



Gujarat Raffia Industries Limited

CIN: L17110GJ1984PLC007124

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Date: April 30, 2019

To,

General Manager

**Department of Corporate Services,
BSE Limited,**

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Manager

Listing Department

National Stock Exchange of India Ltd

Exchange Plaza, Bandra-kurla Complex,
Bandra (E), Mumbai – 400 051

Scrip Code: 523836

NSE Symbol: GUJRAFFIA

Subject: intimation under regulation 8(2) of SEBI(prohibition of Insider trading) Regulation 2015

Sir/Madam,

Pursuant to Regulation 8(2) of SEBI (Prohibition of insider Trading) Regulation 2015, enclosing herewith revised code of practice and procedures for fair Disclosure of unpublished Price sensitive information which is approve and adopted by Board of directors of the company.

The Revised Code of conduct shall be effective from April 1, 2019 and is available on company website.

This is for your records

Thanking you,

Yours Faithfully

For Gujarat Raffia Industries Limited


Pradeep Bhutoria
Managing Director

Encl.: As Above

CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to regulation 8(1) of SEBI (Prohibition of insider trading) Regulations, 2015 reads with SEBI(Prohibition of insider trading) (Amendment) Regulations, 2018]

CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

I. INTRODUCTION

The Securities and Exchange Board of India ("SEBI"), in its endeavor to (i) protect the interests of investors in general and (ii) put in place a framework for prohibition of insider trading in securities, notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations"). It is mandatory in terms of the Regulations for every listed company as well as for every "to be listed company" (in terms of the Regulations) to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI").

Pursuant to the amendments in The SEBI (Prohibition of Insider Trading) Regulations, 2015 vide The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 effective from 1st April, 2019, the Company is required to make a policy for determination of "Legitimate Purposes" as a part of "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" formulated under Regulation 8(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 Accordingly, the Board of Directors of the Company has adopted this new code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information("UPSI")("Fair Disclosure Code") incorporating a policy for determination of "Legitimate Purposes"

II. DEFINATION

A. Chief Investor Relations Officer:

For the purpose of this Code, the Chief Investor Relations Officer will be such person who would be designated by the Board of Directors of the Company from time to time.

B. Compliance Officer:

In terms of Clause 2(c) of the Regulations, "Compliance Officer" means any senior officer, designated so and reporting to the Board of Directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these 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 these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

Explanation – For the purpose of this regulation, “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.”

C. Connected Person

In terms of Clause 2(d) of the Regulations, “Connected Person” means:

- i. any person who is or has during the six months prior to the concerned act been associated with a 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 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 Securities Exchange Board of India 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
[“public financial institution” means—
 - the Life Insurance Corporation of India established under section 3 of the Life Insurance Corporation Act, 1956
 - the Infrastructure Development Finance Company Limited, referred to in clause (vi) of sub-section (1) of section 4A of the Companies Act, 1956 so repealed under section 465 of this Act;
 - specified company referred to in the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002;
 - institutions notified by the Central Government under sub-section (2) of section 4A of the Companies Act, 1956 so repealed under section 465 of the Companies Act, 2013;
 - such other institution as may be notified by the Central Government in consultation with the Reserve Bank of India:

Provided that no institution shall be so notified unless—

- it has been established or constituted by or under any Central or State Act; or
 - not less than fifty-one per cent. of the paid-up share capital is held or controlled by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments;]
- 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;

Explanation: For the purpose of this definition the words “Connected Persons” shall mean any immediate relative of the connected persons.

Note: A connected person shall include an employee who has been in the employment of the Company and has left / resigned / retired from the Company and had access to the Unpublished Price Sensitive Information. In such cases, all the restrictions applicable to connected person shall become applicable to such person and he / she shall be restricted from trading the shares in violation of this Code.

D. Generally Available Information:

In terms of Clause 2(e) of the Regulations, Generally Available Information means information that is accessible to the public on a non-discriminatory basis;

Explanation: For the purpose of this definition the words “Generally Available Information” shall mean any information published on the website of the Company and on the website of the Stock Exchanges where the securities of the Company are listed.

E. Immediate Relative:

In terms of Clause 2(f) of the Regulations, “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;

F. Insider:

In terms of Clause 2(g) of the Regulations, Insider means a person who:

- i. a connected person; or

- ii. in possession of or having access to unpublished price sensitive information.

Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider".

