

**INDIAN SUCROSE LIMITED**

**CODE OF CONDUCT  
FOR  
PREVENTION OF INSIDER TRADING**

**AND**

**CODE OF  
CORPORATE DISCLOSURE PRACTICES**

## **INTRODUCTION:**

Insider trading means dealing in Securities of a company by its Directors, Employees or other Insiders based on unpublished Price Sensitive Information. Such dealings by Insiders erode the investors' confidence in the integrity of the management and are unhealthy for the capital markets.

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, had formulated the SEBI (Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from 19th November 1992 and the same were made applicable to all companies whose shares were listed on Indian stock exchanges.

To strengthen the existing regulations and to create a framework for prevention of insider trading, SEBI had constituted a committee under the Chairmanship of Shri Kumar Mangalam Birla to review the regulations. The recommendations of the committee were considered and approved by SEBI Board and accordingly, SEBI has amended the existing regulations. The amended regulations were notified in the Gazette and made effective from February 20, 2002. These regulations are now called "*Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*" (hereinafter referred to as "*the Regulations*"). The amended Regulations not only regulate insider trading but also seek to prohibit insider trading. The text of the Regulations is given in Appendix A.

Regulation 3 of the Regulations, which prohibits insider trading is quoted below:

*"No Insider shall –*

- (i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information;*
- or*
- (ii) communicate or counsel or procure directly or indirectly any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities;*

*Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or profession or employment or under any law."*

It is also mandatory in terms of the Regulations for every listed company/entity to formulate a Code of Conduct for Prevention of Insider Trading for its Directors, Officers and Employees as also a Code of Corporate Disclosure Practices.

In line with the ISL Code of Conduct and in order to comply with the mandatory requirement of the Regulations, it was necessary to formulate a specific Code of Conduct for ISL Companies for use by its Directors, Officers and Employees.

This document embodies the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Code') to be adopted by listed ISL Company and followed by its Directors, Officers and other Employees. The Code is based on the principle that Directors, Officers, and Employees of ISL owe a fiduciary duty to, among others, the shareholders of the Company to place the interest of the shareholders above their own and conduct their personal Securities transactions in a manner that does not create any conflict of interest situation. The Code is also intended to serve as a guiding charter for all concerned persons associated with the functioning of listed companies and their dealings in Securities of such companies. Further, the Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's Securities.

## **DEFINITIONS:**

As used in this Code:

- (a) **"Board"** means Board of Directors of the Company.
- (b) **"Code"** means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable, including modifications made thereto from time-to-time.
- (c) **"Company"** means Indian Sucrose Limited.

- (d) **“Compliance Officer”** means an Employee appointed by the Board for the implementation of and overseeing compliance with the Regulations and the Code across the Company.
- (e) **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the Securities of the Company either as principal or agent.
- (f) **“Designated Employee”** means: -
  - (i) such Employees in the top three layers of the management as may be identified by the Compliance Officer in consultation with the Managing Director or the Chief Executive Officer of the Company; and
  - (ii) any other Employee as may be designated by the Compliance Officer in consultation with the Managing Director or Chief Executive Officer of the Company considering the objectives of the Code.
- (g) **“Director”** means a member of the Board of Directors of the Company.
- (h) **“Dependent”** shall include the spouse, children and parents, who are financially dependent on the Specified Persons and such other family members of the Specified Persons as may be notified by him / her.
- (i) **“Employee”** means every employee of the Company (whether working in India or abroad) including the Directors in the employment of the Company.
- (j) **“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 unpublished Price Sensitive Information in respect of Securities of the Company, or who has received or has had access to such unpublished Price Sensitive Information.
- (k) **“Officer”** includes any Director, Manager or Secretary or any person in accordance with whose directions or instructions the Board of Directors of the Company or any one or more of the Directors is or are accustomed to act including an auditor.

- (l) **“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.

**Explanation:**

The following shall be deemed to be Price Sensitive Information:

- (i) periodical audited or unaudited financial results of the Company, stand-alone or consolidated;
  - (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 a substantial part of the undertaking;
  - (vii) any significant changes in policies, plans or operations of the Company;
- (m) **“Securities”** includes:
- (i) shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature, and
  - (ii) such other instruments recognized as securities and issued by the Company from time-to-time,

but shall not include any kind of derivatives in the Securities of the Company.

- (n) **“Specified Persons”** - the Directors, the Officers and the Designated Employees are collectively referred to as Specified Persons.
- (o) **“Working Day”** shall mean the working day when the regular trading is permitted on the concerned stock exchange where Securities of the Company are listed.

All terms used in this Code but not defined hereinabove shall have the meanings ascribed to them under the Regulations or the Companies Act, 1956.

**COMPLIANCE OFFICER:**

The Board of the Company shall appoint the Chief Financial Officer as the Compliance Officer to ensure compliance and for effective implementation of the Regulations and also this Code across the Company.

The Compliance Officer shall report to the Managing Director or Chief Executive Officer as the case may be.

