



SHIVA MILLS LIMITED

(Formerly STYL TEXTILE VENTURES LIMITED)

Regd. Office : 252, Mettupalayam Road, Coimbatore - 641 043, Tamil Nadu, India.

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CIN: L17111TZ2015PLC022007 GSTRN: 33AAXCS5170R1ZC

SML/SEC/105/NSE/2018-19

28.5.2018

THE MANAGER
LISTING DEPARTMENT
NATIONAL STOCK EXCHANGE OF INDIA LIMITED
"EXCHANGE PLAZA"
BANDRA-KURLA COMPLEX
BANDRA (EAST)
MUMBAI 400 051

Scrip Code: SHIVAMILLS

Dear Sir,

Sub: SEBI (Prohibition of Insider Trading) Regulations, 2015

We wish to confirm you that the Board of Directors of our Company at their meeting held on 28.5.2018 have in compliance of the SEBI (Prohibition of Insider Trading) Regulations, 2015:

- a) formulated, approved the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and published the same in the website of the Company www.shivamills.com
- b) Code of Conduct to Regulate, Monitor and Report Trading of the Company's Securities by Insiders. A copy of the same is enclosed herewith
- c) nominated Mrs M Shyamala, Company Secretary to be the Compliance Officer under the Code of Conduct to Regulate, Monitor and Report Trading of the Company's Securities by Insiders and
- d) nominated Sri S V Alagappan, Managing Director to be the Designated Officer under the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Thanking you,

Yours faithfully,

For SHIVA MILLS LIMITED

M SHYAMALA
COMPANY SECRETARY

SHIVA MILLS LIMITED

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

- 1) This code is pursuant to Securities and Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 (hereinafter referred to as "Insider Trading Regulations").

2) Applicability :

This code of conduct is applicable to all the Connected Persons as defined under the Insider Trading Regulations.

3) Compliance Officer :

- 3.1 Mrs M Shyamala, Company Secretary is hereby appointed as Compliance Officer who shall report to the Managing Director regarding compliance of Insider Trading Regulations.

- 3.2 The Compliance Officer shall be responsible for setting forth the policies, procedures, monitoring adherence to the Rules for the preservation of Price Sensitive Information, approval of Trading Plan and the implementation of the code of conduct under the overall supervision of Board of Directors of the Company.

- 3.3 The Compliance Officer shall assist all the employees in addressing any clarifications regarding Insider Trading Regulations and the Company's code of conduct.

4) Preservation of Price Sensitive Information:

- 4.1 Price Sensitive Information means any information which relates directly or indirectly to the company and which, if published, is likely to materially affect the price of securities of the Company.

The following shall be deemed to be the price sensitive information:



- i. Periodical financial results of the Company;
- ii. Intended declaration of dividends (both interim and final);
- iii. Issue of Securities or buy-back of securities;
- iv. Any major expansion plans or execution of new projects;
- v. Amalgamation, mergers or takeovers;
- vi. Disposal of the whole or substantial part of the undertaking;
- vii. Any significant changes in policies, plans or operations

Speculative reports in print or electronic media shall not be considered as published information.

4.2 Directors and designated employees shall maintain the confidentiality of all price sensitive information. They shall not pass on such information to any person(s) directly or indirectly by way of making their recommendation for the purchase or sale of securities.

4.3 Unpublished price sensitive information means information which is published by the Company or its agents and is not specific in nature. Unpublished price sensitive information is to be handled on a "need to know" basis i.e. unpublished price sensitive information should be disclosed to only those within the Company who need the information to discharge their duties and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All unpublished information directly received by any employee should be reported to the Head of the Department immediately.

4.4 Similarly, the price sensitive information is to be handled on a "need to know" basis i.e. price sensitive information should be disclosed only to those within the Company who need to discharge their duties.



4.5 Limited Access to confidential information :

Files containing confidential information shall be kept secure. Computer files must have adequate security of log in and password, etc.,

5) Prevention of Misuse of Price Sensitive information :

5.1 All the Directors/Officers and designated employees of the Company shall be subject to trading restrictions as given below :

5.2 Trading Plans:

5.3 An insider 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.

5.4 Such trading plan shall:—

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period 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;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out 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

(vi) not entail trading in securities for market abuse.

5.5 the compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

5.6 The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan hasnot become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of regulation 4. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

5.6.1 The Compliance Officer shall specify the trading period to be called 'Trading Window' for trading in the Company's securities. The trading window shall be closed at the time of :

- a. Declaration of Financial results (quarterly, half-yearly and annual)
- b. Declaration of dividends (interim and final)



- c. Issue of securities by way of public/rights/bonus etc.
- d. Any major expansion plans or execution of new projects
- e. Amalgamation, mergers, takeovers and buy-back
- f. Disposal of whole or substantially whole of the undertaking
- g. Any changes in policies, plans or operations of the company

5.7 The trading window shall be opened 48 hours after the information referred to in para 5.6.1 is made public.

5.8 All directors/officers/designated employees/ Auditors of the Company shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transactions involving the purchase or sale of the Company's securities during the periods when the trading window is closed or during any other period as may be specified by the Compliance Officer from time to time.

