

SWADESHI POLYTEX LIMITED

CIN: L25209UP1970PLC003320

Code of Conduct for Prevention of Insider Trading

(Effective from May 15, 2015)

I Introduction

Swadeshi Polytex Limited with the aim of preventing insider trading and to preserve the confidentiality of un-published price sensitive information and in ensuring adherence to all applicable laws and regulations, hereby notifies the Code of Conduct for Prevention of Insider Trading to be followed by all Designated Persons and their Immediate Relatives (as defined herein)

II Definitions

1. “**Regulations**” means Securities And Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
2. “**Designated Persons**” shall mean :
 - ✦ All Directors of Swadeshi Polytex Limited (the “Company” or “SPL”) or that of its subsidiary or associate companies;
 - ✦ All employees [hereinafter also referred to as Employee(s)] of the Company or that of its subsidiaries or associate companies;
 - ✦ Other Connected Persons being the Promoters, Promoter Group and persons deemed to be Connected Persons within meaning of Regulation 2(d)(ii) of the Regulations.
3. “**Connected Persons**” 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 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 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to Unpublished Price Sensitive Information or is reasonably expected to allow such access.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 Person(s) specified in clause (i) above; or
- (b) a holding company or associate company or subsidiary company of the Company; or
- (c) an intermediary as specified in section 12 of the SEBI Act, 1992 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 recognized 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.

4. **“Compliance Officer”** means a senior level employee who shall report to the Board of Directors.

5. **“Immediate Relatives”** for this purpose means parents, children and spouse of the Designated Persons or who are either financially dependent on them or consult them in taking decisions relating to trading in Shares of the Company.

6. **“Unpublished Price Sensitive Information”** means any information which relates directly or indirectly to a Company and which if published is likely to materially affect the price of equity Shares / Securities of Company.

Explanation : The following shall inter alia be deemed to information of price sensitive nature:-

- (i) periodical financial results of the Company;
- (ii) intended declaration of dividends (both interim and final) by the Company;
- (iii) any major expansion plans or execution of new projects by the Company;
- (iv) amalgamation, mergers, demergers ,takeovers and other such acquisitions or transactions by the Company;
- (v) disposal of the whole or substantial part of the undertaking by the Company;
- (vi) any change in the capital structure of the Company;
- (vii) any change in Key Managerial Personnel of the Company; and

(viii) any significant changes in policies, plans or operations of the Company or any other material information, whether in terms of the Listing Agreements or otherwise, which can be construed to be price sensitive for the Securities of the Company.

7. **“Securities”** Securities means shares or other securities of the Company as defined under the Securities Contracts Regulation Act and Rules and includes derivatives (hereinafter referred to as Shares).

8. **“Trading”** means and includes subscribing, buying, selling, dealing (including pledge), or agreeing to subscribe, buy, sell, deal (including pledge) in any Securities, and "Trade" shall be construed accordingly.

9. **“Other words and expressions”** means words and expressions used and not specifically defined herein, as the same have been defined to mean under the Regulations; the Securities Contracts (Regulation) Act, 1956, the SEBI Act, 1992, the Depositories Act, 1996 or the Companies Act, 2013 and the Rules framed thereunder.

III. Compliance Officer and his/her duties

The Company has appointed the Company Secretary/ CEO as the Compliance Officer (the **Compliance Officer**) who shall be reporting to the Board of Directors and shall :

1. maintain a record of Designated Persons and their Immediate Relatives and any changes made therein.

2. be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of “Unpublished Price Sensitive Information”, pre-clearing of Designated Persons and their Immediate Relatives trades (directly or through respective department heads, as may be decided by the Company from time to time), monitoring of Trades and the implementation of this Code of Conduct under the overall supervision of the Board of the Company.

3. assist all the Designated Persons and their Immediate Relatives in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations, 2015 and this Code of Conduct.

4. maintain records of all the declarations in the appropriate form given by the Designated Persons in respect of themselves or their Immediate Relatives for a minimum period of three years.

5. place before the Chairman, on a monthly basis all the details of the dealing in the Shares by the Designated Persons and their Immediate Relatives along with the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code of Conduct.

IV. Preservation of “ Unpublished Price Sensitive Information”

1. Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company or in any other manner whatsoever nor shall they allow or facilitate access to such information.

2. Unpublished Price Sensitive Information is to be handled on a “need to know basis”, i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty.

