Dharani Sugars and Chemicals Limited

Regd. Office : "PGP HOUSE", 57, Sterling Road, Nungambakkam, Chennai - 600 034.
Tel. : 28311313, 28254176, Fax : 28232074, 28232076
Email : commercial@pgpgroup.in, finance@pgpgroup.in, secretarial@pgpgroup.in
Website : www.dharanisugars.in
CIN No.: L15421TN1987PLC014454 TIN No.: 33061502443 CST No.: 818529/19.11.87

PGP GROUP

DSCL\Clause 8 & 9\2015 **June 1, 2015**

The Secretary,
The Stock Exchange, Mumbai
Corporate Relationship Department,
First Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort, Mumbai 400 001.

Email ID : corp.relations@bseindia.com

Mr Hari – Vice President
National Stock Exchange Limited
Exchange Plaza, 5th Floor
Plot No.C/1 G Block
Bandra – Kurla Complex
Bandra East, Mumbai 400 051

E-mail : cc_nse@nse.co.in

Dear Sir,

Sub: information regarding Code of Conduct and Code of Disclosures

In accordance with Clause 8 (2) & 9 (3) of Chapter IV of Prohibition of Insider Trading Regulations 2015, we enclose herewith Code of Conduct and Code of Disclosures framed and approved by the Board of directors in its meeting held on 27th May 2015.

Kindly acknowledge

Yours faithfully,
for Dharani Sugars and Chemicals Limited

E P Sakthivel
Company Secretary

DHARANI SUGARS AND CHEMICALS LIMITED
No. 57, Sterling Road, Nungambakkam, Chennai - 34.

Encl.: as above

Dharani Nagar, Vasudevanallur,
Tirunelveli District - 627 760
Ph : (04636) 241370/371/372
Fax : (04636) 241578
Email : dharani1@dharanisugars-pgp.com

Karaipoondi Village, Polur,
Tiruvannamalai District - 606 803.
Ph : (04181) 223161, 223162, 223170
Fax : (04181) 223330
Email : dharani2@dharanisugars-pgp.com

Kalayanallur Village,
Pallangacherry Post, Kallakurichi Via,
Villupuram District - 606 206
Mobile : 94422 56138
Email : dharani3@dharanisugars-pgp.com

Dharani Sugars and Chemicals Limited

Regd. Office : "PGP HOUSE", 57, Sterling Road, Nungambakkam, Chennai - 600 034.
Tel. : 28311313, 28254176, Fax : 28232074, 28232076
Email : commercial@pgpgroup.in, finance@pgpgroup.in, secretarial@pgpgroup.in
Website : www.dharanisugars.in
CIN No.: L15421TN1987PLC014454 TIN No.: 33061502443 CST No.: 818529/19.11.87

PGP GROUP

PRINCIPLES OF FAIR DISCLOSURE FOR PURPOSES OF CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION.

(in accordance with clause 8 of Chapter IV of Prohibition of Insider Trading Regulations 2015)

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.

3. Designation of President (CF)/Company Secretary/a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.

6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.

7. Developing 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.

8. Handling of all unpublished price sensitive information on a need-to-know basis.

DHARANI SUGARS AND CHEMICALS LIMITED

Dharani Nagar, Vasudevanallur,
Tirunelveli District - 627 760
Ph : (04636) 241370/371/372
Fax : (04636) 241578
Email : dharani1@dharanisugars-pgp.com

Karaipoondi Village, Polur,
Tiruvannamalai District - 606 803.
Ph : (04181) 223161, 223162, 223170
Fax : (04181) 223330
Email : dharani2@dharanisugars-pgp.com

Kalayanallur Village,
Pallangacherry Post, Kallakurichi Via,
Villupuram District - 606 206
Mobile : 94422 56138
Email : dharani3@dharanisugars-pgp.com

Dharani Sugars and Chemicals Limited

Regd. Office : "PGP HOUSE", 57, Sterling Road, Nungambakkam, Chennai - 600 034.
Tel. : 28311313, 28254176, Fax : 28232074, 28232076
Email : commercial@pgpgroup.in, finance@pgpgroup.in, secretarial@pgpgroup.in
Website : www.dharanisugars.in
PGP GROUP CIN No.: L15421TN1987PLC014454 TIN No.: 33061502443 CST No.: 818529/19.11.87

CODE OF CONDUCT FRAMED IN ACCORDANCE WITH CLAUSE 9 OF CHAPTER IV OF PROHIBITION OF INSIDER TRADING REGULATIONS 2015

Prohibition of Insider Trading.

