



GARWARE HI-TECH FILMS LIMITED

**COMPANY'S CODE OF CONDUCT
FOR FAIR DISCLOSURE AND
PREVENTION OF INSIDER
TRADING**

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AND INSIDER TRADING**

**[Under Regulation 9(1) of the SEBI (Prohibition of Insider
Trading) Regulations, 2015]**

INTRODUCTION:

The Securities and Exchange Board of India ("SEBI") has, in order to protect the interests of investors in general and to put in place a framework for prohibition of insider trading in securities of a company and to strengthen the legal framework thereof, issued the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the Regulations") pursuant to the powers conferred on it under section 30 of the Securities and Exchange Board of India Act, 1992 ("SEBI Act"). The Regulations came into force with effect from 15th May 2015 and the same are applicable to all companies whose shares are listed on any recognized stock exchange.

The Regulations provide that every listed company shall frame (a) Code of Conduct, to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons and (b) Code of Practices and Procedures for fair disclosure of unpublished price sensitive information, towards achieving compliance with the Regulations.

This document embodies (a) the Code of Conduct for regulating, monitoring and reporting of trades by designated persons and immediate relatives of designated persons of Garware Hi-Tech Films Limited (Formerly known as Garware Polyester Limited) ("Company") and (b) the code of practices and procedures for fair disclosure of unpublished price sensitive information, as provided for under the Regulations.

All Designated Persons and immediate relatives of designated persons, as defined in the Code shall be governed by this Code.

1. DEFINITIONS:

- a. "**Act**" means the Securities and Exchange Board of India Act, 1992 and includes any statutory modifications or amendments thereto from time to time in force;
- b. "**Board**" means the Board of Directors of the Company;
- c. "**Code**" means this Code of Conduct to regulate, monitor and report trading by designated persons and their immediate relatives in securities of the Company or other 'Insiders' of the Company under the Regulations and including any modifications/ amendments made thereto from time to time;
- d. "**Company**" means Garware Hi-Tech Films Limited (Formerly known as Garware Polyester Limited);
- e. "**Compliance Officer**" means any Senior Officer, designated so and reporting to the Board or head of the Company in case Board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations 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 the codes specified in the Regulations under the overall supervision of the Board or the head of the Company. Company Secretary of the Company has been designated as the Compliance Officer.
- f. "**Connected Person**" means
 - i. any person who is or has been, during the six months prior to the concerned act, associated with a Company, in any capacity directly or indirectly, 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, whether temporary or permanent, with the Company 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) a relative of connected persons specified in clause 1(f)(i); or
 - b) a holding company or associate company or subsidiary company; or
 - c) an intermediary as specified in section 12 of the SEBI Act or an 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 the 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 recognised or authorised by the Board; or
 - i) a Banker of the Company; or
 - j) a concern, firm, trust, Hindu Undivided Family, company or association of persons wherein a Director of a Company or his relative or banker of the Company, has more than ten per cent (10%), of the holding or interest.
 - k) a firm or its partner or its employee in which a connected person specified in (d) is also a partner; or
 - l) a person sharing household or residence with a connected person specified in sub clause (i) of clause (d)
- g. **"Dealing in Securities"** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- h. **"Designated Persons(s)"** shall include:
 - i. All the Directors of the Company;
 - ii. Key Managerial Personnel's (KMP) of the Company;
 - iii. Every Promoter / Promoter Group of the Company;
 - iv. Every employee in the grade of General Manager and

above;

- v. Every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
 - vi. Any other employee as may be determined and informed by the Compliance Officer from time to time; and immediate relatives of the abovementioned persons
- i. "**Director**" means a member of the Board of Directors of the Company;
- j. "**Employee**" means every employee of the Company including the Directors in the whole time employment of the Company;
- k. "**Financially Literate**" shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows."
- l. "**Generally available information**" means information that is accessible to the public on a non-discriminatory basis; and shall not include unverified event or information reported in print or electronic media.
- m. "**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;
- n. "**Informant**" shall have the meaning assigned to it under the Regulations or any statutory modification thereof for the time being in force.
- o. "**Insider**" means any person, who is,
 - i. a connected person; or
 - ii. in possession of or having access to unpublished price sensitive information.
- p. "**Key Managerial Person**" means person as defined in section 2(51) of the Companies Act, 2013.

