- Not entail trading for the period between the 20<sup>th</sup> trading days prior to the last day of any financial year 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.
- Entail trading for a period of not less 12 months.
- Not entail overlap of any period for which another trading plan is already in existence.
- 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
- Not entail trading in securities for market abuse.

6.3 The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of this code and regulations and shall be entitled to seek such express undertaking as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

6.4 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.

Provided that the implementation of 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 and in any such similar event in future during the trading plan period, the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4.

Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which securities are listed.

## CHAPTER – IV DISCLOSURE OF TRADING BY INSIDERS

### 7.0 To meet the Reporting requirements:

#### General Provisions:

a) Every disclosure under this Chapter shall be made within two days. The disclosure to be made by any person under this chapter 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 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 Chapter.

Provided that trading in derivatives of securities is permitted by any law for the time being in force.

b) The disclosure made under this Chapter shall be maintained by the HPCL, for a minimum period of five year, in such form as may be specified.

### 8.0 Disclosure of Interest by Promoter, Key Managerial Personnel and Directors:

#### Initial Disclosure:

- i) Every promoter, Key Managerial Personnel and Director of HPCL shall disclose his holding of securities in HPCL as on the date of these regulation taking effect, to the company within 30 days of these regulations taking effect. **(Refer Form A)**
- ii) Every person on appointment as a Key Managerial Personnel or a director of the HPCL or upon becoming a promoter shall disclose his holding of securities of the HPCL as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter. **(Refer Form B)**

#### Continual Disclosure:

- i) Every promoter, employee and director of HPCL shall disclose to the company the number of such securities acquired or disposed of within two trading days of such transactions if the value of the securities traded, whether in one transactions or a series of transactions over **any calendar quarter**, aggregates to a trade value **in excess of ten lakh rupees** or such other value as may be specified. **(Refer Form C)**
- ii) Compliance Officer of HPCL or Dy. Company Secretary, or Head – Shares Department, shall notify the particulars of such trading to the stock exchanges on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

### Disclosure by other connected persons:

HPCL 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. Executive Director-CF & Company Secretary shall take necessary steps in this regard. **(Refer Form D)**.

## CHAPTER IV.

### 9.0 PRINCIPLES OF FAIR DISCLOSURES ON UNPUBLISHED PRICE SENSITIVE INFORMATION.

HPCL shall

- i. Maintain confidentiality for all 'Price Sensitive Information'.
- ii. Not to pass on such information to any person directly or indirectly by way of making any recommendations for purchase or sale of securities.
- iii. Handle Unpublished Price Sensitive Information on 'Need to know' basis i.e. the same should be disclosed only to those within the Company who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or misuse of the information.
- iv. Keep secured all files / documents containing confidential information.
- v. Ensure that computer files containing such information have adequate security of Login, Password etc.
- vii To adhere to the Trading Restrictions of shares of the Corporation as specified in Clause 4.

## CHAPTER V.

### 10.0 Trading Window

- (a) The Trading period is the period when the Trading Window is not closed during which period the Designated Persons can trade in the Securities of HPCL.
- (b) **When the Trading Window is closed, Designated Persons shall not trade in HPCL's Securities.**
- (c) The Trading Window shall be closed from time to time as follows :

Sr.No.	Event/s	Date of Commencement & Date of Closure
1	Board Meeting to consider Quarterly Unaudited Financial Results and its announcement to stock exchanges	<b>Closing Period to commence from:</b> 15 days prior to the date of Board Meeting <b>Closing Period to end on:</b> 48 hours after the announcement of the Quarterly Financial Results to the Stock Exchanges.



2.	Board Meeting to consider Audited Financial Results and declaration of dividend if any.	<b>Closing Period to commence from:</b> 15 days prior to the date of Board Meeting <b>Closing Period to end on:</b> 48 hours after the announcement of the Quarterly Financial Results to the Stock Exchanges.
3.	Declaration of Dividends	From the Public Notice of Board Meeting for considering dividend till 48 hours after the declaration is conveyed to the Stock Exchange.
4.	Issue of Securities by way of Public/Rights/Bonus	From the date of Board Resolution till 48 hours after the Allotment is done.
5.	Major expansion plan or execution of new projects	From the submission of the Proposal for approval of the Board till 48 hours after the actual approval by the Board, and From trial run/mechanical completion till 48 hours after actual commissioning of the project
6.	All Amalgamation, Merger, takeovers	Will be notified by the Company from time to time.
7.	Any buy back of securities	
8.	Disposal of the Whole or substantially the whole of undertaking. Any changes in policies, plan or operations of the Company	

- (d) All Promoters, Key Managerial Persons, Directors, Connected Persons & Designated Persons, shall conduct all their dealings in the securities of the Company only in a valid Trading Window after meeting the Trading Plans requirements if any as mentioned above.
- (f) The specific occasions / events and the duration of closure of Trading Window will be decided by the committee comprising of Company Secretary and ED-Corporate Finance or such other persons authorized in this behalf by the Director (Finance)

#### **Procedure for trading by Designated Persons:**

Designated Persons should adhere to the Trading Plans as follows, if they desire to trade in the shares / securities of HPCL.

- i. The Company shall specify trading period called 'Trading Window' for trading in the Company's securities. **When the Trading Window is closed, Designated Persons and their dependents as specified from time to time shall not trade in the Company's Securities.**

- ii. Trading Window will be opened 48 hours after the Price Sensitive information is made Public.