G. Legitimate Purpose:

The Unpublished Price Sensitive Information can be shared by the concerned person for the following legitimate purposes:

- i. Legal Requirements
- ii. Government Requirements
- iii. Auditing purpose
- iv. Certification for special purpose
- v. Directions of Managing Director / Executive Director / Board of Directors

Explanation – For the purpose of illustration, the term "legitimate purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

H. Promoter:

In terms of Clause 2(h) of the Regulations, "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

I. Promoter Group

In terms of Clause 2(ha) of the Regulations, "Promoter Group" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;

J. Regulations:

"Regulations" shall mean Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

K. Takeover Regulations:

In terms of Clause 2(k) of the Regulations, "takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

L. Trading:

In terms of Clause 2(l) of the Regulations, "trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

Note: Please note that after the Guidance Note of SEBI, the Designated Persons are allowed to exercise their ESOPs even during the Trading Window closure however they should not dispose-off / sell Persistent shares during this period

M. Trading Day:

In terms of Clause 2(m) of the Regulations, "trading day" means a day on which the recognized stock exchanges are open for trading;

N. Unpublished Price Sensitive Information:

In terms of Clause 2(n) of the Regulations, "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. Periodical financial results of the Company;
- ii. Intended declaration or recommendation of dividends (both interim and final);
- iii. Issue of securities or buy-back of securities or any other corporate action resulting to change in capital structure;
- iv. Any major expansion plans or execution of new projects;
- v. Amalgamation, mergers or take-overs, de-mergers, acquisitions, delistings, and such other transactions;
- vi. Disposal of the whole or substantial part of the undertaking;
- vii. Significant changes in the policies, plans or operations of the Company;
- viii. changes in key managerial personnel.

Words and expressions used and not defined in these regulations 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), the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 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.

III. PROMT DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

UPSI which will impact price of security shall be promptly disclosed to the public, no sooner than credible and concrete information comes into being in order to make such information "generally available" in terms of the Regulations, i.e. to make it available to the public on a non-discriminatory basis.

UPSI shall not be disseminated selectively but shall be disseminated uniformly and universally. Accordingly, if any UPSI is disclosed selectively, inadvertently or otherwise, it shall be disseminated in a manner so as to ensure that it is made "generally available".

IV. OVERSEEING AND COORDINATING DISCLOSURE:

The Company has designated Chief Financial Officer as the Chief Investor Relations Officer and Company Secretary as the Compliance Officer to deal with dissemination of information and disclosure of unpublished price sensitive information. The Board may designate any other senior official for the said purpose.

The officials shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of unpublished price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.

V. RESPONDING TO MARKET RUMORS

The Company shall give appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.

VI. TIMELY REPORTING OF SHAREHOLDINGS OR OWNERSHIP AND CHANGES IN OWNERSHIP:

Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Securities Exchange Board of India Act, 1992 (15 of 1992) and the listing regulations shall be made in a timely and adequate manner

VII. PRACTICES FOR DISSEMINATION OF PRICE SENSITIVE INFORMATION WITH SPECIAL REFERENCE TO ANALYSTS, INSTITUTIONAL INVESTORS:

- A. Only Public information to be provided - Company shall provide only "Generally available" to the analyst or research persons or large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest
- B. Recording of discussion - In order to avoid misquoting or misrepresentation, it is desirable that at least one company representatives be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.
- C. Handling of unanticipated questions - Company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a

considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.

- D. Making Transcripts or records of proceedings of Meeting with Analyst and other Investor Relations Conferences: The Company shall make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

VIII. MEDIUM OF DISCLOSURE OR DISSEMINATION

- A. Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- B. Company shall ensure that disclosure to stock exchanges is made promptly.
- C. Company may also facilitate disclosure through the use of their dedicated Internet website.

IX. DISSEMINATION BY STOCK EXCHANGES

- A. The disclosures made to stock exchanges may be disseminated by the exchanges to investors in a quick and efficient manner through the stock exchange network as well as through stock exchange websites.
- B. Information furnished by the companies under continuous disclosure requirements, should be published on the website of the exchange instantly.
- C. Stock exchanges should make immediate arrangement for display of the information furnished by the companies instantly on the stock exchange website.

X. PRESERVATION OF PRICE SENSITIVE INFORMATION:

- A. The Company shall handle all the Unpublished Price Sensitive Information strictly on "Need to Know Basis". The Compliance Officer shall take a confirmation of the similar arrangement being followed by the intermediaries, fiduciaries and such entities. The confirmation can be made by way of declaration by respective intermediaries, fiduciaries and such entities.
- B. Promoters, Promoter Group, Directors, Key Managerial Personnel and Designated Persons should disclose Unpublished Price Sensitive Information only to those within the Company and Connected Persons who need the information to discharge their lawful duties and whose possession of such information will not give appearance of misuse of the information ("Need to Know Basis"). All the Employees and Connected Persons acquiring the Unpublished Price Sensitive Information shall ensure that the disclosure is strictly on a Need to Know Basis.

- C. No Promoter, Promoter Group, Director, Key Managerial Personnel, Designated Persons and Connected Persons who have received the UPSI, shall 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.

XI. AMENDMENTS:

This Fair Disclosure Code is subject to review by the Board of Directors of the Company as and when deemed necessary. The Board of Directors of the Company may amend the same from time to time depending upon the requirements of the provisions of the Companies Act, 2013, the PIT Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.