



## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

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

The Board of Directors has adopted following ***“Code of Conduct to Regulate, Monitor and Report Trading by Insiders”*** in compliance with Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

1. This Code of Conduct will be known as “Ginni Filaments Limited: Code of Conduct to Regulate, Monitor and Report Trading by Insiders” hereinafter referred to as “**Code**”.
2. This Code has been made pursuant to Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, hereinafter referred to as the “**Regulations**”.
3. This Code shall be effective from 15<sup>th</sup> May, 2015 or such date as may be notified by Securities and Exchange Board of India.
4. This Code shall supersede Ginni Filaments Limited Code of Conduct for prohibition of Insider Trading.
5. The definitions as framed in Regulation 2 of Chapter I of the Regulations shall apply and form part of this Code.

5.1 “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992).

5.2 “**Board**” means the Securities and Exchange Board of India.

5.3 “**Board of Directors**” means the Board of Directors of the Company.

5.4 “**Companies Act**” means The Companies Act, 2013.

5.5 “**Company**” or “**the Company**” means Ginni Filaments Limited.

5.6 “**Compliance Officer**” means the Company Secretary for the time being of the Company or any senior officer appointed by the Board of Directors of the Company for the purpose of this Code and the Regulations.

5.7 “**Connected person**” means,-

- (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with Company’s 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 between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 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 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 authorized 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 immediate relative or banker of the company, has more than ten per cent of the holding or interest

**5.8 "Designated persons"** shall mean all employees comprising the top tiers of the Company's management, all employees in Finance, Secretarial Departments and their immediate relatives and such other employees who may be so designated, from time to time, by the Company for the purpose of this Code and who may be able to have access to any 'unpublished price sensitive information' as defined in this Code or the Regulations. Top three tiers of the Company's management shall mean and include Board of Directors, Promoters / Functional Directors and employees directly reporting to them and their immediate relatives.

**5.9. "Generally available information"** means information that is accessible to the public on a non-discriminatory basis.

**5.10 "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

**5.11 "insider"** means any person who is

- (i) a connected person, or
- (ii) in possession of or having access to Unpublished Price Sensitive Information

**5.12 "key managerial personnel"**, in relation to the Company, means—

- (i) the Chief Executive Officer or the Managing Director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed



- 5.13 "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 modification thereof;
- 5.14 "securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 5.15 "takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 5.16. "threshold limit"** means the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value of ten lakh rupees.
- 5.17 "trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- 5.18 "trading day"** means a day on which the recognized stock exchanges are open for trading
- 5.19 "trading window"** means a trading period for trading in the Company's Securities as specified by the Company from time to time. All days shall be the Trading Period except those days specified hereunder.
- 5.20 "unpublished price sensitive information (UPSI)"** means any information, relating to the 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 and such other transactions;
  - (v) changes in key managerial personnel; and
  - (vi) material events in accordance with the listing agreement.

Words and expressions used and not defined herein but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation as amended from time to time.

## **6. Communication or procurement of UPSI**

1. All information shall to be handled on a **"need to know"** basis. It should be disclosed only to those within the Company who need the information to discharge their duty or as allowed by these Rules. The Compliance Officer shall monitor and regulate the Company's Chinese walls and Cross the wall procedures.

In general, Chinese Walls separate areas that have access to confidential inside information from those who do not have such access. The Company may formulate Chinese Walls to operate as barriers to the passing of inside information and confidential information and a



means of managing Conflicts of Interest. The Chinese Walls are designed to manage confidential information and prevent the inadvertent spread and misuse of inside information, or the appearance thereof.

- (2) An Insider shall not communicate, provide, or allow access to any UPSI, relating to a company or securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (3) A person shall not procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (4) Notwithstanding anything contained above, an UPSI 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 interests 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 trading days prior to the proposed transaction being effected in such form as the board of directors may determine.
- (5) For purposes of clause 6(4), the Board of Directors of the Company 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 clause 6(4), and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

#### **7. Trading when in possession of UPSI**

- (1) An Insider shall not, directly or indirectly trade in securities of the Company when in possession of UPSI.
- (2) An Insider shall not trade in securities of the Company except when the Trading Window is open and the Insider is not in possession of UPSI.