3. Files containing **Unpublished Price Sensitive Information** shall be kept secure. Computer Files containing **Unpublished Price Sensitive Information** must have adequate security of login and password etc.

V. Prevention of misuse of “ Unpublished Price Sensitive Information”

1. The Company shall specify a trading period from time to time to be called "Trading Window", for trading in the Company's Shares. The trading window shall be closed during the time the information referred to in para (V) 3 is un-published.

2. Designated Persons and their Immediate Relatives shall not buy/ sell Shares of the Company during the Closure of the “Trading Window” i.e. the period during which trading in Shares of the Company is prohibited.

3. The “Trading Window” shall be, closed Inter alia at the time of : -

- (a) Declaration of Financial results (quarterly, half-yearly and annual) by the Company;
- (b) Declaration of dividends (interim and final) by the Company;
- (c) Declaration of any major expansion plans or execution of new projects; by the Company
- (d) Declaration of amalgamation, mergers, demergers, takeovers and other such acquisitions or transactions by the Company ;
- (e) Disposal of whole or substantially whole of the undertaking of the Company;
- (f) Any changes in policies, plans or operations of the Company or any other material information which can be construed to be price sensitive;
- (g) Any changes in the capital structure of the Company;
- (h) Any changes in the Key Managerial Personnel of the Company.

The period of commencement of closure of Trading Window shall be intimated by the Company to the Designated Persons and also to the Stock Exchanges, from time to time.

4. The trading window shall be opened 48 hours after the information referred to in para 3 or any other information which could be deemed to be of a price sensitive nature, becomes public.

5. All Designated Persons and their Immediate Relatives shall conduct all their dealings in the Shares of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the periods when Trading Window is closed, as referred to in para (V)1 and para (V) 3 above or during any other period as may be specified by the Company from time to time.

6. The Trading Window shall also be applicable to persons who are having contractual or fiduciary relations with the Company including the Auditors, Accountancy Firms, Law Firms etc., assisting or advising the Company who may have access to such related **Unpublished Price Sensitive Information**.

7. No Designated Person shall trade in Shares of the Company when in possession of an Unpublished Price Sensitive Information, irrespective of whether the Trading Window is open or closed.

VI. Pre-clearance of Trades

1. All Designated Persons for themselves and also for their Immediate Relatives, who intend to deal in Shares of the Company, aggregating to traded value in excess of Rs. 10,00,000/- (rupees ten lacs only) over any calendar quarter, should obtain a pre-clearance of the transactions as per the pre-dealing procedure as described hereunder.

2. An application shall be made in attached format (Application for Pre-Clearance of Trade) in this regard, to the Compliance Officer.

3. An undertaking shall be executed in favour of the Company by such Designated Persons whether it relates to themselves or their Immediate Relatives, in the attached format.

4. All Designated Persons and their Immediate Relatives shall execute their order in respect of Shares of the Company within one week after the approval of pre-clearance is given failing which fresh pre-clearance would be needed for the trades to be executed.

5. No Designated Person shall apply for pre clearance of any proposed trade when in possession of an Unpublished Price Sensitive Information, even if the trading window is not closed.

VII. Restriction on opposite trade till six months

All Designated Persons and their Immediate Relatives who trade in any number of Securities of the Company, shall not enter into an opposite transaction i.e. trade in any number of Securities during the next six months following the prior transaction.

VIII Derivative Transaction

All Designated Persons or their Immediate Relatives are prohibited to take any position in derivative transaction in the Securities of the Company at the time of the closure of Trading Window.

IX Reporting Requirements for transactions in Shares

1. Designated Persons shall make the following disclosures of the Shares and other Shares held in the Company by them and/or their Immediate Relatives, to the Compliance Officer as follows :

(a) Initial Disclosure: Every Promoter, Key Managerial Personnel and Director as on May 15, 2015 (the date on which the Regulations come into effect), shall make a disclosure of his/her holding of Securities of the Company, within 30 days from the said date. Further, every person on appointment as a key managerial personnel or a director or becoming a promoter of the Company, shall within seven days of such appointment or becoming a promoter, as the case may be, make a disclosure of his/her holding of Securities of the Company.

(b) Continual Disclosures: Every Promoter, Director or Employee shall make a disclosure of any changes in holding of Securities, when such change aggregates to a traded value in excess of ten lacs rupees over any calendar quarter, within 2 (two) trading days of such change, in the format prescribed for the purpose under the Regulations.