The Compliance Officer shall hold the position so long as he/she is in the employment of the Company.

In order to discharge his/her functions effectively; the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his/her function. In the performance of his/her duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

The Compliance Officer shall act as the focal point for dealings with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

## **RESPONSIBILITIES OF DIRECTORS, OFFICERS ETC.:**

### **Preservation of Price Sensitive Information:**

All the Specified Persons shall maintain the confidentiality of all Price Sensitive Information ("PSI") coming into their possession or control.

To comply with this confidentiality obligation, the Specified Persons shall not:

- (i) pass on PSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company; or
- (ii) disclose PSI to their family members, friends, business associates or any other individual, or
- (iii) discuss PSI in public places, or
- (iv) disclose PSI to any Employee who does not *need to know* the information for discharging his or her duties, or
- (v) recommend to anyone that they may undertake Dealing in Securities of the Company while being in possession,

control or knowledge of PSI, or

- (vi) be seen or perceived to be Dealing in Securities of the Company on the basis of unpublished PSI.

## **APPLICABILITY**

**This Code shall be applicable to the following persons:**

Board Members

Senior Management Personnel.

## **KEY REQUIREMENTS:**

**The Board Members and Senior Management Personnel shall function within the authority conferred upon them by the Company, keeping the best interest of the Company in view and they-**

- shall act with utmost care, skill, diligence and integrity;
- shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised;
- shall not be involved in taking any decision on a subject matter in which conflict of personal interest arises or likely to arise;
- shall avoid any dealing with a contractor, supplier or service provider that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made on behalf of the Company;
- shall not exploit for his own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors and the Board declines to pursue such opportunity;
- shall build an enriching relationship with all our stakeholders including customers, vendors, suppliers, bankers, Government authorities and fellow employees based on trust and treat each of these individuals with respect and dignity when conducting business;

- shall familiarize and comply with legal and regulatory requirements and the Company's policies and procedures.

**All members of the Board as well as Sr. Management personnel should follow the following guiding principles:-**

### **Conflict of Interest**

Board Members should make appropriate disclosure of interest wherever required. Member of the Board of Directors and of the Core Management should avoid conducting Company business when personal interest interferes or appears to interfere in any way with the interests of the Company.

### **Related Parties**

As a general rule, the Directors and members of the Core Management should avoid conducting Company's business with a relative or any other person or any firm, Company, Association in which the relative or other person is associated in any significant role.

### **Share Dealing & Insider Trading**

No Board Member and Senior Management Personnel should trade on or pass on Unpublished Price Sensitive Information or inside information at any time to any other person. The Code for Insider Trading framed and adopted by the Company shall be adhered to by all the Board Members and Senior Management Personnel, as applicable from time to time.

### **Disclosure**

Board Members shall make appropriate and timely disclosures as required under the provisions of Companies Act, 1956, Listing Agreement, Insider Trading Code of the Company and all other applicable laws, rules and regulations, as applicable from time to time.

### **Concurrent Employment**

The members of the Core Management are expected to devote their total attention to the business interests of the Company. They shall not, without the prior approval, accept employment or a position of responsibility with any other company.

### **Non-Acceptance of Gifts**



Board Members and Senior Management Personnel shall not seek or accept directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, consultants etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud

### **Safety, Health & Environment related issues**

Protection of the Health & Safety of employees and others affected by our operations is our utmost priority. Particular attention should be paid to training of employees to increase safety awareness and adoption of safer working methods.

### **Protection of Assets**

The Board Members and Senior Management Personnel shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

### **Confidentiality**

Officers must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as an officer, except when disclosure is authorized or legally mandated.

## **GENERAL**

### **Enforcement of 'Code'**

Each Board Member and Senior Management Personnel shall be accountable for full compliance of this Code.

### **Amendments to the Code**

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from such date as the Board may decide. The Board may delegate the authority to make amendment to the Code to the Chairman & Managing Director or any other Director as Board may deem fit.

### **Waivers of the Code**

Any waiver of any provision of this Code of Conduct for a member of the Company's Board of Directors or a member of the Core Management must be approved in writing by the Board of Directors of the Company.

### **Placement of the Code on Website**

Pursuant to Clause 49 of the Listing Agreement, this 'Code' and any amendments thereto shall be posted on the website of the Company.

### **Acknowledgement of Receipt of the Code**

All Board Members and Senior Management Personnel shall acknowledge receipt of this Code or any modification(s) thereto in the acknowledgement form and forward the same to the Secretarial department

### **Annual Compliance Reporting**

It terms of Clause 49 of the Listing Agreement, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Compliance Report shall be forwarded to the Company Secretary.

### **Consequences of Non- Compliance of this Code**

In case of breach of this code by the Board members and Senior Management Personnel, the same shall be considered by the Board of Directors in case of Board Members and Committee of Directors to be constituted for this purpose, in case of Senior Management Personnel, for initiating appropriate action, as deemed necessary.