



**SIMBHAOLI  
SUGARS**

# **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORTING TRADING BY INSIDERS**

**[under Regulation 9(1) of the  
Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]**

## **I. PREAMBLE**

The Securities and Exchange Board of India (SEBI) in its endeavor to protect the interests of stakeholders in general, has formulated the new regulations SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Regulations') with aim to regulate and monitor the trading activities by the Designated Persons.

This Code has been formulated in compliance with the ("said Regulations"). This Code will become effective from February 15, 2016.

Pursuant to the provisions of Regulation 9, the Board of Directors ('Board') of Simbhaoli Sugars Limited ('SSL' or 'the Company') has formulated this Code of Conduct for Prevention of Insider Trading ('Code'). The purpose of this Code is to elucidate and inform to all Designated Persons that they have a responsibility and duty to preserve Unpublished Price Sensitive Information (UPSI), possessed by them and no Designated Person shall use such UPSI for personal gain or provide any gain to the third party related to him.

## **II. OBJECTIVE OF THE CODE**

The Code lays down, in a concise manner, the ethical values to be followed by the Persons to whom the code is applicable and to promote ethical behavior on a day-to-day basis and create the trust, honesty, integrity, transparency, accountability by prohibiting the use of Unpublished Price Sensitive Information.

## **III. DEFINITIONS**

In this Code unless the context otherwise requires

1. **"Company" or "SSL"** means Simbhaoli Sugars Limited (M/s Simbhaoli Spirits Limited known as M/s Simbhaoli Sugars Limited in pursuance to Scheme of Amalgamation, as sanctioned by the Hon'ble High Court of Judicature at Allahabad).
2. **"Board or Board of Directors"** means the "Board of Directors" of Simbhaoli Sugars Limited.
3. **"Compliance Officer"** means the Company Secretary of the Company or any other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these Regulations and duly authorized by the Board of Directors of the Company.

4. **"Connected person"** means,-

- (i) any person, who is or has during the six months prior to the concerned act has been associated with the 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 recognized 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;

5. **"Designated Person"** means,-

- (i) Promoters of the Company.
- (ii) Board of Directors of the Company
- (iii) Employees
- (iv) Insiders as defined under the Regulations and/or as decided by the Compliance Officer in consultation with Managing Director, as and when required.

6. **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis;
7. **"Immediate relative"** or **"Dependent"** 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;
8. **"Insider"** means any person who is: i) a connected person; or ii) in possession of or having access to unpublished price sensitive information;
9. **"Promoter"** shall have the same meaning as assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modifications thereof;
10. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
11. **"Trading day"** means a day on which the recognized stock exchanges are open for trading;
12. **"Trading Window"** means the period during which trading may be carried out in Company's securities by Designated Persons;
13. **"Trading Plan"** ("TP") means a plan for dealing in securities of the Company for a period not less than 12 months by the persons who may be perpetually in possession of unpublished price sensitive information;
14. **'Unpublished Price Sensitive Information'** ("UPSI") means any information, relating to the 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 include but not restricted to, information relating to the following:
  - a) financial results
  - b) dividends
  - c) change in capital structure
  - d) mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions
  - e) changes in key managerial personnel
  - f) material events in accordance with the listing agreement

15. **Interpretation:** In this document, unless contrary intention appears:
- a) The singular includes the plural and vice versa;
  - b) Any word or expression importing the masculine, feminine or neuter genders only, shall be taken to include all three genders
16. "SEBI" means Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992.

## **RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS**

### **a. Communication or procurement of UPSI**

- (i) All information shall be handled within the Company on a need-to-know basis and Insider shall not communicate, provide, or allow access to any UPSI, 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.
- (ii) No person shall procure from or cause the communication by any Insider of UPSI, relating to Company or its securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

### **b. Trading when in possession of UPSI**

- (i) Subject to the provisions of Regulations, no Insider shall either on his own behalf or on behalf of any other person, trade in securities of the Company on any stock exchange when in possession of any UPSI, except in cases which are permitted in the law.
- (ii) The onus of establishing that they were not in possession of UPSI shall be on such Insider.

