

HIRECT LIMITED

(formerly known as Hind Rectifiers Limited)

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

The sharing of UPSI by an Insider shall be deemed to be for "Legitimate Purpose" if it satisfies the following criteria:

- (i) The UPSI shall be shared strictly on 'need to know' basis.
- (ii) Such sharing of UPSI shall be in the ordinary course of business such as performance of duties, discharge of legal obligations, etc. 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 the SEBI Insider Trading Regulations and "Code for Prevention of Insider Trading in the Securities of Hirect Limited".
- (iii) The Insider shall share the UPSI with the external agencies only in the interest of the Company and/or in compliance with the requirements of the law including SEBI Insider Trading Regulations.
- (iv) Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "Insider" and due notice shall be given to such person to maintain confidentiality of UPSI.
- (v) All Insiders shall ensure non-disclosure or confidentiality agreements with the persons with whom UPSI is shared and the duties and responsibilities of such person with respect to such UPSI and the liabilities involved if such person misuses or uses such UPSI in breach of "Code for Prevention of Insider Trading in the Securities of Hirect Limited".

Illustrative list of legitimate purpose: In following cases, the sharing of UPSI would be considered as having been shared for a Legitimate Purpose:

- (i) Under any proceedings or pursuant to any order of courts or tribunals;
Example: National Company Law Tribunal, National Company Law Appellate Tribunal, Quasi-judicial authority, Other Appellate Tribunals, Arbitration Proceedings, etc.
- (ii) For investigation or inquiry or review (internal or external) or request for information by statutory or governmental authorities or any other administrative body recognized by law;
Example: Any call for information or query received from Ministry of Corporate Affairs, Income Tax Authority, SEBI, Stock exchanges, Reserve Bank of India, etc.
- (iii) In compliance with applicable laws, regulations, rules and requirements;
Example: Company Law, Securities Law, Income Tax Law, Banking Law, etc.
- (iv) Arising out of any contractual obligations entered by the Company set forth in any contract, agreement, arrangement, settlement, understanding or undertaking;
- (v) Sharing the information with intermediaries and fiduciaries such as auditors, merchant bankers, management consultants, partners, collaborators or other advisors or consultants;

- (vi) For the purpose of legal, financial or any other professional advice to be obtained or for accounting or audit or for defense to be prepared for litigation or dispute resolution;
- (vii) For transactions that would entail an obligation to make an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('Takeover Regulations') where the board of directors of the company is of opinion that sharing of such information is in the best interests of the company.
- (viii) For a transaction that does not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of opinion that sharing of such information is in the best interests of the company.

The transaction referred to above may include acquisitions, merger, amalgamations or any other corporate restructuring, seeking advice in relation to legal aspects involved in such transactions including carrying due diligence of Target/ Merging Companies or seeking advice on commercial aspects including structuring or valuation of such transactions;

The information that constitutes UPSI needs to be made Generally available information at least two trading days prior to the proposed transaction being effected in such form as it is adequate and fair to cover all relevant and material facts.

- (ix) Sharing financial information for preparation of consolidated financial statements of holding company;
- (x) Sharing information with statutory auditors, secretarial auditors, internal auditors or cost auditors in the course of performance of their duties or otherwise while obtaining any certificate, comfort or confirmation required from them, including for placing any transaction for approval before the Board;
- (xi) For all those activities done by the Company in furtherance of its objects as listed in its memorandum of association.

-----X-----X-----

Approval by the Board on 29.07.2025	V1
Approval by the Board on 28.07.2026	V2