X. Chinese Wall Procedures

To prevent the misuse of **Unpublished Price Sensitive Information** the Company shall adopt a "Chinese Wall" policy which separates those areas of the Company which routinely have access to **Unpublished Price Sensitive Information**, considered "inside areas" from those areas which deal with sales/marketing or other departments providing support services, considered "public areas" to the extent practically possible.

The Designated Persons in the inside area shall not communicate any **Unpublished Price Sensitive Information** to anyone in public areas to the extent practically possible. The Designated Persons in inside area may be physically segregated from Designated Persons in public areas to the extent practically possible.

Demarcation of the various departments as inside area may be implemented by the Company to the extent practically possible.

In exceptional circumstances Designated Persons from the public areas may be brought "over the wall" and given **Unpublished Price Sensitive Information** strictly on the basis of "need to know" criteria, under intimation to the Compliance Officer.

XI. Penalty for contravention of code of conduct

1. Any Designated Person, who himself/herself or through his/her Immediate Relatives, trades in Securities of the Company or communicates any Unpublished Price Sensitive information, for trading in Securities or facilitates the communication of such information, in contravention of this Code of Conduct may be penalized and appropriate action may be taken by the Company.

2. Designated Person who violates this Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, withholding of promotions and including ineligibility for future participation in employee stock option plans, etc.

3. The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

XII. Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015

In case it is observed by the Company/Compliance Officer that there has been a violation of the Regulations, SEBI shall be informed by the Company.

APPLICATION FOR PRE-CLEARANCE OF TRADE

Date : _____

The Compliance Officer
Swadeshi Polytex Limited
Kavi Nagar Industrial Area
Ghaziabad

Dear Sir,

Sub. : Application for Pre-Clearance of Trade to be executed by Designated Persons / the Immediate Relatives *

I, _____ S/o Mr. _____, Director /
Employee of Swadeshi Polytex Limited (SPL) intend to sell / purchase _____
(_____ only) Shares of SPL through myself/----- (my -----) *

Details of Depository Account in which such Shares will be debited / credited, are as under:

Name of the first Holder of the DP Account

Name of the DP

DP ID

Client ID

Nos. of SPL Shares in the said account

Yours Sincerely

**(strike out what is not applicable)*

UNDERTAKING

I, _____ S/o Mr. _____ aged _____ years, residing at _____ do hereby undertake that the following information submitted by me to Swadeshi Polytex Limited , having its registered office at Kavi Nagar Industrial Area Ghaziabad is true and correct :

1. That I do not have any access to or have not received any “**Unpublished Price Sensitive Information**” upto the time of signing this undertaking.
2. That in case I receive or have access to any “**Unpublished Price Sensitive Information**” after signing the undertaking but before the execution of the Trade which I intend to do, as disclosed in my Application for Pre-Clearance of Trade (“the Application”), I shall refrain from dealing in Shares of the Company either personally or through any Immediate Relative of mine, till such information becomes public and shall necessarily inform the Compliance Officer of the Company, of the same.
3. That I have not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company.
4. I undertake that the transaction stated in the application shall be executed within one week from the date of pre-clearance by the Company, and if the same is not executed within a week, I shall seek a fresh pre-clearance of the transaction.
5. I undertake that in case of purchase of Shares of the Company, the same shall be held by me/ my Immediate Relative, for investment purposes.
6. I undertake that I myself or through any Immediate Relative of mine, shall not enter into an opposite transaction i.e. sell or buy any number of Shares during the next six months following this transaction.
7. I confirm that I myself or through any Immediate Relative of mine, have not entered into an opposite transaction of buy/sell in the past six months, in relation to the Shares of the Company.
8. That the disclosure made by me in this regard, is full and true.

Signature : _____

Name : _____

Date : _____

DECLARATION REGARDING IMMEDIATE RELATIVES

Date : _____

The Compliance Officer
The Compliance Officer
Swadeshi Polytex Limited
Kavi Nagar Industrial Area
Ghaziabad
Dear Sir,

Sub. : Details of Immediate Relatives.

I _____ Director / Employee of Swadeshi
Polytex Limited (SPL) , hereby declare that following persons are my Immediate Relatives

1. Name : _____ S/O / D/O : _____

Relationship : _____

2. Name : _____ S/O / D/O : _____ Relationship :

3. Name : _____ S/O / D/O : _____

Relationship : _____

Thanking you,

Yours truly,

Signature : _____

Name : _____