



Seshasayee Paper and Boards Limited

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SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders

1. Seshasayee Paper and Boards Limited ('the company') in deference to Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('the Regulations') hereby sets out the minimum standards for code of conduct to regulate, monitor and report trading by insiders.
2. All terms used in this document shall have the meaning assigned to them under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable SEBI Regulations.
3. This code has been approved by the Board of Directors of the company at their meeting held on 26th March 2015 and shall come into force from 26th March 2015 being the date on which the Regulations come into force.
4. The Company Secretary is designated as the compliance officer responsible for complying with the Companies Act, 2013 and all SEBI Regulations including the SEBI (Prohibition of Insider Trading) Regulations, 2015.
5. (i) The compliance officer shall provide a report under the Regulations to the Chairman of the Audit Committee at every meeting of the Audit Committee.
(ii) For this, the Agenda for the Audit Committee shall include relevant information towards disclosures received, transactions reported to Stock Exchanges, trading plans approved and any other information relevant to compliance of the Regulations.
6. (i) All price sensitive information shall be handled within the organization on a need to know basis.
(ii) No unpublished price sensitive information shall be communicated to any person except in furtherance of the insiders' legitimate purposes, performance of duties or discharge of his legal obligations.
(iii) In case of doubt, they must obtain written confirmation of the compliance officer before proceeding to make disclosure of such information whether to an outsider or insider.

7. The company designates the following 'designated persons' to be governed by its internal code of conduct governing dealing in securities:
 - a) All Directors
 - b) All KMPs
 - c) The President and heads of all departments' one level below him.
 - d) All employees in HO in the rank of Manager and above.
8. The company takes note of the fact that the designated persons in its case are seldom involved in trading in the Equity shares of the company. Accordingly there is no present need to have a detailed framework towards regulating such trade. Nonetheless, having regard to the specific mandate of the Regulations and to be pro-active, the company has devised the code to deal with trading by designated persons.
9. Designated persons may execute trades subject to compliance with these Regulations. The compliance officer will use a notional trading window as an instrument to monitor trading by the designated persons.
10. (i) The trading window shall close when the compliance officer determines that the designated person can reasonably be expected to have possession of unpublished price sensitive information.
 - (ii) The trading window shall in any event remain closed between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results.
11. The designated persons and their immediate relatives shall not trade in the Equity Shares of the company when the trading window is closed.
12. The compliance officer shall determine the timing for reopening the trading window taking relevant factors into account including the unpublished price sensitive information becoming generally available and being capable of assimilation by the market.
13. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company such as auditors (including cost auditor, secretarial auditor and internal auditor), law firms and consultants.
14. (i) When the trading window is open, trading by designated persons is allowed if the value of the proposed trade, including the trades already made during a calendar quarter, is below ₹ 50 lacs.
 - (ii) In case of trade value exceeding the above threshold, designated persons can trade when the trading window is open only subject to pre-clearance by the compliance officer. No application for pre-clearance shall be made by the designated person when in possession of unpublished price sensitive information.

15. The compliance officer before approving any trade is entitled to seek declarations from the applicant for pre-clearance that he is not in possession of any unpublished price sensitive information. He may also test the reasonableness of the declaration so made.
16. Pre-clearance given by the compliance officer would be valid only for seven trading days. In case the pre cleared trade has not been executed by the designated person within this time limit, he must seek fresh pre-clearance again.
17. (i) The designated person is not permitted to execute a contra trade within six months of trade in pursuance of the pre-clearance.
 - (ii) The compliance officer however is empowered to grant relaxation from a strict application of this restriction for reasons to be recorded in writing provided that such relaxation in no manner violates the relaxation.
 - (iii) In case a contra trade is executed, inadvertently or otherwise, in violation of the restrictions the profits from such trade are liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education fund.
18. The Board of Directors would stipulate formats for various purposes under the code of conduct as would become necessary from time to time. It may cover inter alia the application for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, recording of reasons for decisions and for reporting level of holdings in securities at such intervals considered reasonable and necessary to monitor compliance with the Regulations.
19. Designated persons shall furnish for each financial year a declaration confirming that they have complied with this code. Such declaration must be sent to the compliance officer before 30th April each year.
20. The Board is empowered to take disciplinary actions, including wage freeze and /or suspension for contravention of the code of conduct.
