

Date: November 17, 2023

BSE Limited,
P J Towers, Dalal Street,
Mumbai - 400 001.
Scrip Code: 524735

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra, Mumbai - 400 051.
Symbol: HIKAL

Sir/ Madam,

Subject: Submission of warning letter issued by Securities and Exchange Board of India.

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) read with the circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 issued by Securities and Exchange Board of India (SEBI) on July 13, 2023, and as per the instruction received from SEBI, we are submitting a copy of the warning letter issued by SEBI to the Compliance Officer on November 16, 2023.

The details required pertaining to the above are mentioned in compliance with Schedule III of the SEBI Listing Regulations and are set out below:

Name of the authority	Securities and Exchange Board of India
Nature and details of the action(s) taken, initiated or order(s) passed	A warning has been issued to the Compliance Officer to ensure compliance with all applicable provisions of SEBI regulations
Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	November 16, 2023
Details of the violation(s)/contravention(s) committed or alleged to be committed;	Alleged failure in exercising proper due diligence and extending differential treatment by the compliance officer while discharging the statutory responsibility enshrined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 in relation to rejection of pre-clearance approval for acquisition of shares by certain designated persons.
Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	No impact

Hikal Ltd.

Admin. Office: Great Eastern Chambers, 6th Floor, Sector 11, CBD Belapur, Navi Mumbai - 400 614, India. Tel. + 91-22-6277 0299, + 91-22-6866 0300

Regd. Office: 717, Maker Chambers - 5, Nariman Point, Mumbai - 400 021, India. Tel. +91-22 6277 0477. Fax: + 91-22 6277 0500

www.hikal.com info@hikal.com CIN: L24200MH1988PTC048028



This is for your information and records.

Sincerely,

For Hikal Limited,

**Jai Hiremath
Executive Chairman
DIN: 00062203**

Enclosure: As above

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भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

Deputy General Manager
Integrated Surveillance Department
Email: sprabhakar@sebi.gov.in

SEBI/HO/ ISD/SEC4 /OW/2023/45780/1
November 16, 2023

Mr. Rajasekhar Reddy,
Compliance Officer, Hikal Limited
717/718, Maker Chamber V,
7th Floor, Nariman Point,
Mumbai, Maharashtra, 400021

Dear Sir,

Sub: Pre-clearance applications of BF Investment Limited and Kalyani Investment Company Limited - Warning

1. This has reference to pre-clearance applications each dated March 13, 2023 filed by BF Investment Limited ("BFIL") and Kalyani Investment Company Limited ("KCIL") (Collectively referred as "applicants") to acquire additional shares of Hikal Limited ("Company"/"Hikal") and subsequent communications thereof.
2. Upon perusal of the submissions made by you and the applicants, it is observed that you have rejected the pre-clearance applications by BFIL and KCIL in terms of the provisions of provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") and code of conduct framed by the Company.
3. However, while disposing the applications, you failed to exercise proper due diligence and extended differential treatment to the applicants while discharging your statutory responsibilities enshrined under the PIT Regulations. This is clear from the following inconsistencies observed in your actions while you disposed of the pre-clearance applications by BFIL and KCIL.
 - 3.1. Inconsistency in providing the nature of UPSI - It is observed that you provided different response to the applicants and SEBI while submitting details of the UPSI, basis which the pre-clearance applications were rejected.
 - 3.2. Inconsistency in dealing with pre-clearance applications - It is observed that you have taken divergent views while deciding upon the pre-clearance applications by similarly placed entities having similar UPSI.

(1/2)

सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर. एस.), 26449000 / 40459000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in



अनुवर्ती :
Continuation :

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*Securities and Exchange
Board of India*

- 3.3. Inconsistency in making disclosures to the stock exchanges – It is observed that you have disclosed the fact of receipt of pre-clearance applications from BFIL and KCIL to the Stock Exchanges, however, you did not disclose the fact of rejection of such applications, even though the applications were rejected on the same day.
- 3.4. Inconsistency in maintaining the records of UPSI in Structural Digital Database (SDD) – It is observed that Hikal has started recording the refereed UPSI (basis which the pre-clearance applications were rejected) in SDD only from the month of June 2023, though the referred UPSI was in existence since November 2022. Thus, there is lacunae in maintaining the records of UPSI in SDD.
- 3.5. Inconsistency in closing the trading window – The Company has closed trading window only for UPSI relating to financial results. However, the trading window was never closed for the refereed UPSI (basis which the pre-clearance applications were rejected) during the period when it was claimed to be existed.
4. The aforesaid inconsistencies in your actions are viewed seriously. You are hereby warned and advised to ensure compliance with all applicable provisions of SEBI regulations in letter and spirit. Any such aberration in future would be viewed seriously and appropriate action would be initiated.

Yours faithfully,

S Prabhakar