

POLICY ON ENQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)

**[Under Regulation 9A of Securities and Exchange Board of India
(Prohibition of Insider Trading) Regulations, 2015]**

PREAMBLE

1. The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (PIT Amendment Regulations) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information ("UPSI") and initiate appropriate action on becoming aware of leak of UPSI and inform the Securities and Exchange Board of India ("SEBI") promptly of such leaks, inquiries and results of such inquiries. The Board of Directors of M/s. Seshasayee Paper and Boards Limited ("Company") has laid down this policy for procedure of inquiry in case of leak of UPSI (the "Policy"), for adoption in the meeting convened and held on 20.01.2024.

APPLICABILITY

2. This Policy was reviewed and approved on 20.01.2024.

OBJECTIVE

3. Following are the Key objectives of the policy
 - a) To strengthen the internal control system to prevent leak of UPSI.
 - b) To have a uniform code to curb the un-ethical practices of sharing UPSI by Insiders, Employee & Designated Persons with any person, firm, Company or Body Corporate.
 - c) To restrict and prohibit the practice of sharing of UPSI, unless permitted, as any leak of UPSI may lead to loss of reputation and may adversely impact the faith reposed by the stakeholders in the Company.
 - d) To initiate inquiry in case of leak of UPSI or suspected leak of UPSI and promptly inform the same to SEBI.
 - e) To take disciplinary actions, if deemed fit against any Insider, Employee and Designated Persons who appears to have found guilty of violating this policy, apart from any action that SEBI may initiate/take against the Insider, Employee Designated Persons.



SCOPE

4. 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.

KEY DEFINITIONS

5. "Leak of UPSI" shall mean communication of UPSI by any Insider, Employee of all ranks and Designated Persons to any person other than a person(s) authorized by the Board of Directors of the Company after following the due process prescribed in this behalf in the Code of Practices for Fair Disclosure of the Company and /or under SEBI Listing Regulations and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.
6. "Unpublished price sensitive information or UPSI" 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) financial results; (ii) dividends; (iii) change in capital structure; (iv) mergers, de-mergers, acquisitions, delisting, disposals, and expansion of business and such other transactions; (v) changes in key managerial personnel;
7. "Whistle Blower" means an employee of the Company making a disclosure under the Whistle Blower Policy.
8. "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.

DUTIES OF COMPLIANCE OFFICER

9. The Compliance Officer (being such officer as has been specifically appointed by the Board of Directors for complying with SEBI Regulations; position being presently held by the Company Secretary) shall be responsible to;
 - a) Oversee the compliance of the Policy.



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- b) On becoming satisfied about the incident of actual or suspected leak of UPSI, promptly intimate the Enquiry Committee as appointed by the Board of Directors of the Company ("Board" or "Board of Directors") from time to time along with the relevant facts for initiating appropriate inquiries
- c) Intimate to the Board of Directors of such leaks, inquiries and results of such inquiries.
- d) Intimate to the SEBI and stock exchanges of such actual or suspected leaks, inquiries and results of such inquiries.

CONSTITUTION OF ENQUIRY COMMITTEE:

- 10. The Managing Director or any officer authorized by the Board in this behalf, shall constitute a Committee to be called as "Enquiry Committee", for the purpose of inquiring into alleged / reported leak of UPSI.
- 11. The Enquiry Committee shall consist of minimum 2 (two) Members, who belong to the category of Senior Management.
- 12. The Managing Director may, if necessary, change/alter/re-constitute the Enquiry Committee, as and when required.

DUTIES OF ENQUIRY COMMITTEE:

- 13. The Enquiry Committee shall be responsible
 - a) To conduct a detailed enquiry into alleged / reported leak of UPSI;
 - b) To recommend disciplinary actions thereon, to the Audit Committee.

POWERS OF ENQUIRY COMMITTEE

- 14. For purpose of conducting inquiry, the Enquiry Committee may:
 - a) call upon following individuals, seeking clarification or information pertaining to the leak
 - 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 / outsiders who had access to the information.
 - any market intermediaries, fiduciaries 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 asking the suspect to proceed on leave for such period as may be decided, prevent physical access to the office premise, freeze access to systems, electronic devices, emails, etc., during the pendency of the inquiry for the purpose of conducting a fair and proper inquiry.
- d) keep the identity of the Suspect confidential till the completion of inquiry unless it is essentially required for the purpose of inquiry.
- e) notify the Suspect of the allegations at the outset of internal inquiry and provide him opportunity.
- f) do all such acts, deeds, matters and things as are necessary for the purpose of conduct of proper and effective conduct of internal inquiries.

PROCEDURE FOR ENQUIRY IN CASE OF LEAK OF UPSI:

15. Upon receipt of the information about actual or suspected leak of UPSI, the Enquiry Committee is required to initiate the inquiry. The Enquiry Committee shall be complete the said inquiry within reasonable time periods and submit the report to the Audit Committee. The Committee's inquiry report, containing the details of persons responsible for the actual leak of UPSI and further course of action, shall be submitted to the Audit Committee and summary report shall be submitted to Board immediately.

16. Rights and Obligations of the Suspect

- a. The suspect shall-
 - co-operate with the Enquiry Committee during the inquiry process.
 - Have the right to be informed of the outcome of the inquiry.
- b. The suspect(s) has the responsibility not to interfere with the inquiry or bring any kind of pressure on the members of the enquiry committee constituted for the purpose of finding out actual leak of UPSI and persons responsible for the same. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Suspects.

17. Consequences of Non-Compliance

- a. On receipt of report of Enquiry Committee, the Compliance Officer shall forthwith forward such report to Audit Committee.
- b. The appropriate punishment may be imposed, against the persons responsible for leak of UPSI, by the Board of Directors or any other person / persons authorised by the Board, having regard to the inquiry report and other relevant factors including any mitigating circumstances.



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AMENDMENT:

18. The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.
19. This Code shall be published on the official website of the Company. Subsequent modification(s)/amendment(s) to SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment thereto shall automatically apply to this Code.
20. This policy will be reviewed once in 3 years or earlier if considered necessary and warranted, by the Board of Directors and updated accordingly.

(N GOPALARATNAM)
Chairman