

**Shree Krishna Paper Mills &
Industries Limited**

**Code of Conduct & Fair Practice Code
for Prohibition of Insider Trading**

(Effective from 15th May, 2015)

SKPMIL CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

1. Introduction

Insider trading has been prohibited through legislation in most of the western countries for the last several years. In India, there was no regulation-governing insider trading until 1992, when Securities and Exchange Board of India ("SEBI") framed the Insider Trading Regulations.

In order to deal with insider trading in securities, the Securities and Exchange Board of India (SEBI) has framed the SEBI (Prohibition of Insider Trading) Regulations, 2015 (hereinafter referred to as 'the Regulations'). With the coming into force of these new SEBI regulations, the erstwhile SEBI (Prohibition of Insider Trading) Regulations, 1992 shall stand repealed.

Regulation 9 of the **Regulations** requires *inter alia* all listed companies to set up an appropriate mechanism and to frame and enforce a code of internal procedures and conduct based on the standards set out in **Schedule B** to the **Regulations**.

In compliance with the above requirements, the company has introduced a code for prohibition of Insider Trading (hereinafter referred to as the '**Code**').

2. Objective

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director, Officer, Designated Employee and Connected person of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Director, Officer, Designated Employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating / or counseling others with respect to the securities of the Company. Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling the Company to retain investor confidence.

To achieve these objectives, *Shree Krishna Paper Mills & Industries Limited* (hereinafter referred to as "the Company") hereby notifies that this code of conduct is to be followed by all Directors, Officers, Designated Employees and connected persons.

3. Definitions

3.1 "**Act**" means the Securities and Exchange Board of India Act, 1992;

3.2 "**Board**" means the Securities and Exchange Board of India;

3.3 "**Company**" means Shree Krishna Paper Mills & Industries Limited;

3.4 "**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;

3.5 "**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 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;

- 3.6 "**Designated Person**" means employees of the Company and/or the Connected Persons identified by the Board of Directors of the Company in consultation with the Compliance Officer who, in their opinion can come into possession of Unpublished Price Sensitive Information based on such person's functional area and the propensity to generate such information;
- 3.7 "**generally available information**" means information that is accessible to the public on a non-discriminatory basis;
- 3.8 "**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;
- 3.9 "**insider**" means any person who is:
- i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- 3.10 "**key managerial persons or personnel**" mean key managerial personnel as defined in Section 2(51) of the Companies Act, 2013;
- 3.11 "**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;
- 3.12 "**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;
- 3.13 "**takeover regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

- 3.14 **"trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- 3.15 **"trading day"** means a day on which the recognized stock exchanges are open for trading;
- 3.16 **"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) 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.
- 3.17 Words and phrases not specifically defined herein but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made there under shall have the meanings respectively assigned to them in those legislations.

4. Regulation of Information

- 4.1 The Company will regulate the flow of Unpublished Price Sensitive Information within the organization and such information shall be made available and passed onto any person only on a 'need to know' basis as specified in this code.
- 4.2 Files containing confidential information and/or Unpublished Price Sensitive Information shall be kept secure; computer files must have adequate security of login, password etc.
- 4.3 Unpublished Price Sensitive Information relating to the Company or its securities shall be made available or communicated by an insider to any person including other insiders only in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 4.4 If an insider commits a breach in respect of Unpublished Price Sensitive Information, it shall be reported to the Compliance Officer and immediate action shall be initiated to stop such information from being further misused.

- 4.5 Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
- a. 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;
 - b. not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of the informed opinion that the proposed transaction is in the best interests of the Company and the information that constitutes Unpublished Price Sensitive Information is disseminated to be made generally available atleast two trading days prior to the proposed transaction being effected in such form as the Board of Directors of the Company mat determine.
- 4.6 The Board of Directors of the Company shall for the purposes of the transactions mentioned in Clause 4.5 require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties except for the purpose mentioned in 4.5 and such parties shall not trade in the securities of the Company when in possession of Unpublished Price Sensitive Information.

5. Trading Window

- 5.1 Compliance Officer may announce closure of Trading Window for securities of the Company for all the promoters, Directors, Insiders or a Designated Person or class of Designated Persons who can reasonably be expected to have possession of Unpublished Price Sensitive Information in relation to such securities. Immediate relatives of the aforesaid persons shall also not trade when the Trading Window is closed.
- 5.2 Trading Window will be closed in case of the following events occur:-
- (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;
- or when the Compliance Officer determines that a Designated Person or a class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive Information.
- 5.3 The timing for re-opening for the Trading Window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available.

5.4 The Trading Window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

6. Disclosures

All disclosures to be made by any person under this code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions. Disclosures relating to trading shall also include trading in derivatives of securities provided that trading in derivatives of securities is permitted by any law for the time being in force. All such disclosures shall be maintained by the Company for a period of 5 years.

6.1 Initial

- a. Every promoter, key managerial personnel and director of the company shall disclose his holding of securities of the company as on 15th May, 2015 within thirty days i.e. 13th June, 2015 to the Compliance Officer in **Form A**;
- b. Every person on appointment as a key managerial personnel or as 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 within seven days of such appointment or becoming a promoter or a Designated Person to the Compliance Officer in **Form B**.