#### **11.0 Pre-clearance of Trades:**

All Directors, KMP, Designated Persons of the Company and their immediate relatives who intend to deal in the securities of the Company (above the minimum threshold limit as specified) in a valid Trading Window should pre-clear the transactions as per the pre-clearing procedure described below :

(a) An application should be made in duplicate in specified form indicating number of securities intended to be dealt in, the details of the Depository Account, the details as to the securities in such Depository mode etc. (**Refer Annexure I for Application for Pre-clearance**).

(b) Application should be submitted at least 15 days before next proposed closure date of trading window, if any.

(c) An undertaking shall be executed in favour of the Company by such Directors, KMP, Connected Person, Employees who are under this code designated as Designated Persons, in the specified format (**Refer Undertaking format – Annexure II**).

(d) Application along with Undertaking should be forwarded by the Designated Employees for clearance as follows:

- (i) to the Compliance Officer /Assistant Compliance Officer
- (ii) by the Asst. Compliance Officers to the Compliance Officer
- (iii) by Compliance Officer to C&MD

(e) C&MD / Compliance Officer / Assistant Compliance Officers will consider the application and grant approval within 2 working days of receipt of application in the form of Approval for Pre-clearance Deal only if the application is fully complete with all details.

(f) To execute the orders in respect of securities of the HPCL within one week after the approval of the pre-clearance is given failing which the transactions should be pre-cleared again.

(g) The details of the transactions in Securities of the HPCL should be informed by the Designated Persons / Director to the Compliance Officers within 7 days of completion of the transactions as mentioned in para given below.

#### **12.0 Minimum Threshold Limit for Pre-clearance:**

When the Trading Window is not closed, the pre-clearance of transactions by Directors, KMP, Connected Persons, Designated Persons is not necessary for trading of equity shares of the Company upto 1500 Shares.

### **13.0 Reporting Requirements for transactions in securities:**

All Directors, KMP, Connected Persons, Designated Persons of HPCL are required to forward following details of their securities, transactions including that of their dependent family members to the Compliance Officers:

- i. All holdings in securities of the Company at a time of joining the Company or on the Code becoming applicable as the case may be **(Refer Form B)**.
- ii. Inform the details viz. number of securities purchased or sold, the date and rate of the transaction, the total amount net of brokerage etc. of the transaction in securities of the Company to the Compliance Officer / Assistant Compliance Officers within 7 days of completion of the Transactions as indicated in para above **(Refer Form E)**.
- iii. Annual statement of all holdings in the securities of the Company as of 31<sup>st</sup> March each year **(Refer Form F)** within 30 days of end of each financial year.

### **14.0 Penalty for contravention of this Code of Conduct:**

Any contravention of these regulations shall be dealt with by the SEBI in accordance with the Act.

**ANNEXURE I**

**HINDUSTAN PETROLEUM CORPORATION LIMITED**

**APPLICATION FOR PRE-CLEARANCE OF TRADING IN SECURITIES**

**(In term of Clause of Pre-clearance of Trading in Securities of the Code of Internal Procedure and Conduct for Prohibition of Insider Trading in Dealing with Securities of HPCL).**

To,  
The Compliance Officer Hindustan Petroleum Corporation Limited,  
17, Jamshedji Tata Road,  
Churchgate,  
Mumbai – 400 020.

Dear Sir,

I, Shri/Smt. \_\_\_\_\_ a Director/KMP/Connected Person/Designated Person of HPCL, intend to carry out transaction(s) in the shares of HPCL as per the details given below:

Name and Designation of the Director/KMP/Connected Person/Designated Person:	
Department:	
Date of Joining / becoming Director/KMP/Connected Person/ Designated Person	

Sr. No.	No. of Shares held (including by dependent members) as on the date of application	Folio No/ DP ID – Client ID	Nature of new transactions for which approval is sought	Estimated No. of securities to be dealt	Estimated consideration value	Whether proposed transactions is in the name of self or in the name of dependent family members	Name of the dependent / relationship if the transaction is in the name of the dependents .

Note: The concerned shall also include particulars with regard to trading which he proposed to take up in derivatives in the aforesaid application.

**UNDERTAKING**

In this connection I solemnly confirm and declare

- a) That I do not have access and/or have not received any “Price Sensitive Information” upto the time of signing the undertaking.
- b) That in case I have access to or receive “Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of any change in my position and that I shall completely refrain from dealing in the securities of HPCL till the time such information becomes public.
- c) That I have not contravened the Code of Conduct for prohibition of insider trading as notified by the HPCL from time to time.
- d) That I hereby confirm that I abide by the provisions of various clauses of the Code with regard to time norms for holding/buying/selling securities.

I hereby solemnly declare that I have made a full and true disclosure in this regard to the best of my knowledge and belief.

Pre-clearance may kindly be accorded in term of clause \_\_\_\_ of the Code of Conduct for prohibition of insider trading in dealing with the securities of the HPCL.

Signature:

Date:

Name :

Place :

Designation:

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**OFFICE USE**

Serial Number of the Application Received:

Date and Time of receipt of the Application:

Date & Time of communication of the pre-clearance or otherwise:

Reasons for not giving pre-clearance:

**Signature of the Compliance Officer**