- q. **“Legitimate Purpose”** shall include sharing of unpublished price sensitive information in relation to the following:
- i. sharing of information in the ordinary course of business;
 - ii. sharing of information in performance of duty(ies);
 - iii. sharing of information in discharge of legal obligation(s);
 - iv. sharing of information upon a, subpoena, direction or order of a court or tribunal of competent jurisdiction;
 - v. sharing of information pursuant to any requirement of legal process, regulation or governmental order, decree in compliance with applicable laws, rules or regulations;
 - vi. sharing of information with auditors viz. internal auditors, statutory auditors, cost auditors, tax auditors or secretarial auditors in relation to audit or for obtaining any certifications or any other services;
 - vii. sharing the information with partners, customers, collaborators and suppliers on a need to know basis for entering into contracts or other business prospects which necessitates the same;
 - viii. sharing of information for the purposes of obtaining regulatory licenses and approvals;
 - ix. sharing of information for the purpose of obtaining various credit facilities or loans, giving guarantees or providing security from/to banks, financial institutions or other lenders;
 - x. sharing of information with merchant bankers including their counsels and advisors in relation to issue of any Securities, debentures, American Depository Receipts/Global Depository Receipts, convertible instruments, or Qualified Institutional Placements;
 - xi. sharing of information with legal advisors or counsel on a need to know basis in relation to any litigation, representations or registering of any intellectual property rights or in relation to obtaining any opinion or advisory services;
 - xii. sharing of information with consultants on a need to know basis in relation to obtaining any opinion or advisory services;
 - xiii. sharing of information with insolvency professionals or other advisors or consultants on a need to know basis in any other important matters of the Company;
 - xiv. sharing of information arising out of business requirements

such as acquisitions, mergers, divestments, rights issue or any other transaction(s)/ corporate action(s) where an insider (s) needs to share information with the promoters /controlling shareholders or other persons for the implementation of transaction;

- xv. possible investment/disinvestment in a new venture/existing undertaking;
- xvi. any event or information as prescribed under Part A of Schedule III under Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time; and
- xvii. any other purpose as the Board may determine for sharing of information on need to know basis depending upon the transaction.

Provided that, sharing of Unpublished Price Sensitive Information as aforesaid shall not be carried out to evade or circumvent the prohibitions laid down under the Regulations.

- r. "**Promoter**" & "**Promoter Group**" shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

- s. Proposed to be listed shall include securities of an unlisted company

- i. if such unlisted company has filed offer documents or other documents, as the case may be, with the Board, stock exchanges (s) or registrar of companies in connection with the listing or
 - ii. if such unlisted company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme of merger or amalgamation under the Companies Act, 2013

- t. **Relative** shall mean the following:

- i) spouse of the person;
 - ii) parent of the person and parent of its spouse;
 - iii) sibling of the person and sibling of its spouse;
 - iv) child of the person and child of its spouse;
 - v) spouse of the person listed at sub clause (iii) and
 - vi) spouse of the person listed at sub clause (iv)

Note: It is intended that the relative of a "connected person" too become connected person for the purpose of

these regulations. It is a rebuttable presumption that a connected person had UPSI.

- u. "**Regulations**" shall mean the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- v. "**Securities**" shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof;
- w. "**Specified Persons**" means the Designated Persons; the Insiders and their immediate relatives' are collectively referred to as Specified Persons;
- x. "**Takeover Regulations**" means the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- y. "**Trading**" means and includes subscribing, redeeming, switching buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- z. "**Trading Day**" means a day on which the recognized Stock Exchange are open for trading;
- aa. "**Trading window**" means the period during which Trading in the Securities of the Company is permitted by those governed by this Code;
- bb. "**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 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: –
 - (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals

and expansion of business [award or termination of order/contracts not in the normal course of business] and such other transactions;

(v) changes in key managerial personnel [other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;]

(vi) change in rating(s), other than ESG rating(s);

(vii) fund raising proposed to be undertaken;

(viii) agreements, by whatever name called, which may impact the management or control of the company;

(ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;

(x) resolution plan/ restructuring or one-time settlement in relation to loans/borrowings from banks/financial institutions;

(xi) admission of winding-up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;

(xii) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;

(xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;

(xiv) outcome of any litigation(s) or dispute(s) which may have an impact on the company;

(xv) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;

(xvi) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Explanation 1- For the purpose of sub-clause (ix): a. 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. b. 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Explanation 2- For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.]

cc. **"Voluntary Information Disclosure Form"** shall have the meaning assigned to it under the Regulations or any statutory modification thereof for the time being in force.

