

# THAMBBI MODERN SPINNING MILLS LIMITED

CIN: - L17111TZ1977PLC000776

Reg. Office :- Omalur Road, Jagir Ammapalayam, Salem – 636302

E Mail: - tmsml@ymail.com / Website: - www.thambbimodern.com / Phone 0427 – 2345425

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[See sub-regulation (1) of regulation 8] of  
Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

## Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The purpose of the code is to set out practices and procedures for fair disclosure of unpublished price sensitive information relating to the Company and thereby adhere to the SEBI Insider Trading Regulation, 2015.

**UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)** means information about the Company not generally available and which if available will materially affect the price of the Company's securities not limited to, financial results, dividends, changes in capital structure, mergers, de-mergers, acquisitions, de-listings, disposals, expansion of business, changes in key management personnel and other material events as described in the listing agreement that the Company has executed with the stock exchanges.

### CODE

1. The company will have prompt disclosure of UPSI that would affect the price of its securities, no sooner than credible and concrete information comes publicly.
2. There should not be any selective disclosure. The Company will have uniform and universal dissemination of UPSI.
3. Mr.P.Rajasekaran, CFO Cum Compliance Officer (hereinafter called as the Compliance officer) is the chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information. In this connection, the compliance officer shall ensure that the UPSI is correct in all respects, does not contain any false or misleading statements, is approved by all concerned within the Company. The Compliance Officer shall ensure to disclose UPSI as is only necessary.
4. If the Company discovers at any point of time that the UPSI was selectively, inadvertently or otherwise, the compliance officer shall cause UPSI to be disseminated promptly to the general public.
5. The Company will have appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. The Company will handle all unpublished price sensitive information on a need-to-know basis.

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7. UPSI shall generally be made available only to the following persons:-

- i. Board of Directors
- ii. CFO Cum Compliance Officer

The Company shall ensure that all employees in the above list have signed a Non Disclosure Agreement with the company before any UPSI is shared with them. In the rare instance where the UPSI has to be disclosed to any other employee within the company, the company shall ensure that responsibility for dissemination and protecting confidentiality rests with the employees in the above list who desire the disclosure to such other employees and such employees too have signed the Non Disclosure Agreement. Employees who handle UPSI shall be informed of its confidential and sensitive nature and cautioned against any disclosure. Employees should be educated to hand over immediately to any of the persons in the above list any UPSI that comes into their possession inadvertently.

For Thambbi Modern Spinning Mills Limited



P.Rajasekaran  
CFO Cum Compliance Officer

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**(See sub regulation (1) and sub-regulation (2) of regulation 9) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**

## **DEFINITION**

Unpublished Price Sensitive Information (UPSI) : Information about company not generally available and which if available will materially affect the price of securities, not limited to, financial results, dividends, change in capital structure, mergers, demergers, acquisitions, de-listings, disposals, expansion of business, changes in key managerial personnel, material events as in listing agreement.

1. Mr.P.Rajasekaran, Chief Financial Officer being the Compliance Officer shall provide report to the board of directors. He shall provide reports to the chairman of the Audit Committee and to the board of directors once in every quarter.
2. Information shall be handled within the organisation on a need-to-know basis.
3. The unpublished price sensitive information shall not be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligation

## **4. CHINESE WALL PROCEDURES AND PROCESSES :**

- a) The Company operates within a secure registered domain within which the information systems resides.
  - b) The Company has a secure firewall which prevents threats from the internet. It also controls the flow of information to and from the outside world
  - c) All systems are protected with Antivirus system to prevent any loss or leakage of information as a result of virus infection.
5. The following employees and connected persons are designated as "Designated Persons"
    - i. Board of Directors
    - ii. Chief Financial Officer

These designated persons are likely to be in possession of UPSI, hence they will be governed by the following internal code of conduct governing dealing in securities. The Board may in consultation with the Compliance officer, add or delete from the list above persons to be covered as designated persons on the basis of their role and function in

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the Company, having due regard to the access that such role and function would provide to UPSI in addition to seniority and professional designation.

6. The designated persons may execute trades subject to compliance with these regulations. The compliance officer shall have the authority to open or close the trading window. If the compliance officer determines that one or more designated persons can reasonably be expected to have possession of UPSI, he shall close the trading window in relation to the securities to which such UPSI. Designated persons and their immediate relatives shall not trade in company's securities when the trading window is closed.
7. The timing for re-opening of the trading window shall be determined by the compliance officer taking into account various factors including the UPSI 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. 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.
8. Trading by designated persons when the trading window is open is subject to compliance officer's clearance. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
9. The compliance officer shall confidentially maintain a list of such securities as a "Restricted list" which shall be used as the basis for approving or rejecting applications for pre clearance of trades.
10. Prior to approving any trades, the compliance officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any UPSI. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
11. Trades that have been pre-cleared by the Compliance officer shall be completed by the designated persons within 7 trading days. If the designated persons were unable to trade within the 7 trading days, fresh pre-clearance has to be obtained.
12. For a period of six months from the date a designated person is permitted to trade, he shall not execute a trade without paying for it. The compliance officer may relax this condition for reasons to be recorded in writing and without violating the Regulations. If the designated person indulges in a contra trade, the profits from it will be surrendered to the board for credit to the investor protection and education fund administered by SEBI.

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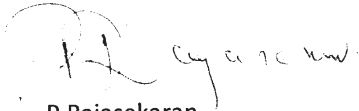
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13. The formats as in Annexures A to D shall be used to monitor compliance with the Regulations. The Compliance officer shall obtain declaration as in Annexure D when the designated persons and their relatives trades in the securities of the company in one transaction or a series of transactions over any calendar quarter, aggregate to a traded value in excess of Rs.10.00 Lakhs.
14. Any violation of this code of conduct shall be construed as misconduct and appropriate disciplinary action will be initiated for any contravention in accordance with the following.
- Contravention committed for the first time – warning letter will be issued.
  - Contravention committed for the second time – 50 % of the monthly wages shall be frozen. (month in which the contravention was committed)
  - contravention for the third time – will lead to suspension from service for one month
  - contravention for the fourth time – may lead to termination of employment
  - The Board of directors shall promptly inform SEBI if there has been any violation of these regulations.

For Thambbi Modern Spinning Mills Limited



P.Rajasekaran  
CFO Cum Compliance Officer