The compliance Officer will intimate all concerned the dates of closure of trading window at the appropriate and re-opening thereof at the appropriate time.

The trading window shall be open at all other times.

5.9 Pre-Clearance of Trades :

5.9.1 All Directors/ Auditors/ Officers/Designated employees of the Company *and their dependents* who intend to deal in the securities of the Company valued at above Rs.10 Lakhs should get pre-clearance of the transactions from the Compliance Officer as per the pre-dealing procedure described below :

5.9.2 An application may be made to the Compliance Officer indicating the estimated no: of securities that the designated



employee/officer/director/auditor intends to deal in, the details as to the depository with which he has security account etc.

5.9.3 An undertaking, shall also be executed in favour of the Company by such designated employee /director /officer /auditor.

5.10 Other Restrictions:

5.10.1 All directors/officers/auditor/designated employees and their dependents shall execute the order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, director/officer/auditor/the designated employee must pre-clear the transaction again.

5.10.2 All directors/ officers/ auditors/ designated employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/ officers/ auditors/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted.

5.10.3 In case the sale of securities is necessitated by personal emergency the holding period may be waived by the Compliance Officer after recording in writing the reasons in this regard.

6) Reporting requirements for transactions in securities :

6.1 All directors/officers/auditors/designated employees shall be required to forward declarations giving the following details of their



securities transactions including the statement of dependent family members to the Compliance Officer. (Family members means, employees spouse, legitimate children, step children, adopted children who are wholly dependent on the earnings of the employee and includes dependent parents, dependent sisters and minor brothers who are dependent on the employee).

6.1.1 All holding in the Securities of the Company by directors/Officers/Auditors/designated employees and their dependents at the time of joining the Company.

6.1.2 All directors/Officers/Auditors/designated employees shall disclose to the Compliance Officer of the company and the stock exchange(s) where the securities are listed if there has been any change in their shareholdings and their dependents shareholdings from the previous disclosure and the change exceeding Rs.5 Lakhs in value in or 25,000 share or 1% of total shareholding whichever is lower within two working days of receipt of intimation of allotment of shares or acquisition of shares as the case may be.

6.1.3 Annual Statement of all holdings in the securities of the Company.

6.2 The Compliance Officer shall maintain the records of all the declarations given by the directors/officers/auditors/designated employees for a minimum period of 3 years.

6.3 The Compliance Officer shall place before the Managing Director periodically all the details of the dealings in the securities of the Company by the employees/officers/directors/auditors and their dependents of the Company and the accompanying documents which such persons had executed under the per-dealing procedure as envisaged in the code.

7) Penalty for contravention of Code of Conduct :



- 7.1 Any employee/officer/director/auditor who trades in the securities or communicates any information for trading in securities in contravention of the code of conduct may be penalized and appropriate action taken by the Managing Director or Board of Directors as the case may be.
- 7.2 Employees, Officers/Directors/Auditors of the Company who violate the code of conduct shall also be subject to disciplinary action by the Company which may include wage freeze, suspension, ineligibility for future participation in employees' stock options plans, etc.,
- 7.3 The action by the Company shall not prelude SEBI from taking any action in case of violation of SEBI (prohibition of Insider Trading) Regulations, 1992.

8. Information to SEBI in case of violation:

In case, it is observed by the Company/Compliance Officers that there has been a violation of SEBI (prohibition of Insider Trading) Regulation, 1992, SEBI shall be informed by the Company.

RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

Communication or procurement of unpublished price sensitive information.

9. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.



10. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

11. Notwithstanding anything contained in this regulation, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:-

7.4 (i) 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; procuring UPSI for substantial transactions such as takeovers, mergers and acquisitions involving trading in securities and change of control to assess a potential investment. In an open offer under the takeover regulations, not only would the same price be made available to all shareholders of the company but also all information necessary to enable an informed divestment or retention decision by the public shareholders is required to be made available to all shareholders in the letter of offer under those regulations.

(ii) not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the



proposed transaction being effected in such form as the board of directors may determine.

For purposes of sub-regulation (3), the board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of sub-regulation (3), and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

Trading when in possession of unpublished price sensitive information.

8.1 No insider shall in securities that are listed or proposed to be listed on a stock trade exchange when in possession of unpublished price sensitive information:

Provided that the insider may prove his innocence by demonstrating the circumstances including the following : –

(i) the transaction is an off-market inter-se transfer between promoters who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

(ii) in the case of non-individual insiders: –

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished



price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

(iii) the trades were pursuant to a trading plan set up in accordance with regulation 5.

- 8.2 In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.
- 8.3 The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

CERTIFIED TRUE COPY

For **Shiva Mills Limited**


COMPANY SECRETARY