Some Directors/Employees/Promoter groups persons, who have access to unpublished Price Sensitive Information in respect of shares or other securities of certain companies (not the PGP Group) have been making use of such inside information in trading to reap windfall profits or avoid losses. This is known as Insider Trading. This undermines investor confidence in the fairness and integrity of the Capital markets. A privileged few benefit and the common investors are left to suffer. To stop such exploitation by unscrupulous insiders, SEBI had issued the "SEBI (Prohibition of Insider Trading) Regulations, 1992". Recently the Regulations have been radically amended providing levy of penalty and also imprisonment. A set of new regulations by name SEBI prohibition of Insider Trading Regulations 2015 have been introduced to take effect from 15th May 2015. Companies have been directed to frame a code of internal procedures and conduct based on the model code of SEBI and enforce it strictly. It is therefore in the interest of everybody that such insider trading does not take place in our group companies and for this purpose, as directed by SEBI, the following code of internal procedures and conduct is framed. The Company Secretary has been designated as the Compliance Officer.

Applicability

1) These instructions take immediate effect and shall apply mainly to the following members of the group, (who will be considered as insiders).

- All Directors
- Executives at the level of President, Vice President, General Manager and Deputy General Manager.
- All employees of the secretarial department.
- All immediate relatives of the above persons.

2) Besides the following who are likely to have access to such unpublished price sensitive information, also shall be covered by the regulations.

- Bankers to the Company.
- Officials of the Stock Exchange in which listed.
- Employees of the concerned Financial Institutions like TFCI, IREDA who have extended loans.

Price Sensitive Information

DHARANI SUGARS AND CHEMICALS LIMITED

Dharani Nagar, Vasudevanallur,
Tirunelveli District - 627 760
Ph : (04636) 241370/371/372
Fax : (04636) 241578
Email : dharani1@dharanisugars-pgp.com

Karaipoondi Village, Polur,
Tiruvannamalai District - 606 803.
Ph : (04181) 223161, 223162, 223170
Fax : (04181) 223330
Email : dharani2@dharanisugars-pgp.com

Kalayanallur Village,
Pallangacherry Post, Kallakurichi Via,
Villupuram District - 606 206
Mobile : 94422 56138
Email : dharani3@dharanisugars-pgp.com

3) (a) Such of those Directors/Executives/Employees who have access to price sensitive information should maintain its confidentiality. They should not communicate such information to outsiders or other insiders directly or indirectly by way of making a recommendation for the purchase or sale of securities.

Price Sensitive information means any information, which relates directly or indirectly to a company and which if published, is likely to materially affect the price of the securities of the Company. Price Sensitive Information should be handled on a "need to know" basis i.e., Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty. Files containing confidential information should be kept secure. Computer files must have adequate security of log in and password etc.

(b) The following are deemed to be price sensitive information.

- Periodical financial results of the Company.
- Intended declaration of dividends (both interim and final).
- Issue of securities or buy-back of securities.
- Change in Capital Structure.
- Any major expansion plans or execution of new projects.
- Disposal of the whole or substantial part of the undertaking, mergers, demergers, acquisitions.
- Any significant changes in policies, plans or operations of the Company.
- Material events in accordance with the listing agreements.

Procedure for buying or selling shares.