6.2 Continuous

- c. Every promoter, Director and Key Managerial Personnel of the company and a Designated Person shall disclose to the Compliance Officer in **Form C** 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. The Compliance Officer shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Note: – The disclosure of the incremental transactions after any disclosure made as aforesaid shall be made when the transactions effected after the prior disclosure cross the threshold specified in Clause 6.2 (c) above.

7. Trading Plan

- 7.1 A Designated Person 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.

7.2 The Compliance Officer, before approving the trading plan shall review it to see that it is compliant with the regulations and the code. The Compliance Officer may seek such undertakings from the Designated Person as he deems fit to enable him to approve and monitor the implementation of the trading plan.

7.3 Once a trading plan has been approved by the Compliance Officer, it shall be irrevocable and the Designated Person shall mandatorily have to implement it without any deviations and without executing any trade outside the scope of the trading plan.

7.4 Upon approving the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

7.5 The Trading plan shall:

- a. not provide for commencement of trading on behalf of the Designated Person unless six months have elapsed from the date of public disclosure of such plan;
- b. shall not allow any trading during the period starting twenty days prior to the last day of any financial period for which the results are required to be announced by the Company and ending with the second trading day after the disclosure of such financial results;
- c. Be for a period of twelve months or more;
- d. not overlap with any other trading plan of the same Designated Person;
- e. specify 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
- f. not allow for trading in securities for market abuse.

8. Trading in Company's Securities

8.1 The promoters, Directors and Designated Persons shall:

- a. Execute trades subject to compliance with the code;
- b. trade only when the trading window is open;
- c. trade in the securities of the Company only after pre-clearance by the Compliance Officer, if they intend to deal in the securities in excess of 25000 shares or value of which exceeds Rs. 5,00,00 (Rupees Five Lacs) whichever is lower. An application form for pre-clearance should be in **Form D**.

- 8.2 The Compliance Officer shall confidentially maintain a list of such Designated Persons who are in possession of Unpublished Price Sensitive Information.
- 8.3 The Compliance Officer may, after seeking such information/undertakings as may be necessary from the applicant, grant approval in writing the pre-clearance. The pre-clearance shall be valid for a period of 2 trading days. In case of failure to execute trade within the stipulated period, a fresh application for obtaining pre-clearance must be sought.
- 8.4 a. Pre-clearance shall be required even if the transaction is only in the nature of transfer of beneficiary rights to any of the immediate relatives of the applicant.
- b. the applicant shall be required to disclose the details of the trade within two days of such trade by completing and submitting to the Compliance Officer in Form C. In the event the applicant does not trade during the period for which the pre-clearance is valid, the applicant shall report to the Compliance Officer his decision not to trade and the reasons for the same.
- c. the applicants shall not execute a contra trade within a period of 6 months within which a trade is permitted.
- d. the Compliance Officer may grant relaxation to a contra trade for reasons recorded in writing provided that such relaxation does not violate the code or the regulations.
- e. In case a contra trade is executed, inadvertently or otherwise, in violation of such restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by it.
- f. In case any Director or employee has to be allotted securities in terms of the ESOP Scheme of the Company, there shall be no restriction on allotment of securities even during the period when the Trading Window is closed. However, the Director or employee shall not be permitted to dispose the securities during the time the Trading Window is closed.

9. Formats

The formats of various forms/applications referred to in the code are annexed.

10. Reports

- 10.1 The Compliance Officer shall submit compliance reports to the Chairman of the Audit Committee of the Board at the end of every quarter of the financial year.

10.2 The Compliance Officer shall within seven days of coming to know of any contravention of the code or the regulations, immediately bring the same to the notice of Chairman of the Audit Committee and also to SEBI.

11. Penal Provisions

11.1 An employee/Designated Person/Director who trades in the Company's securities or communicates any information for trading in the Company's securities in contravention of the code may be penalized and appropriate action may be taken by the Company.

11.2 An employee/Designated Person/Director who violates the provisions of this code shall be liable for such penal/disciplinary/remedial action as may be considered appropriate by the Company/Compliance Officer including but not limited to wage freeze, termination of employment and requiring the employee/Designated Person/Director in breach of this code to make over to the Company any gain arising out of any transactions or any loss avoided from any transaction effected in breach of this code.

11.3 In addition to the action taken by the Company, the Board of Directors shall promptly report to the SEBI and the person violating the code shall also be subject to action taken by SEBI as per the Act and the regulations.

12. Miscellaneous

12.1 The Compliance Officer shall be responsible for intimating any changes in policies to all persons governed by the code.

12.2 The Board of Directors of the Company has the right to change/amend this code from time to time at its sole discretion on its own accord, provided the revised code is in compliance with applicable law including the regulations, or in pursuance of any amendments made by SEBI to the SEBI (Prohibition of Insider Trading) Regulations, 2015.

12.3 The decision of the Compliance Officer in respect of any matter under this code shall be final, binding and conclusive.

12.4 All correspondence with SKPMIL in regard to the code shall be sent to the Compliance Officer and marked "CONFIDENTIAL".

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

1. The Company shall make a prompt public disclosure of unpublished price sensitive information that would impact the share price no sooner than credible and concrete information comes into being in order to make such information generally available.
2. The Company shall ensure a uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
3. The Compliance Officer shall be the chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. The Company shall promptly disseminate the unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. The Company shall provide an appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Company shall develop best practices to 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.
8. The Company shall handle all unpublished price sensitive information on a need-to know basis.