



**Dhampur Sugar Mills Limited**

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New Delhi – 110 020, India

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30.03.2020

To,  
Asst. Vice President  
National Stock Exchange of India Ltd.  
Exchange plaza, Bandra Kurla Complex  
Bandra (E)  
Mumbai - 400 051

Asst. General Manager  
Dept of Corp. Services,  
BSE Limited  
P.J. Towers, Dalal Street, Fort,  
Mumbai: 400001.

Dear Sir,

**Reg: Intimation for amendment in Code of Conduct for Regulation, Monitoring and Reporting of Insider Trading of Dhampur Sugar Mills Limited as required under Regulation 9(1) read with Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended through resolution passed by Circulation.**

This is to inform you that the Company has amended its Code of Conduct for Regulation, Monitoring and Reporting of Insider Trading as required under Regulation 9(1) read with Schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, which has been duly approved by majority of Directors through resolution passed by Circulation today i.e 30<sup>th</sup> March, 2020.

Please find attached certified copy of amended Code of Conduct for Regulation, Monitoring and Reporting of Insider Trading.

Kindly take the information on record and inform the members accordingly.

Thanking you,  
Yours faithfully,  
For DHAMPUR SUGAR MILLS LIMITED

Aparna Goel  
Company Secretary  
M.No : 22787

CIN: L15249UP1933PLC000511  
Regd. Off: Dhampur, Distt. Bijnor, Pin Code : 246761 (U.P.)  
Branch Office : 1/125, Vijay Khand, Gomti Nagar, Lucknow -226010 (U.P.), Tel : +91-522-239243  
Sugar Units:1. Dhampur,2. Mansurpur,3. Asmoli, 4. Rajpura,5. Meerganj  
Distillery: Asmoli & Dhampur

# DHAMPUR SUGAR MILLS LIMITED

## CODE OF CONDUCT FOR REGULATION, MONITORING AND REPORTING OF INSIDER TRADING (Under Regulation 9(1) of Securities and exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

### **INTRODUCTION:**

The Securities and Exchange Board of India (“SEBI”) has, in order to protect the interest of investors in general and to put in place a framework for prohibition of Insider Trading in securities of the Company and to strengthen the legal framework thereof, has issued the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”) which have been amended by SEBI (Prohibition of Insider Trading (Amendment) Regulations, 2018.

In compliance of the said amendments, this document embodies the Code of Conduct for regulating, monitoring and reporting of trades by insiders as provided for under the Regulations.

### **APPLICABILITY:-**

This Code shall apply to all Designated Persons and Connected Persons, as defined in the Code.

### **DEFINITIONS:-**

In this Code, unless the context otherwise requires, the following words, expression and derivations therefrom shall have the meanings assigned to them, as under:

“**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992).

“**Board**” means the Securities and Exchange Board of India.

“**Compliance Officer**” means the senior officer so designated and reporting to the Board of Directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and implementation of the codes specified under the Regulations under the overall supervision of the Board.

“**Financially Literate**” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

“**Connected Person**” means:

- a. any person who is or has during the six months prior to the concerned act 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.

- b. 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,-
- i. an immediate relative of connected persons .; or
  - ii. a holding company or associate company or subsidiary company; or
  - iii. an intermediary as specified in Section 12 of SEBI Act, 1992 or an employee or director thereof; or
  - iv. an investment company, trustee company, asset management company or an employee or director thereof; or
  - v. an official of a stock exchange or of clearing house or corporation; or
  - vi. 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
  - vii. 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
  - viii. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
  - ix. a banker of the Company; or
  - x. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest.

**"Immediate Relative"** 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.

**"Designated Persons "**shall include: -

- (a) Promoters and their immediate relatives;
- (b) Directors of the Company and their Personal Assistants.
- (c) Key Managerial Personnel of the Company;
- (d) Every employee in the grade of General Managers and above;
- (e) Every Employee in Finance, Accounts, Secretarial and MIS.
- (f) Permanent invitees to the meetings of the Board of Directors of the Company and Committees of the Board of Directors of the Company.
- (g) All other persons, being in any contractual, fiduciary or employment relationship with 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.

- (h) Any other officer/ employee/ person who may have access to price sensitive information and who is notified by the Compliance Officer shall be included within the purview of designated person from time to time.

**“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis.

**"Insider"** means any person who is:

- i. a connected person or
- ii. in possession of or having access to unpublished price sensitive information.

**“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

**“Trading/Dealing in Securities”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

**“Trading Day”** means a day on which the recognized stock exchanges are open for trading;

**"Unpublished Price Sensitive Information"** means any information, relating to a 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 including but not restricted to, information relating to the following:

- i. Financial Results;
- ii. Dividends;
- iii. Change In Capital Structure;
- iv. Mergers, De-Mergers, Acquisitions, Delistings, Disposals and Expansion of Business and such other transactions;
- v. Changes in key managerial personnel.

**“Legitimate Purposes”:-**

The term “Legitimate Purpose” shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of SEBI (Prohibition of Insider trading) Regulations, 2015 or any amendments thereto.