### **c. Need to know**

- (i) UPSI is to be handled on a 'need to know' basis i.e. UPSI should be disclosed only to 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 of misuse of the information.
- (ii) All non-public information directly received by any employee should immediately be reported to the head of the department.



#### **d. Limited access to confidential information**

Files containing the UPSI shall be kept secured. Computer files must have adequate security of log in and password etc.

### **IV. TRADING PLAN(TP)**

#### **1. Importance of Trading Plan**

1. All Designated Persons before possessing an UPSI may formulate a Trading Plan ('TP') and the same is required to be approved by the Compliance Officer subject to compliance of Code and Regulations.
2. By virtue of TP, a Designated Person can plan for trades to be executed by him/her in future.
3. No pre-clearance would be required for dealing in the securities of the Company once the TP gets approved.
4. By doing so, the possession of UPSI when a trade under a TP is actually executed would not prohibit the execution of such trades as that was pre-decided even before the UPSI came into being.

#### **2. Requisites of Trading Plan**

1. A trading shall be executed on expiry of six months from the date of public disclosure of the TP.
2. Trading as per TP shall not take place between 20 trading days prior to the last day of the financial period for which the results are required to be announced by the Company and 2 trading days after the disclosure of such financial results.
3. Designated Person shall give one TP at a time and the same shall not be less than 12 months i.e. there cannot be any overlapping of TP's.
4. TP shall set out either the value of trades or the number of securities to be traded, along with specific dates and time intervals.
5. Trading on the basis of TP shall not lead to market abuse. If any manipulative activity is detected, it would be open to initiate proceedings for breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

### **3. Approval of Trading Plan**

1. The Compliance Officer shall review the TP to assess whether such plan has any potential violation of the Regulations and shall be entitled to seek such express undertakings as may be considered necessary including but not limited to the effect that the applicant is not in possession of UPSI.
2. On the basis of such assessment, the Compliance Officer shall within 15 days of the receipt of TP, approve or dis-approve any trading plan so submitted. In case of dis-approval the Compliance Officer shall record the reasons for the same.

### **4. Notification to Stock Exchange(s)**

The Compliance Officer shall notify the particulars of the approved TP to the stock exchange(s) where its securities are listed.

### **5. Execution of Trading Plan**

1. TP once approved shall be irrevocable and has to be mandatorily implemented without any deviation.
2. The implementation of the TP shall be deferred, if any UPSI in possession at the time of formulation of the plan has not become generally available at the time of commencement of implementation of such plan.

## **V. TRADING WINDOW**

1. Designated persons and their immediate relatives are not allowed to trade in the shares of the Company during the period(s) when the Trading Window is closed.
2. The trading window shall remain closed for 7 days prior to the happening of any of the following events in general, as decided by Compliance Officer in consultation with the Managing Director of the Company:
  - Declaration of financial results (quarterly, half-yearly and annually)
  - Declaration of dividend (interim/ final)
  - Issue of securities by way of public / rights / bonus etc.
  - Any major expansion plans or execution of new projects.
  - Amalgamation, mergers, acquisitions, takeovers and buy back of shares.
  - Disposal of whole or substantially the whole of the undertaking of the Company.
  - Any changes in policies, plans or operations of the Company.

- Any other event as may be notified.
3. The Compliance Officer shall take all reasonable steps with regard to the date of closing and re-opening of the Trading Window.
  4. The trading in the Company's securities would be permitted only on the expiry of forty eight hours after the information becomes publically available.
  5. To ensure that no fraudulent dealing in securities takes place, a Notional Trading Window be created from time to time, as decided by the Compliance Officer in consultation with the Managing Director of the Company.

*"Notional Trading Window" means a temporary restriction on the trading by the related Designated Persons during the period when the decisions are being made within the Company, but the formalization of such decision is not made.*

6. 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.