4) A) No insider shall either on his own behalf or on behalf of any other person deal in the securities of any of the group companies when in possession of unpublished Price Sensitive Information. Similarly no company shall deal in the securities of another company while in possession of any unpublished Price Sensitive Information. While there is no total ban on the above person in the dealing of the shares of the group companies, certain restrictions have been prescribed. They are allowed to buy or sell the Company's shares only, when the trading window is open. The trading window shall be kept closed during the time one month before when the following information is yet to be published.

a) Declaration of Financial results (Quarterly, Half Yearly, Annually)
b) Declarations of Dividends.
c) New Issues
d) Major expansion plans/execution of new projects.
e) Amalgamation, take over, merger, buy-back
f) Disposal of whole or substantially the whole of the undertaking.
g) Changes in policies, plans or operations of the Company.



B) An Insider is however entitled to formulate a trading plan in advance and present it to the Compliance Officer for approval. Details setting out 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 should be furnished in the plan. Trading activity can be carried out strictly in accordance with this approved plan. The plan is irrevocable and no deviation is permitted. The plan is valid for 12 months and has to be renewed after this period. The approved plan will be communicated to the Stock Exchanges.

5. The trading window shall be opened 24 hours after the above information is made public.

During times when the trading window is kept open, they are free to deal in the shares without prior clearance up to 5000 shares at a time. If they intend to deal in excess of this threshold limit, they have to apply and obtain prior clearance. Along with the application an undertaking in the following format has also to be furnished by them.

a) That I do not have access or have not received "Price sensitive information" up to the time of signing the undertaking.

b) That in case I have access to or received such information, after signing the undertaking I shall inform the Compliance Officer and also refrain from carrying out the transaction till such time the information becomes public.

c) That I have not contravened the prescribed code of conduct.

d) That I have made a full and true disclosure in the matter.

The application for buying or selling the shares should be, made to the Compliance Officer, Company Secretary has been designated as "Compliance Officer" for the company.

6. The application has to be in the prescribed form indicating the estimated no. and details of shares proposed to be dealt with, Name of the Depository Participant where he has the account. Once clearance is given they should execute their orders within one week of approval. Otherwise they have to apply afresh. The shares so purchased must be held for a minimum period of 30 days.

Disclosures

7. Any person forming part of the above group including promoter, director, key management personnel and who holds the shares on any of the group companies as on date including their family members, immediate relatives shall immediately inform details of their holdings to the company concerned before 15th June 2015. Similarly, any change in their holdings exceeding 25000 shares or more than 1% of total shareholdings or Rs.5 lakhs in value shall also be informed. These information should be given within 2 days of the transaction. All Directors, Officers and designated employees mentioned in paragraph – 1 should furnish the following details of their share transactions including those of their family members. Company shall notify the stock exchange within 2 days.

::4::

DHARANI SUGARS AND CHEMICALS LIMITED

- ✓ All holdings at the time of joining the company
- ✓ Quarterly statements of the transactions in the company's shares, on the

  1st April
  1st July
  1st October and
  1st January.

- ✓ Annual statements of all holdings.

Records.

8. The Compliance Officer shall maintain a record of the designated employees and any changes made therein shall also preserve the records of all declarations given by the Directors/Officers/Designated Employees for a minimum period of 5 years. He shall place before the Chairman on a monthly basis, all the details of the dealings in the shares of the Company by the above persons, along with the accompanying documents. The Compliance Officer shall also assist the employees in addressing any clarification on the SEBI (Prohibition of Insider Trading) Regulations and the Company's code of conduct.

9. Certain duties have been enjoined on the Company on these issues. In regard to Listed Companies, the company has to report to the Stock Exchanges details of such dealings within 2 days. Price Sensitive information shall be disclosed to the Stock Exchanges and other only by the Compliance Officer or any designated senior official. He has to ensure that the Company complies with continuous disclosure requirements. It is his responsibility for overseeing and coordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media. He should also educate staff on disclosure policies and procedures.

10. Heavy penalties have been provided for in the SEBI regulations for violations and it is therefore in the interest of everyone to adhere to the above instructions meticulously.

