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CODE OF INTERNAL PROCEDURE AND CONDUCT FOR SRI
CHAMUNDESWARI SUGARS LIMITED, BANGALORE UNDER SEBI
(PROHIBITION OF INSIDER TRADING) REGULATIONS 1992

1. This Code of Conduct be known as "Sri Chamundeswari Sugars Limited Code of Conduct for Prohibition of Insider Trading", hereinafter referred to as the "Code of Conduct".
2. This Code of Conduct has been made pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations 1992 as amended and may be modified by the Board of Directors of the Company from time to time.
3. Definitions-
For the purpose of this Code of Conduct:
 - a. " Act" means the Securities and Exchange Board of India Act 1992 (15 of 1992)
 - b. " Body corporate" means a body corporate as defined under Section 2 of the Companies Act 1956 (1 of 1956)
 - c. " Companies Act" means the Companies Act 1956 (1 of 1956)
 - d. " Officer of the Company" means any person as defined in Clause (30) of Section 2 of the Companies Act 1956 including an Auditor of the Company.
 - e. "Regulations" means the SEBI (Prohibition of Insider Trading) Regulations 1992 as amended.
 - f. " Stock Exchange" means a stock exchange which is recognized by the Central Government from time to time.
 - g. " Board of Directors" means the Board of Directors of Sri Chamundeswari Sugars Limited
 - h. " Company" means Sri Chamundeswari Sugars Limited.
 - i. " Compliance Officer" means the Officer appointed by the Board of Directors of the Company for the purpose of these Regulations from time to time.
 - j. " Connected Person" means any person who:
 - i) is a Director of the Company, as defined in clause (13) of Section 2 of the Companies Act 1956 (1 of 1956) of a Company or is deemed to be a director of the company by virtue of sub-clause (10) of Section 307 of the Act; or
 - ii) occupies the position as an Officer or an employee of the Company or holds a position involving a professional or business relationship between himself and the Company whether temporary or permanent and who may be reasonably expected to have an access to unpublished price-sensitive information in relation to the Company.

For the purpose of this clause, the words "connected person" shall include any person who is a connected person since six months prior to an act of insider trading.

Explanation:

- k. " Designated Employees" means all employees comprising the top three tiers of the Company's management and all employees in the Finance and Secretarial department and all employees who may be so designated from time to time by the Compliance Officer for the purpose of this Code of Conduct and who may be able to have access to any "price sensitive information" as defined in the Regulations
- l. " Designated person" means a Director / Officer/ Designated employee of the Company and such other person or persons who may be so designated by the Compliance Officer from time to time for the purpose of the Regulations.
- m. " dealing in securities" means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by an person either as principal or agent.
- n. " Insider" means any person who is or was connected with the Company or is deemed to have been connected with the Company and who is reasonably expected to have access to price sensitive information in respect of securities of the company or who has received or has access to such unpublished price sensitive information.
- o. " Price sensitive information" means any information which related directly or indirectly to the company and which if published is likely to materially affect the securities of the Company.

Explanation:

1. Periodical financial results of the Company
2. Intended declaration of dividends (both interim and final)
3. Issue of securities or buy back of securities
4. Any major expansion plans or execution of new projects
5. Amalgamation or mergers or takeovers
6. Disposal of the whole or substantial part of the undertaking
7. Any significant changes in policies, plans or operations of the Company

" unpublished" means information which is not published by the Company or its agents and is not specific in nature.

Explanation:

- Speculative Reports in print or electronic media shall not be considered as published information.
- p. " Relative" means a person defined as relative under Section 6 of the Companies Act 1956.
 - q. " Trading Window" means a trading period for trading in the Company's Securities as specified by the Compliance Officer from time to time.
 - r. All other words and phrases will have the same meaning as defined under the Regulations.

