

# DWARIKESH SUGAR INDUSTRIES LIMITED

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April 03, 2019

Corporate Relationship Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort, Mumbai - 400 001  
Fax: 22723 2082 /3132

National Stock Exchange of India Limited  
"Exchange Plaza"  
Bandra - Kurla Complex,  
Bandra [E], Mumbai - 400 051

**Scrip Code - 532610**

**Scrip Code - DWARKESH**


**Sub: Code of practice and procedures for fair disclosure of unpublished price sensitive information (UPSI).**

Dear Sir,

Pursuant to regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended and made effective from April 1, 2019, the company has approved the revised code of practice and procedures for fair disclosure of unpublished price sensitive information (UPSI). A copy of the code will be hosted on the website of the company - <http://www.dwarikesh.com/policies.html>.

Kindly acknowledge the receipt and take the same on record.

Thanking you,  
Yours faithfully,

  
**B. J. Maheshwari**  
Managing Director & CS cum CCO  
(DIN 00002075)

## **CODE OF FAIR DISCLOSURE**

### **[Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendment) Regulation 2018]**

#### **PROLOGUE:**

The company has in compliance of Regulation 8 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 has framed Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), and made it applicable w.e.f. May 15, 2015 and hosted the same on its website under its codes and policies in investors section.

Now as a proactive regulator, SEBI has further by its notification of December 31, 2018 further amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 wherein some new requirements are brought in and the companies are required to revise its existing code of conduct on prohibition of Insiders Trading by a new set of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) with effect from April 1, 2019 and our company Dwariakesh Sugar Ind. Ltd (DSIL) too has in line with this new requirements of SEBI revised the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and the new set of code adopted by the company and this new code would supersede the earlier code w.e.f April 1, 2019.

#### **DEFINITIONS:**

**"Applicable Law"** shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, or any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and/or guidance notes as may be applicable in the matter of trading by an Insider.

**"Connected Person"** shall mean such persons as defined under the Regulations.

**"Chief Investor Relations Officer"** the Company Secretary and Compliance Officer of the Company has been appointed as Chief Investor Relations Officer, who shall act as the Chief Investor Relations Officer for the purpose of dealing with dissemination of Information and disclosure of UPSI as contained herein.

**"Insider"** means any person who is a connected person or in possession of or having access to UPSI.

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

**"UPSI"** 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 include but not restricted to, information relating to the following:

- i. financial results
- ii. dividends
- iii. change in capital structure
- iv. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such
- v. other transactions;
- vi. changes in key managerial personnel

**"Legitimate Purposes"** shall include sharing of UPSI 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 the said Regulations.

**"Generally available information"** means the information which is accessible to public on a non-discriminatory basis.

**"Others"** All the other terms used in the Code shall have the same meaning as assigned to them under the Regulations.

#### **DISCLOSURE OF UPSI:**

The Company shall ensure that it will make immediate public disclosure of unpublished price sensitive information that would impact price discovery, as soon as credible and concrete information comes into being in order to make such information generally available viz. to make the information accessible to the public without any discrimination.

#### **UNIFORM AND UNIVERSAL DISSEMINATION OF UPSI:**

Besides immediate disclosure of UPSI, the Company shall also ensure uniform and universal dissemination / spreading or make public of unpublished price sensitive information to avoid preferential disclosure of the same. Unpublished price sensitive information shall be immediately disclosed/disseminated to Stock Exchanges so that information is generally available through publication on the website of stock exchanges. It will be ensured that no preferential disclosure of unpublished price sensitive information is made by making swift, uniform and universal dissemination of unpublished price sensitive information.

In case unpublished price sensitive information gets disclosed on preferential basis, inadvertently or otherwise, the Chief Investor Relations Officer shall have onus on him that such information is promptly disseminated to make such information generally available through publication on the website of stock exchanges.

#### **RESPONSE TO NEWS REPORTS:**

The Company shall ensure that proper, correct and fair response is given to queries, news reports, and requests for verification of market rumours by regulatory authorities.

#### **SHARING OF INFORMATION WITH ANALYSTS AND RESEARCH PERSONNEL:**

Whenever research analyst/research personnel meet or call is organized, Chief Investor Relations Officer shall be informed about such meet/call to ensure that information shared with analysts and research personnel is not unpublished price sensitive information and the company is developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website of the Company to ensure official confirmation and documentation of disclosures made, unless such Unpublished Price Sensitive Information is generally available information. As a normal practice stock exchange prior intimation of any such event is done.