Provided the above restriction shall not apply in transaction as provided in Regulation 6(4).

#### **8. Trading Window**

- (1) The Compliance Officer shall notify trading window during which the designated persons may trade in the Company's securities after securing pre-clearance from the compliance officer in accordance with these rules.
- (2) Designated persons shall not trade in the Company's securities when the trading window is closed.



- (3) The trading window shall generally be closed for all Insiders seven (7) days prior to and during the time the unpublished price sensitive information is to be published.
- (4) Additionally, the trading window shall be closed in particular for a designated person or class of designated persons when the compliance officer determines that a designated person or class of designated persons can reasonably be expected to have possession of UPSI, for such period as determined by the Compliance Officer.
- (5) The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.

#### **9. Pre-clearance of Trades**

- (1) Designated persons may trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer by submitting an application in **Annexure –I** and an undertaking as per **Annexure –II**.
- (2) The Compliance Officer shall not approve any proposed trade by Designated Person if the Compliance Officer determines that such designated person is in possession of UPSI even though the trading window is open.
- (3) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve trading by a Designated Person, on the condition that the trade so approved shall be executed within not more than seven trading days from the date of approval.
- (4) The Designated Person shall submit to the Compliance Officer, the details of such trade within two working days from the date of execution of trade and in case the transaction is not undertaken, information shall be given to the Compliance Officer as per **Annexure –III**.
- (5) If the pre-cleared Trade is not executed within seven trading days from the date of approval, a fresh approval shall be required to be taken by the Designated Person.
- (6) Nothing in this rule shall apply to any Trade involving a value less than Rs. 2.00 (Two) lacs or such value as may be specified by the Board of Directors of the Company from time to time provided the Designated Person is not in possession of UPSI.
- (7) A Designated Person who Trades in securities without complying these rules shall be subjected to the penalties as provided in the rules or regulations from time to time.
- (8) All Designated Persons who Trade in the securities of the company shall not execute a contra trade during the next six months from the date of prior transaction and if a contra trade is 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

#### **10. Trading Plans**

- (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.



- (2) Such trading plan shall:—
- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
  - (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced and the second trading day after the disclosure of such financial results;
  - (iii) entail trading for a period of not less than twelve months;
  - (iv) not entail overlap of any period for which another trading plan is already in existence;
  - (v) 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
  - (vi) not entail trading in securities for market abuse.
- (3) The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek express undertakings that:
- (i) the person is not in possession of unpublished price sensitive information; or
  - (ii) he would ensure that any unpublished price sensitive information in his possession becomes generally available before he commences his trades;
- or as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. The compliance officer may thereafter approve the plan.
- (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 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 and in such event the compliance officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information.
- (5) Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed

## **11. Disclosure Requirements**

### **Initial Disclosures:**

1. Every promoter, key managerial personnel and director of the company shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company



within thirty days of this rules taking effect in **"Form A"** as prescribed by Board and as amended from time to time.

2. Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter in **"Form B"** as prescribed by Board and as amended from time to time.

**Continual Disclosures:**

1. The promoters, employees, directors of the Company shall disclose to the Company the number of such securities acquired or disposed of within 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 ten lakh rupees or such other value as may be specified by Board in writing in **"Form C"** as prescribed by Board and as amended from time to time.
2. The Company shall notify the particulars of such trading to the stock exchanges on which the securities are listed, as applicable, within two trading days of receipt of the disclosure or from becoming aware of such information.
3. The Compliance Officer may, require any other Connected Person to make disclosures of holdings and trading in securities of the Company and at such frequency as may determine by the Company in **"Form D"** as prescribed by Board and as amended from time to time.

**12. Penalty**

- (a) An Insider who acts in contravention of these rules shall be liable to have his services or relationship with the Company, as the case may be, terminated.
- (b) Directors, officers and Employees of the Company who violate these Rules shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligibility for future participation in the Company's Stock option plan or termination.
- (c) The SEBI or any other appropriate regulatory authority would also be informed of the violation of these Rules so that appropriate action may be taken.