Words and expressions used and not defined in these regulations but defined in the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under shall have the meanings respectively assigned to them in those legislations.

2. ROLE OF COMPLIANCE OFFICER:

The Compliance Officer shall be responsible under the overall supervision of the Board of Directors for the following:

- a. Report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at the end of every quarter at the immediately held meeting of Audit Committee and Board of Directors in respect of Trading in Securities of the company by the Designated Persons and their immediate relatives, the trading plans and pre-clearances as approved by the

Compliance Officer.

- b. Compliance of policies, procedures, and maintenance of records.
- c. Monitor adherence to the Rules for the preservation of Unpublished Price Sensitive Information.
- d. Maintain records of the Designated Persons and any changes in it.
- e. The Compliance Officer shall provide guidance and clarifications sought by the Designated Persons and assist all employees in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations, 2015 including any amendments thereto and this Code.
- f. The Compliance Officer shall discharge other functions and duties as prescribed in the Code.
- g. Compliance Officer will inform SEBI & the Stock Exchange of any violation of the code.

3. PRESERVATION OF PRICE SENSITIVE INFORMATION:

All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of his legal obligations. Unpublished price sensitive information may be Communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- i) 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 interests of the Company;
- ii) not attracting 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 trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

However, 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

- a. **Chinese Wall Procedures:** To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered “inside areas” from those areas which deal with sale/marketing/investment advise or other departments providing support services, considered “public areas”. The employees in the inside area shall not communicate any price sensitive information to any one in public area. In exceptional circumstances employees from the public areas may be bought “over the wall” and given confidential information on the basis of “need to Know” criteria, under intimation to the Compliance Officer.
- b. **Need to Know:** Need to Know" basis means that Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All non-public information directly received by any employee should immediately be reported to the head of the department.
- c. **Limited access to confidential information:** Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.
- d. **Prevention of misuse of Unpublished Price Sensitive information:** Designated Persons and immediate relatives of Designated Persons in the Company shall be governed by an internal code of conduct governing dealing in securities.

4. TRADING PLAN:

An insider or a Designated Person who may be perpetually in possession of Unpublished Price Sensitive Information shall have an option to formulate a trading plan for dealing in securities of

the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his/her behalf in accordance with such plan.

A. Such trading Plan shall:

- a. not entail commencement of trading on behalf of the Insider or Designated Persons or their Immediate Relatives earlier than one hundred and twenty calendar days from the public disclosure of the trading plan;
- b. not entail overlap of any period for which another trading plan is already in existence;
- c. set out the following parameters for each trade to be executed
 - i. either the value of trades to be effected or the number of securities to be traded;
 - ii. nature of the trade;
 - iii. either specific date or time period not exceeding five consecutive trading days;
 - iv. price limit, that is an upper price limit for buy trade and a lower price limit for a sell trade, subject to the range as specified below:
 - a. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty percent higher than such closing price
 - b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty percent lower than such closing price

Explanation:

- (i) While the parameter in sub clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional
- (ii) The price limit in sub clause (iv) shall be rounded off to the nearest numeral.
- (iii) Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate action related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.

d. not entail trading in securities for market abuse.

B. The Compliance Officer shall review the Trading Plan to assess whether the plan would have the potential for violation of the Code or the Regulations and shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the trading plan as per provisions of the Regulations.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved Trading plan. Provided further that, trading window norms shall not be applicable for trades carried out in accordance with an approved trading plan.

C. The Trading Plan once approved shall be irrevocable and the Insider or the Designated Person or their Immediate Relatives shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law

Provided that 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

e. Provided further that if the insider has set a price limit for a trade under sub-clause (iv) of clause (v) of sub-regulation 2 of the SEBI PIT Regulations, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

f. Explanation: In case of non-implementation (full/partial) of trading plan due to either reason enumerated in sub-regulation 4 of the SEBI PIT Regulations or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

(i) The insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading

days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.

(ii) Upon receipt of information from the insider, the compliance officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.