#### **DUTIES AND RESPONSIBILITIES OF THE COMPLIANCE OFFICER:**

- (a) Company Secretary of the Company has been appointed as Compliance Officer for the purposes of this Code and the Regulations. He/she shall make best endeavours to ensure compliance with, and effective implementation of, the Regulations and the Code by Specified Persons.

- (b) Compliance Officer shall report on Insider Trading to the Board and in particular, shall provide report to the Chairman of the Audit Committee or to the Chairman of the Board, at such frequency, as may be stipulated by the Board.
- (c) The Compliance Officer shall be responsible for:
  - i. setting forth policies in consultation with the Chairman / Managing Director;
  - ii. prescribing procedures in connection with the Code;
  - iii. monitoring adherence to the rules specified in the Code for the preservation of UPSI;
  - iv. pre-clearing approvals to dealings in the Company's Securities by the Designated Persons and Dependent and monitoring of such dealings;
  - v. Implementation of this Code under the overall supervision of the Board.
- (d) Compliance Officer shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. Annual Disclosure from Designated and connected persons will be required as per Annexure VIII.
- (e) Compliance Officer shall maintain records of all declarations and disclosures received by her under the Code for a minimum period of five (5) years.
- (f) Compliance Officer shall be responsible for the approval of Trading Plans and notifying the same to the stock exchanges on which Securities are listed.
- (g) Compliance Officer shall maintain a record of trading window from time to time.
- (h) Compliance Officer shall assist all employees in addressing any clarifications regarding the Regulations and this Code.
- (i) Compliance Officer shall put in place adequate and effective system of Internal Control to ensure compliance with Insider Trading Regulations.

**RESPONSIBILITIES OF DESIGNATED PERSONS AND CONNECTED PERSONS:**

- (a) The Designated Persons and Connected Persons shall maintain confidentiality of all UPSI and shall not communicate, provide, or allow access to any UPSI relating to the Company, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (b) Designated Persons and Connected Persons, who are reasonably expected to have access to UPSI or who have received or have had access to such information, shall handle the same on a “need to know” basis. UPSI shall be disclosed only to those persons within the Company who

need such information in furtherance of their legitimate purposes, performance of duties or discharge of legal obligations.

- (c) Designated Persons and Connected Persons, who are reasonably expected to have access to UPSI or who have received or have had access to such information, shall ensure that files containing UPSI are kept secure and computer files containing such UPSI have adequate security of login through a password.
- (d) The Compliance Officer shall be consulted in advance, before any communication is made to the media / public on behalf the Company, which may have impact on the price movement in the Company's scrip.
- (e) Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:
  - i. immediate relatives
  - ii. persons with whom such designated person(s) shares a material financial relationship
  - iii. Phone, mobile and cell numbers which are used by them.
- (f) Compliance Officer shall put in place adequate and effective system of Internal control to ensure compliance with Insider Trading Regulations.

**PRESERVATION OF "UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)":**

1. All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

**Need to Know**

UPSI shall be handled on a "Need to Know" basis, i.e. UPSI should be disclosed only to those who need to know the same in furtherance of a legitimate purpose, the course of performance or discharge of their duty and whose possession of UPSI will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

**UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:**

- 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; or
- not attracting 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.

However, 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

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

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

### **CHINESE WALL:**

- (a) To prevent the misuse of confidential price sensitive information, the Company shall adopt a “Chinese Wall” policy separating those areas of the Company which routinely have access to such confidential information which shall be considered as “sensitive areas”, and other departments providing support services which shall be considered as “other areas”.
- (b) The employees engaged in the sensitive area shall not communicate any Price-Sensitive Information to anyone in the other area.
- (c) In exceptional circumstances employees from the other areas could be allowed to “cross the wall” and obtain confidential information only on “need- to-know” basis only.

### **PROCEDURE ON NEW INSIDER:-**

Any person who by virtue of:

- i. New appointment.
- ii. Promotion
- iii. Invitation in the discussions and meetings.

turns to be designated employee/connected person, shall be made aware of the duties and responsibilities attached to having inside information and liabilities towards misuse of such information through exhibits available at Company’s website or interaction with Compliance Officer wherever required.

### **POLICY ON ENQUIRY FOR LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION:**

- i. The Audit Committee of Board of Directors shall make an enquiry on receipt of misuse of UPSI or Suo moto.
- ii. It shall serve notice and give reasonable time of not more than seven days to alleged person to submit the reply.
- iii. Audit Committee shall review the entire matter after receiving the reply.
- iv. It shall submit its report to the Board and take other necessary actions.

**TRADING WINDOW:**

- (a) The Compliance Officer shall notify a 'trading window' during which the Designated Persons may trade in the Company's securities after securing pre-clearance from the Compliance Officer in accordance with these Rules.
- (b) Designated Persons and their immediate relatives shall not trade in the Company's securities when the trading window is closed.
- (c) The trading window shall be closed *from the end of every quarter till 48 hours after the declaration of financial results.*"

**In other cases :** Unless otherwise intimated by Compliance officer, the trading window shall be inter-alia closed 7 days prior to and during the time the unpublished price sensitive information is published and will be re-opened not earlier than 48 hours after the UPSI in question becomes generally available.

