



**GARWARE HI-TECH FILMS LIMITED**

**CODE OF PRACTICES AND  
PROCEDURES FOR FAIR DISCLOSURE  
OF UNPUBLISHED PRICE SENSITIVE  
INFORMATION**

**POLICY FOR DETERMINATION OF  
LEGITIMATE PURPOSES**

**AND**

**POLICY FOR INQUIRY IN CASE OF  
LEAK OF UNPUBLISHED PRICE  
SENSITIVE INFORMATION**

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF  
UNPUBLISHED PRICE SENSITIVE INFORMATION**

**[Under Regulation 8 of the SEBI (Prohibition of Insider Trading)  
Regulations, 2015]**

The Company shall adhere to the following principles of Fair Disclosure for the purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

a. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available. The company shall also upload such Unpublished Public Information on the Company's official website i.e. [www.garwarehitechfilms.com](http://www.garwarehitechfilms.com) after the disclosure is made to the stock exchanges.

b. The Company shall make uniform and universal dissemination of unpublished price sensitive information in the manner described above and shall not disclose unpublished price sensitive information on a selective basis.

c. The Board of Directors of the Company or KMPs as authorised from to time, who shall deal with dissemination of information and disclosure of unpublished price sensitive information.

d. In the event of any unpublished price sensitive information getting disclosed selectively, inadvertently or otherwise, the Company shall promptly disseminate such unpublished price sensitive information to the Stock Exchanges and on its official website to make it generally available information. In the event of any query or request for verification about news reports or market rumours by regulatory authorities, the Chief Investor Relations Officer shall fairly and appropriately respond to such queries and requests.

e. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.

f. In order to avoid misrepresentation or misquoting, endeavour shall be made that at least two Company representatives are present in the meetings or conference calls with analysts, brokers or institutional investors. The transcripts of the earning call meetings will be made available on the official

website of the Company in order to make the information shared with analysts, brokers or institutional investors Generally Public Information.

g. There shall be limited access to Unpublished Price Sensitive Information. Unpublished Price Sensitive Information will be disclosed on need to know basis only to those persons who need the information for legitimate purposes to discharge their duty or legal obligations.

## **2 POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

This Policy, as a part of “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” formulated under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations 2015 (here in after referred as “the Regulation”), will be known as "Policy for Determination of Legitimate Purposes" (hereinafter referred to as the "Policy").

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

**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 3 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.

The Company shall execute an agreement with, or communicate to, all Insiders, who are in possession of UPSI, for Confidentiality/ non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

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.

### **POLICY FOR INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

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

1. Background

Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“the Regulations”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

2. Applicability

This Policy shall be applicable with immediate effect.

3. Scope

This Policy deals with a) Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI. b) Strengthening the internal control system to prevent leak of UPSI. c) Penalizing any insider who appears to have found guilty of violating this policy.

4. Definitions The definitions of some of the key terms used in the Policy are given below. Capitalized terms are not defined herein shall have the meaning assigned to them under the Code/ (“the Regulations”).

**“Leak of UPSI”** means communication of information which is/ deemed to be UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly, or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.

**“Suspect”** means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.

**“Whistle Blower”** means a person making a disclosure under the Whistle Blower Policy.

**“Working days”** means working days of the Company.

## 5. Procedure for inquiry in case of Leak or suspected Leak of UPSI

### **a. Source of information relating to leak of UPSI**

The Compliance Officer may on becoming aware suo moto or on receipt of a written intimation of leak or suspected leak of UPSI from:

- the Suspect
- any other person, including employees of the Company
- regulators follow the below mentioned procedure in order to inquire and/or investigate the matter.

### **b. Preliminary Inquiry:**

The object of preliminary inquiry is fact-finding, to ascertain the truth or otherwise of the allegations contained in the information or complaint, if any, and to collect necessary available material in support of the allegations, and thereafter to decide whether there is justification to initiate further investigation/inquiry.

The said inquiry shall be completed within 7 working days from the date of receipt of such intimation and report thereof shall be circulated by the Compliance Officer to Chairman of Audit Committee and Managing Director.

### **c. Intimation of Leak or suspected Leak of UPSI**

If in the opinion of Chairman of Audit Committee and Managing Director, if the preliminary inquiry report warrants further investigation, the same shall be submitted to Inquiry Committee for detailed investigation.

### **d. Inquiry Committee**

Inquiry Committee shall consist of the following persons –

- Compliance Officer
- Any other person(s) nominated by Chairman of Audit Committee and/or Managing Director

If any member of Inquiry Committee has a conflict of interest in any given case, then he/she should recuse himself/herself and other members of Inquiry Committee should deal with the matter on hand.

**e. Investigation by Inquiry Committee**

Upon receipt of the report of the preliminary inquiry and all other supporting documents, the Inquiry Committee is required to initiate the investigation. The said investigation shall be completed within 30 working days from the date of receipt of report of the preliminary inquiry. The Inquiry Committee's investigation report shall be submitted to the Chairman of Audit Committee and Managing Director immediately.

**6. Powers of the Inquiry Committee**

For purpose of conducting inquiry, the Inquiry Committee may:

a) Call upon

- such employees/individuals to seek clarification or information pertaining to the leak.
- persons / members of committees involved in generation of the original data for
- purpose of determination of key figures pertaining to financial figures.
- persons involved in the consolidation of the figures for the financial results.
- persons involved in the preparation of board notes and presentations.
- persons involved in dissemination of information relating to financial results in the public domain.
- any other persons who had access to the information.
- any market intermediaries and other person/ entities who have access to UPSI for inquiry conducted for leak of such UPSI.

b) at its discretion, invite external investigators/experts.

c) take necessary actions including sending the Suspect on leave, restrict physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the investigations for fair conduct of the proceedings.

d) keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of investigation.

e) notify the Suspect of the allegations at the outset of internal investigation and provide him opportunity to represent his case and submit evidence.

f) do all such acts, deeds, matters and things as are necessary for the purpose of conduct of internal investigation.

## **7. Consequences of non-compliance**

- a) On receipt of report of Inquiry committee, the Compliance Officer shall forthwith forward such report to Chairman of Audit Committee and Managing Director.
- b) The disciplinary action against Suspect may be taken within 15 working days from receipt of investigation report by Chairman of Audit Committee and Managing Director.
- c) The disciplinary action may include wage freeze, suspension, recovery, clawback, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Chairman of Audit Committee and Managing Director. 8.

## **8. Reporting**

The details of inquiries made, and results of such inquiries shall be reported to the Audit Committee and Board of Directors of the Company at its next meeting. Further, the Company shall inform SEBI of such leaks, inquiries and results of such inquiries.

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