(iii) The decision of the Audit Committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed.

(iv) In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as per the Code of Conduct.

D. The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchange on which the securities are listed, on the day of approval.

5. TRADING WINDOW AND WINDOW CLOSURE:

- a. The trading window shall be, inter alia, closed as prescribed under listing regulations or any amendment thereof during the time the unpublished price sensitive information is published.
- b. When the trading window is closed, the Specified Persons shall not trade in the Company's securities during such period.
- c. All Specified Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed, as referred in the clause (e) below or during any other period as may be specified by the Company from time to time.
- d. The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of Unpublished Price Sensitive Information. Such closure shall

be imposed in relation to such securities to which such unpublished price sensitive information relates.

- e. The Compliance Officer after taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for reopening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.
- f. The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company such as Auditors, Accountancy Firms, Law firms, Analysts, Consultants, etc., assisting or advising the Company.

6. PRE- CLEARANCE OF TRADES:

All Specified Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is Rs. 10,00,000 (Rupees Ten Lakhs) (market value) or more should obtain pre-clearance of the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade, if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he / she shall not be allowed to trade.

The pre-dealing procedure shall be hereunder:

- a. An application may be made in the prescribed Forms **(Annexure 3 & Undertaking - Annexure 4)** to the Compliance officer indicating the estimated number of securities that the Specified Employee intends to deal in the details as to the depository with which he has a security account, the details as, to the securities in such depository mode and such other details as may be required under SEBI (PIT) Regulations and policies made by the company in this behalf.
- b. The application is to be filed along with Statement of Holding in Securities of the Company at the time of pre-clearance as per **(Annexure 5)**
- c. The **Undertaking** shall be executed in favour of the Company by such Specified Person incorporating, inter alia, the following clauses, as may be applicable:
 - i. That the Specified Person does not have any access or has not received "Unpublished Price Sensitive

- Information" up to the time of signing the undertaking,
- ii. That in case the Specified Person has access to or receives "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer 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,
 - iii. That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time and
 - iv. That he/she has made a full and true disclosure in the matter.
- d. All Specified Persons shall execute their order in respect of securities of the Company within 7 (seven) trading days after the approval of pre-clearance is given. Thereafter a fresh pre-clearance will be needed for the trades executed in excess of Rs. 10,00,000/- (Rupees ten Lakhs) as per the requirements of SEBI (PIT) Regulations. The Specified Person shall file within 2 (two) trading days of the execution of deal, the details of such deal with the Compliance Officer in the prescribed form (copy enclosed as **Annexure 6**). In case the transaction is not undertaken, a report to that effect shall be filed.
- e. If the order is not executed after obtaining pre-clearance from the Compliance Officer, the concerned Designated Person shall intimate the same along with reasons thereof to the Compliance Officer within 2 (two) trading days after the expiry of 7 (seven) trading days from the date of pre-clearance by the Compliance Officer.
- f. All Specified Persons 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. For example: If 'X' or any of his Immediate Relatives buy Securities of the Company on January 1, 2019, then 'X' and his Immediate Relatives shall not sell any Securities of the Company until July 1, 2019 and vice versa.
- g. The Compliance Officer may grant relaxation from strict application of such restriction on an application made in this

behalf by the concerned Designated Person and after recording in writing the reasons in this regard; provided that such relaxation does not violate the Regulations.

- h. The Compliance officer shall confidentially maintain a list of such Securities as a restricted list which list shall be used as the basis for approving or rejecting applications for pre-clearances of trades.
- i. All Specified Persons shall also not take positions in any derivative transactions in the shares of the Company at any time. In case of any 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 SEBI under the Act. In 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.
- j. The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

7. REPORTING AND DISCLOSURE REQUIREMENTS:

All Directors/Officers/Designated Persons shall be required to forward the following details of their Securities transactions including the statement of dealing in the securities of Immediate Relatives to the Compliance Officer:

- a. All holdings in securities of that Company by Designated Persons at the time of joining the Company. **(Annexure 1)**
- b. Trading in derivatives of Securities of that Company and the traded value of the derivatives, if any
- c. Annual statement by designated persons of all holdings in Securities as on March 31st as per format prescribed by the Company. **(Annexure 2)**

8. DISCLOSURE OF CLOSE PERSONAL RELATIONSHIPS AND MATERIAL FINANCIAL RELATIONSHIPS

Wherein Designated persons shall disclose name, educational Institution, PAN or equivalent identification, Phone/Mobile/ Cell numbers on an annual basis and as and when the information

changes of themselves and of the followings:- (a). Immediate Relatives and (b).Persons with whom such designated persons share a material financial relationship

Material Financial Relationship: Means a relationship where one person is a recipient of any kind of payment during the preceding 12 months equivalent to at least 25% of such payer's annual income; Excludes - payment based on arm's length transactions.