- (d) Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a designated person or class of Designated Persons can reasonably be expected to have possession of Unpublished Price Sensitive information.
- (e) The trading window shall also be applicable to any person having contractual or fiduciary relationship with the Company such as Auditors, Accountancy firms, Law firms, Analysts, consultants etc., assisting or advising the Company.

**PRE-CLEARANCE OF TRADING:**

- a. Designated Persons may Trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer by submitting an application as per Annexure I and an undertaking as per Annexure II.
- b. The Compliance Officer shall not approve any proposed Trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of UPSI even though the trading window is open.
- c. The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve Trading by a Designated Person, on the condition that the Trade so approved shall be executed within seven trading days from the date of approval.
- d. The Designated Person shall, within two days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per Annexure III. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.
- e. If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance of the transaction again.



- f. All Designated Persons who trade in the Securities of the Company shall not enter into an opposite transaction during the next six months following the prior transaction. In case of any contra trade be executed, inadvertently or otherwise, in violation of such restriction, the profit from such trade shall be liable to be disgorged for remittance to the SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

Provided that this shall not be applicable for trades pursuant to exercise to stock options.

Provided further that Compliance Officer of the Company is empowered to grant relaxation from strict application of this restriction for reasons to be recorded in writing provided that such relaxation does not violate the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.

- g. A Designated Person who trades in securities without complying with the pre-clearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.
- h. Nothing in this rule shall apply to any Trade involving a value less than Rs10 Lakhs or such other amount as may be specified by the Board of Directors from time to time provided the Designated Person is not in possession of UPSI while executing such trade.
- i. In case the sale of Securities of the Company is necessitated by personal emergency, the above referred requirements may be waived by the Compliance Officer after recording his reasons in this regard.

\*Provided that this rule shall not be applicable for trades pursuant to exercise of stock exchange.

**TRADING PLAN:**

- a. An Insider who may be perpetually in possession of Unpublished Price Sensitive Information shall be entitled to formulate a trading plan for Trading in Securities ("Trading Plan") which are listed on any stock exchange or are proposed to be listed in a complaint manner 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 trading Plan.
- b. The Compliance Officer shall ensure that trading plan shall:–
- i. not entail commencement of trading earlier than six (6) months from the public disclosure of the plan;
  - ii. not entail trading for the period between the twentieth (20) trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
  - iii. entail trading for a period of not less than twelve(12) 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.
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- c. The Compliance Officer upon receipt of such trading plan, shall review the same to assess whether the plan would have any potential for violation of the Regulations. The Compliance Officer 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 trading plan.
  - d. The Compliance officer will endeavour to approve the trading plan within seven (7) working days of receipt of the trading plan together with necessary undertakings and declarations.
  - e. 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.
  - f. The implementation of the trading plan shall not be commenced if any Unpublished Price Sensitive Information in possession of the Designated Person / Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such an event, the Compliance Officer shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information so as to avoid violation of the Regulations.
  - g. Upon approval of the trading plan, the Compliance Officer shall notify it to the stock exchanges on which the Securities of the Company are listed.

**DISCLOSURE REQUIREMENTS:**

**(a) Initial Disclosure:**

- (1) Every Promoter, member of the Promoter group, Key Managerial Personnel, Director of every Company whose securities are listed on any recognised Stock exchange shall disclose his holding of securities of the Company within thirty days of these Rules taking effect as per Form A set out in Annexure IV.
- (2) Every person on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a Promoter or member of the Promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter, as per Form B set out in Annexure V.

(b) **Continual Disclosure:**

- (1) Every Promoter, member of promoter group, designated person and Director of the Company and each of their Immediate Relatives shall disclose as per Form C set out in Annexure VI to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 Lacs (Ten lacs).
- (2) The disclosure shall be made within two working days of:
  - i. the receipt of intimation of allotment of shares, or
  - ii. the acquisition or sale of shares or voting rights, as the case may be.

(c) **Disclosure to the Stock Exchange:**

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Continual Disclosure or from becoming aware of such information.

(d) **Disclosures by other Connected Persons.**

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company as per Form D set out in Annexure VII at such frequency as he may determine.

**PENALTY FOR INSIDER TRADING:**

- (a) An Insider who acts in contravention of this code/regulations/rules may be penalised and appropriate action may be taken by the Company.
- (b) An Insider who violates these rules shall be subject to disciplinary action by the Company, which may include wage freeze, suspension, recovery clawback, ineligibility for future participation in the Company's stock option plans or termination.
- (c) The SEBI or any other appropriate regulatory authority would also be informed of the violation of these Rules so that appropriate action may be taken.

**MISCELLANEOUS:**

- (a) The Board of Directors may at any time, modify, alter or amend the provisions of this code by giving notice of such modification, alteration, amendment to Designated Persons.
- (b) Where the Company engages a service provider who is a Connected Person, the head of the department of the Company which engages such Connected Person is responsible for communicating the requirements of this Code to such Connected Person to prevent such person from misusing Unpublished Price Sensitive Information of the Company.