#### **CHINESE-WALL:**

Employees working in related departments of the Company which are handling unpublished price sensitive information should not disclose such unpublished price sensitive information with employees of other departments of the Company or with outsiders except on a need-to-know basis.

### **INFORMATION SHARING OF UPSI FOR GENUINE OR LEGITIMATE MOTIVE:**

A. UPSI is in the nature of information relating to the Company, directly or indirectly, of precise nature that can have an implications on the prices of the securities of the Company if made public.

B. Till the UPSI becomes in public knowledge, UPSI can be disseminated only on a need-to-know basis and for genuine or legitimate purpose as provided hereunder and not to evade or circumvent the prohibitions of the Regulations

- sharing of concerned UPSI with consultants, advisors engaged by the Company in relation to the subject matter of the proposed deal! assignment in relation to UPSI;
- sharing of concerned UPSI with intermediaries/ fiduciaries viz. merchant bankers, legal advisors;
- auditors in order to get professional services from them in relation to the subject matter of the UPSI;
- sharing of concerned UPSI with persons for legitimate business purposes (for example attorneys, investment bankers or accountants);
- sharing of concerned UPSI with persons who have expressly agreed in written form to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the company's securities on the basis of such information
- sharing of relevant UPSI in case if it is obligatory to share for execution of duties or discharge of legal onus.

### **CHIEF INVESTOR RELATIONS OFFICER'S ROLE:**

- Dealing with universal dissemination and disclosure of UPSI.
- Deciding if any particular information amounts to UPSI.
- Deciding on kind of response, if any, of the Company to any market rumour in compliance of this Code.
- Dealing with any query received by any Insider about any UPSI.
- Providing guidance to any Insider as to whether any particular information may be treated as UPSI.

If an Insider receives a query about any UPSI pertaining to the Company, he shall not comment on the same and shall forward such query to the Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with applicable law read with this code and if need be in consultation with Managing Director or CEO of the Company.

### **MAINTENANCE OF RECORDS OR DIGITAL DATABASE OF RECEIPIENTS OF UPSI:**

As required under Regulation 3(5) of the PIT Regulations, Compliance Officer shall maintain a structured digital database of such persons or entities as the case may be with whom UPSI is shared, along with the following information pertaining to the recipients;

- Name of such recipient of UPSI;
- Name of the Organization or entity which the recipient represents
- Postal Address and E-mail ID of such recipient
- Permanent Account Number (PAN) or any other identifier authorized by law, if PAN is not available

Such database shall be maintained in accordance with the SEBI Regulations from time to time, including through adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database.

The Compliance Officer shall bear in mind the following

- If the concerned UPSI is required to be shared?
- Why the information is required by the recipient?
- Who had shared the UPSI and whether he was authorised to do so?
- Whether the Compliance Officer was intimated before such sharing of UPSI?
- If non- disclosure agreements were signed?
- If notice to maintain confidentiality of the shared UPSI has been given?

### **DISCLOSURE POLICY**

The Company shall ensure:

- immediate public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- uniform and universal dissemination of UPSI to avoid preferential disclosure.
- if an Insider 'selectively' discloses any UPSI to any person including the selected group of persons then prompt disclosure of such information shall have to be made by the Chief Investor Relations Officer to the public. Such disclosure must be time bound and made not later than 48 hours after the Chief Investor Relations Officer learns that communication of such UPSI has taken place.
- that information shared with analysts and research personnel is not UPSI.
- develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

### **UNIFORMITY IN DISCLOSURE:**

Subject to applicable law methods of public disclosure of information to ensure uniform distribution shall include either of the following-

- Distributing through Press Releases in newspapers or media including electronic media.
- Filing with the Stock Exchanges.
- Any other means of mode that ensures wide distribution of the news such as webcasts and webinars.
- Uploading the information on the website of the company.

### **RESPONSIBILITY OF THE RECEIPIENT OF UPSI:**

- To maintain and keep secret and confidential the information received.
- To use the confidential information only for the legitimate purpose.
- To disclose the confidential information to any other person strictly on a need to know basis; and
- To safeguard the UPSI with the same degree of care to avoid unauthorised disclosure as the receiving party uses to protect its own confidential information, but in no case less than reasonable care.
- To ensure compliance with applicable provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **INTERNAL CONTROL SYSTEM**

There shall be adequate and effective system of internal controls to ensure compliance with the requirements given in this Code and PIT Regulations to prevent insider trading. The internal controls shall include:

- Identifying persons who have access to, or are expected to have access to UPSI, as Designated Persons;
- Identifying UPSI and maintaining its confidentiality as required under applicable laws;
- Putting in place adequate restrictions on communication, or procurement of UPSI;
- Maintaining a list of all persons with whom UPSI is shared and making them aware of their confidentiality and other obligations under the Code;
- Periodic review the measures and internal controls implemented to evaluate their effectiveness.