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors/ Officers / designated Persons for a minimum period of five years.

The disclosures to be made hereunder shall include those relating to trading by such person's Immediate Relatives, and by any other person for whom such person takes trading decisions.

9. OTHER RESTRICTIONS:

- a. The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- b. 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 Code.
- c. The disclosures made under this Code shall be maintained for a period of five years.

10. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:

I. Initial Disclosure:

- a. Every Promoter / Member of Promoter Group / Key Managerial Personnel / Director of the Company, within thirty days from the date on which the Regulations come into force, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the Form - A prescribed by SEBI. (Copy enclosed as Annexure 7).
- b. Every Promoter / Member of Promoter Group / Key Managerial

Personnel / Director of the Company, shall within 7 (seven) days of such appointment or becoming a promoter shall disclose the details of Securities held by him or her in the Form - B prescribed by SEBI. (Copy enclosed as Annexure 8).

II. Continual Disclosure:

- a. Every promoter, member of promoter group, designated person and director of the Company shall disclose to the Company the number of such securities acquired or disposed of within 2 (two) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten lakhs in Form C 1 prescribed by SEBI. (copy enclosed as Annexure 9).
- b. The disclosure shall be made within 2 working days of:
 - i. the receipt of intimation of allotment of shares, or
 - ii. the acquisition or sale of shares or voting rights, as the case may be.

11. DISCLOSURE BY THE COMPANY TO THE STOCK EXCHANGE(S):

- a. Within 2 days of the receipt of intimation under clause 10.II, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received in the same **Form - C** prescribed by SEBI. **(Copy enclosed as Annexure 10).**
- b. The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors / Officers / designated employees for a minimum period of five years.

12. Disclosure by Other Connected Persons:

The Company 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.

(Copy enclosed as Annexure 11).

13. DISSEMINATION OF PRICE SENSITIVE INFORMATION:

- a. No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.
- b. Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors.

14. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT:

- a. Every Specified Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).
- b. Any Specified Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.
- c. Specified Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in ESOPs etc.
- d. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

15. PROTECTION OF INFORMANTS THAT SUBMIT A VOLUNTARY INFORMATION DISCLOSURE FORM

In the event any Informant, who is an employee of the Company, submits a Voluntary Information Disclosure Form to SEBI in accordance with Chapter IIIA of the Regulations, the Company shall not discharge, terminate, demote, suspend, threaten, harass, directly or indirectly or discriminate against such employee irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under the Regulations, by reason of:

- a. filing a Voluntary Information Disclosure Form under the Regulations;
- b. testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- c. breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with SEBI in any manner.

For the purposes of this paragraph, 'employee' shall mean any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the Regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

16. STRUCTURED DIGITAL DATABASE:

The Company shall maintain a structured digital database for maintaining the nature of unpublished price sensitive information and the names of persons or entities with whom information has been shared under Regulation 3 of the Regulations and the names of such persons who have shared the information along with the Permanent Account Number or any other identifier authorized by law

where Permanent Account Number is not available. Such digital database shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non- tampering of the database.

17. POLICY REVIEW AND AMENDMENTS:

The Board reserves the power to review and amend this Code from time to time. All provisions of this Code would be subject to revision or amendment in accordance with the applicable law as may be issued by relevant statutory, governmental or regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities

are not consistent with the provisions laid down under this Code, and then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder. Other provisions/restrictions as prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 2015 or any other law for the time being in force in this behalf, as may be amended from time to time, shall be observed/complied.

18. ENQUIRES / CONSULTATION:

Any person to whom this Code applies, and who has a doubt as to interpretation of any clause of the code, should at all times consult the Compliance Officer.

Note: This policy document belongs to the company Garware Hi Tech Films Limited

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