## **VI. PRE - CLEARANCE OF TRADES**

1. Designated Persons who didn't possess UPSI and who intends to deal, in the securities of the Company, which shall be equal to or more than 10,000 (Ten Thousand) securities in number, in any calendar month, the same shall be subject to pre-clearance by the Compliance Officer as per the procedure described hereunder.
2. Any pre cleared trade not executed within 7 trading days of its pre-clearance will require fresh pre-clearance.
3. An application for pre-clearance shall be made to the Compliance Officer in the form annexed to this Code as Annexure A along with application for dealing in securities as mentioned above declarations to the effect that the applicant is not in possession of any UPSI need to be given.
4. The Compliance Officer may accord his approval/ dis-approval to any of the pre- clearance requests. In case of dis-approval the Compliance Officer shall record the reasons for the same.

## **VII. DISCLOSURES**

### **a. Initial Disclosures**

- i. Every Promoter, key managerial personnel and director shall disclose his holding in the securities of the Company within 30 days of the implementation of these Regulations to the Compliance Officer in such form as prescribed in the Regulations.



- ii. Every person appointed as key managerial personnel or a director of the Company or upon becoming a Promoter shall within 7 days of such appointment or becoming a promoter, shall provide disclosure of his securities to the Company such form as prescribed in the Regulations.

#### **b. Other Disclosure**

- i. Every Promoter, employee and director shall disclose to the Company, the number of securities acquired or disposed off within 2 trading days of such transaction if the value of securities traded, whether in one transaction or in series of transaction over any calendar quarter or after the prior disclosure made to the Company crosses the threshold limit as per Regulations i.e. aggregating to a traded value in excess of INR 1,000,000 in such form as prescribed in the Regulations.
- ii. Every Company 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.
- iii. Any person/entities getting associated with the Company and falling within the ambit of the 'Connected Person' are themselves to make sure that their concerned employees/associates do not enter into any share trading pertaining to the Company during the period they are in possession of UPSI and/or in contrary to the provisions of the said regulations.

#### **VIII. PENALTY FOR CONTRAVENTION**

- i. Any violation of the Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension etc. Such disciplinary action shall be recommended by the Audit Committee and approved by the Board.

#### **IX. OTHER RESTRICTIONS**

- i. A Designated Person who is permitted to trade shall not execute a contra trade within 6 month of such trade in securities of the Company. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations.
- ii. In case it is observed by the Board of Directors that there has been a violation of Regulations, the Compliance Officer as directed by the Board of Directors, shall promptly inform SEBI.

## **X. PERIODICAL RETURNS**

The Compliance Officer shall report to the Chairperson of the Audit Committee and Chairman of the Company, on quarterly basis about the disclosures, pre-clearance or TP's received, if any and action taken on the same. Further, the Audit Committee may update the Board and may seek advice on the matters, if it deems fit.

## **XI. MODIFICATION AND AMENDMENTS**

The Board may in its discretion or as per the requirements of the Companies Act 2013 or Regulations or other applicable laws, review or amend this Code, in whole or in part, from time to time.

Signed



For SIMBHAOLI SUGARS LIMITED

  
KAMAL SAMTANI  
Company Secretary

**Effective Date:** Feb 15, 2016



Annexure A

APPLICATION FOR PRE-CLEARANCE FOR PURCHASE/SALE OF SECURITIES

Date:

The Compliance Officer,  
Name and Address of the Company

Dear Sir,

**Sub: Application for Pre-clearance of purchase/sale of securities of the Company**

Pursuant to the Company's Code of Conduct for Prevention of Insider Trading, I seek your approval for purchase /sale of securities of the Company as under:

I intend to purchase/sell \_\_\_\_ no. of securities of the Company, during the week ending \_\_\_\_ for which I seek your approval. The said securities will be bought/sold in the name as mentioned under:

I.

Name of the Designated Person and / or Dependent Family Member	Type of securities	No. of securities held (with Folio/DP ID/ Client ID)

II. In this respect I do hereby confirm as under:

- a. I have no access to nor do I have any UPSI as defined in the Code up to the time of signing this undertaking;
- b. In the event that I have access to or receive any UPSI as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the Securities until such information becomes public;
- c. I have not contravened the Code as notified by the Company from time to time.
- d. I have made a full and true disclosure in the matter.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_