### **CODE AMENDMENTS**

Any amendment to this Code shall be done through a resolution passed at the Board meeting of the Company including the committees duly constituted by the board where the powers are bestowed to this committee / authorised person by the board for amending this code

### **WEB DISCLOSURE**

This Code shall be hosted on the website of the Company – [www.dwarikesh.com](http://www.dwarikesh.com) under the investors section in policies and codes.

## ANNEXURE

### POLICY FOR DETERMINATION OF 'LEGITIMATE PURPOSE'

*(framed under Regulation 3(2A) of PIT Regulations)*

Although the concept of legitimate purpose has been adequately elaborated above, however, a separate policy on the above is gist as per the SEBI's amendment and hence this policy is framed by the company on deciding of legitimate purpose.

The PIT Regulations require the Board to frame a policy for determination of 'legitimate purpose', in compliance of the guidance provided in the PIT Regulations. The assessment of whether dissemination of UPSI for a specific circumstances would amount to 'legitimate purpose' would fully depend on the specific facts and circumstances of each case. Accordingly, this Policy only sets out the principles that should be considered while assessing if the purpose for which UPSI is proposed to be shared is "legitimate";

pursuant to PIT Regulations, the term "legitimate purpose" is construed to include dissemination of UPSI in the ordinary course of business by an insider with Company's partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such dissemination of UPSI has not been done to evade or circumvent the prohibitions of the PIT Regulations;

Preeminently, the following factors should be pondered:

- if sharing of such information is in the ordinary course of business of the Company;
- if information is sought to be shared to evade or circumvent the prohibitions of the Regulations;
- if sharing the information is in the best interests of the Company or in furtherance of a genuine commercial purpose;
- if the information is required to be shared for enabling the Company to discharge its legal obligations;
- if the nature of information being shared is commensurate to the purpose for which access is sought to be provided to the recipient.

It is further to be pointed out that in case of there exist multiple purposes for sharing UPSI, each of such purposes would be evaluated on its own merits, in line with the foregoing principles;

The persons in possession of UPSI shall be informed of the following, by way of written intimation and/ or contractual agreement, such as, confidentiality agreement or non – disclosure agreement, that:

- the information being shared is UPSI and that the Company is the exclusive owner of such UPSI;
- upon receipt of UPSI, the recipient would be deemed to be an Insider and subject to the provisions of the PIT Regulations and the Code;
- the recipient must always maintain confidentiality of the UPSI;
- the recipient may use the UPSI only for the approved purposes for which it was disclosed;
- the recipient should provide a written undertaking that he/she/it shall not undertake Trades in the securities of the Company while in possession of the UPSI;
- the recipient must extend all cooperation to the Company, as may be required in this regard; and
- the recipient must also adopt a code of conduct in terms of Regulation 9 of the PIT Regulations, to inter alia ensure that it safeguards the UPSI in line with the PIT Regulations;

The information should be shared by the Company, from time to time, in the ordinary course of its business activities with its promoters, advisers and service providers, viz., auditors, merchant bankers and legal advisers/consultants of the Company, in line with the foregoing principles;

Beyond that the Board, or the Compliance Officer or any person authorized by the Board in this regard, shall have the onus of maintaining structured digital database, in compliance with the PIT Regulations, that consist of requisite particulars of all recipients of UPSI, who receive UPSI in accordance of the PIT Regulations, including, name, address, email, Permanent Account Number (PAN), or any other identifier authorized by law (where PAN is not available) and any other documents as may be required, in the manner prescribed by the Board or SEBI. In relation to that, proper systems and controls shall be put in vogue to ensure compliance with the PIT Regulations towards sharing of UPSI for legitimate purposes.

#### **POLICY AMEDMENT**

The Board reserves the right to amend or modify this policy in whole or in part, as it may deem fit, to ensure compliance with the PIT Regulations. The board may also delegate the power of amendment to any committee or authorised person to make changes in the same.