4. Sri.M.Rajendraprasath, Company Secretary, is the Compliance Officer for the purpose of this Code of Conduct.
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The Compliance Officer shall report to the Managing Director and shall implement the Code of Conduct under the overall supervision of the Board of Directors of the Company.

The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trades of designated employees and their dependent's trades, monitoring of trades and implementation of the Code.

5. This Code of Conduct is applicable to Directors/ Officers/ Designated Employees and their dependent relatives as defined herein.
6. No designated person shall, directly or indirectly, pass on any price sensitive information to any person.
7. No designated shall communicate any unpublished price sensitive information to any person except those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance or misuse of the information.
8. All designated persons will have to keep the files containing confidential information relating to price sensitive information fully secured. Computer files must be kept with adequate security of log-in password.
9. No designated person shall communicate or counsel any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in the securities of the Company.
10. All designated persons will have to forward details of their securities transactions including the statement of their dependent family members to the Compliance Officer in the following manner:
 - a. All holdings of securities in the company by the designated persons shall be disclosed to the Compliance Officer in the form prescribed therefore within four working days from the date of approval of Code of Conduct. In respect of persons joining in the cadre falling within the meaning of the designated employee, such person shall disclose his holding of shares in the Company on the date of his joining the Company. In the case of employees who are designated by the

Compliance Officer, they shall disclose their holdings in the Company within a period of 7 days from the date on which they are so designated.

All designated persons shall disclose their dealings in the securities of the Company in the form prescribed within four working days of such dealing provided the change in the holding on account of such dealing exceeds 5,000 shares or Rs.5 lakhs or 2% of the total shareholding of voting rights, whichever is lower.

- b. Quarterly Statement of transactions in the securities of the Company. If there are no transaction in a particular quarter, then "Nil" statement is not required to be submitted.
- c. Annual statement as on 31st March of all holdings of securities in the Company is to be submitted within 30 days from that date.

11. The designated persons shall be subject to the following trading restrictions.

A. Trading Window

Trading Window means the trading period for trading in the Company's securities. The designated persons are allowed to deal in the securities of the Company at all times except when the trading window is closed.

The trading window will be closed 7 days before the happening of the following events and shall remain closed up to 2 hours after the price sensitive information is made public.

1. Declaration of financial results (Quarterly, Half Yearly and annual).
2. Declaration of dividends (both interim and final).
3. Issue of securities by way of public / rights / bonus etc.
4. Any major expansion plans or execution of new projects
5. Amalgamation, mergers, takeovers and buy-back
6. Disposal of the whole or substantial part of the undertaking
7. Any changes in policies, plans or operations of the Company.

Trading window will be closed by the Company during such time in addition to the above period as the Compliance Officer may deem fit from time to time.

B. Restriction on Trading

1. No designated person shall conduct any dealing in the securities of the Company during the closure of the Trading Window.
2. The investment in securities will have to be held for a minimum period of 3 days from the date of purchase / actual allotment.

C. Pre-clearance of Trades

1. All Designated Persons of the Company intending to deal in the securities of Company exceeding the face value of Rs.1,00,000 shall have to make an application to the Compliance Officer in the prescribed form for pre-clearance of the transaction.
 2. Only after receiving the Company's clearance, the transaction should be carried out.
 3. The execution of the order in respect of the security of the Company will have to be completed within 7 days of approval of pre-clearance failing which it will have to be cleared again.
 4. Designated persons who trade in securities or communicate any information will be penalized and appropriate action will be taken against them by the Company after giving reasonable opportunity to present his case. They shall be subject to disciplinary action including wage freeze, suspension, in-eligibility for future participation in ESOP etc.
 5. In addition to the action which may be taken by the Company, the persons violating these Regulations will also be subject to action by SEBI as per the Act. In case of any violation, the company shall inform SEBI accordingly.
12. For prevention of Insider Trading, the Company shall abide by the Code of Corporate Disclosure Practices specified in Schedule II to the Regulation pursuant to Clause 12(2) of the Regulations.