**13. Miscellaneous**

- The decision of the Board of Directors of the Company with regard to any or all matters relating to this Code shall be final and binding on all concerned. The Board of Directors of the Company shall have the power to modify, amend or replace this Code in part or full as may be thought fit from time to time in their absolute discretion.
- The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board of Directors of all details pertaining to these rules.



## GINNI FILAMENTS LIMITED

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- The disclosures made under these regulations shall be maintained by the Compliance Officer, for a minimum period of five years in such form as may be provided in the Regulations.
- The Compliance Officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting application for pre-clearance of trade.

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The above Code of Conduct was adopted by Board of Directors at their meeting held on May 4, 2015.





**Annexure - I**

**FORMAT OF APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL**

**Date:**

Compliance Officer,  
Ginni Filaments Limited,  
Noida.

Dear Sir,

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and Ginni Filaments Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders, I seek approval to purchase/sale/subscribe \_\_\_\_\_ equity shares of the Company as per the details given below:

1.	Name of the Applicant	
2.	Designation	
3.	Number of securities held as on date	
4.	Folio No./DP ID/Client ID	
5.	The proposal is for	(a) Purchase of Securities (b) Subscription to securities (c) Sale of securities
6.	Proposed date of Trading in Securities	
7.	Estimated number of securities proposed to be purchased / subscribed / sold	
8.	Price at which the transaction is proposed	
9.	Current Market Price (as on the date of application)	
10.	Whether the Proposed transaction will be through Stock Exchange or off-market Trade	
11.	In case of Off-market deal, Folio no./DP ID/Client ID where the securities will be credited	

I enclose herewith the form of Undertaking signed by me.

Yours truly,

(Signature of the Designated Person)  
(Name of the Designated Person)



**Annexure - II**

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR  
OBTAINING PRE-CLEARANCE APPROVAL**

**Date:**

**UNDERTAKING**

Compliance Officer,  
Ginni Filaments Limited,  
Noida.

I, \_\_\_\_\_ Name of the Designated Person, (designation) of the Company residing at \_\_\_\_\_ (address of the Designated Person) hereby declare that I am not in possession of any Unpublished Price Sensitive Information (as defined in the Ginni Filaments Limited Code of Conduct to Regulate, Monitor and Report Trading by Insiders) upto the date of signing of this Undertaking.

I further declare that in case I have access to any Unpublished Price Sensitive Information (UPSI) after the signing of Undertaking and before the execution of Trade for which Pre-clearance is requested, I shall promptly inform the Compliance Officer, refrain from trading in securities of the Company and apply afresh for obtaining pre-clearance approval from the Compliance Officer of the Company.

Upon obtaining preclearance for trading in securities of the Company, I undertake to execute the transaction within seven (7) trading days failing which I shall seek pre-clearance.

I undertake to submit the necessary report within 4 working days of execution of the transaction/ a NIL report in case the transaction is not executed.

I declare that I have made true and complete disclosure in the matter.

Yours truly,

(Signature of the Designated Person)  
(Name of the Designated Person)



**Annexure - III**

**FORMAT FOR DISCLOSURE OF TRANSACTIONS EXECUTED/NOT EXECUTED  
AFTER OBTAINING PRE-CLEARANCE OF TRADE**

**Date :**

**Compliance Officer  
Ginni Filaments Limited,  
Noida.**

I hereby inform that I

- have not bought / sold / subscribed any securities of the Company
- have bought / sold / subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_ (Date)

Name of holder	No. of Securities Traded	Bought/Sold/ Subscribed	DP ID/Client ID/Folio No.	Price (₹)

In connection with the aforesaid transaction, please find enclosed copy of the following for your records:

Broker's contract note/ Proof of payment to / from brokers / Extract of bank passbook / statements (in case of demat transaction) / Copy of Delivery instruction slips (applicable in case of sale transactions)

I hereby undertake to preserve the original copy of the above mentioned document for a period of 5 years and produce to the Compliance Officer/Securities Exchange Board of India, if required.

Yours truly,

(Signature of the Designated Person)  
(Name of the Designated Person)

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