

Date : 28.8.2017

Dr.K. Mohan Naidu  
DIN : 01774192  
Old No. 10-B, New No. 95-A,  
Lalbagadur Colony,  
Peelamedu  
Coimbatore 641 004

Dear Sir

**Sub: Appointment of Independent Director - reg**

We are pleased to inform you that the Members of the Company at the 31<sup>st</sup> Annual General Meeting (AGM) held on 28<sup>th</sup> August 2017 have Resolved to appoint you as an Independent Director of the Company to hold office for a consecutive period starting from 29<sup>th</sup> August 2017 and extending upto 28<sup>th</sup> August 2019 or the date of 33<sup>rd</sup> AGM, whichever is later.

Your role, functions, duties and responsibilities, as Independent Director shall be as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of Section 166, Schedule IV of the Companies Act, 2013 and the Rules made thereunder. Your appointment is also governed by the 'Company's Code of Conduct for Directors and Employees' and 'Company's Code of Conduct for Prevention of Insider Trading' under SEBI (Insider Trading) Regulations, adopted by the Board of Directors of the Company from time to time .

During the said tenure of office, as may be decided by the Board, you may also be required to serve on one or more of Committees of the Board, such as Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, etc.,

To protect the interest of all the Directors, the Company will be taking out a Directors and Officers Liability Insurance Policy to cover all the statutory liabilities of the Directors and Officers of the Company.

The dates of the Meetings of Board of Directors and the Committees thereof will be intimated to you well-in-advance to enable you to attend the meetings.

As per the present Nomination and Remuneration Policy of the Company, you are entitled to Sitting Fees for attending the meetings of the Board and the Committees of the Board, as is determined by the Board. At present, the Directors are being paid Sitting Fee of Rs.50,000/- for every Board meeting and Rs.20,000/- for every Committee meeting attended by them. In addition, you will be entitled to reimbursement of all travelling and out of pocket expenses incurred for attending the meetings.

The receipt of this Letter of Appointment may kindly be acknowledged.

Thanking you

For and on behalf of  
RAJSHREE SUGARS & CHEMICALS LIMITED

RASHREE PATHY  
Chairperson

Enc:

- I. RSCL Code of Conduct
- II. RSCL Code of Conduct for Insider Trading

**AGREE AND ACCEPT**



**K. MOHAN NAIDU**



**Rajshree Sugars & Chemicals Limited**

The Uffizi, 338/8, Avanasli Road, Peelamedu, Coimbatore - 641004, TN, India.

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## **ANNEXURE - I**

### **CODE OF CONDUCT FOR DIRECTORS AND EXECUTIVES OF RAJSHREE SUGARS & CHEMICALS LIMITED**

The Board of Directors and Senior Management of Rajshree Sugars & Chemicals Limited subscribe to the following code of conduct adopted by the Board. The Code is prescribed in order create corporate culture that promotes highest standards of ethical conduct in the interests of shareholders and all other stakeholders and to provide guidance to the directors to help them recognize and deal with ethical issues.

#### **1. HONESTY AND INTEGRITY**

The Directors and Executives shall act honestly and with integrity in all their dealings for the company. They shall not discriminate on the grounds of peoples' race, religion, gender, marital status or disability.

#### **2. CONFLICT OF INTEREST**

Directors and Executives must avoid any conflicts of interest between the director and the Company. Directors should make business decisions in the best interest of the Company. Actions by Directors and Executives must be based on sound business judgement and not motivated by personal interest or gain. A "conflict of interest" can occur when:

- a. A director's personal interest is adverse to, or may appear to be adverse to, the interest of the Company as a whole.
- b. A director or his relative receives personal benefits as a result of his or her position as a director of the Company.
- c. The Company does business with entities in which the Directors or their relatives are interested.

Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Board of Directors.

#### **3. CORPORATE OPPORTUNITIES**

Directors and Executives are prohibited from:

- a. Taking for themselves or their companies, opportunities that are discovered through the use of Company information or position as a director.
- b. Using the Company's property or information for personal gain; or
- c. Competing with the Company for business opportunities.

#### **4. GIFTS, FAVOURS AND ENTERTAINMENT**

The Directors and Executives should not accept or provide gifts, favours or entertainment in their role as Company Director or Executive from or to persons or entities with which the Company has or is likely to have a business relationship.

#### **5. PROTECTING COMPANY ASSETS**

Directors and Executives should protect the Company assets and ensure their efficient utilisation. Company resources should be used only to conduct company business or for purposes authorized by management.

#### **6. CONFIDENTIALITY**

Directors and Executives 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 a director or Executive, except when disclosure is authorized or legally mandated.

For purpose of this Code, "confidential information" includes all non-public information relating to the Company.

#### **7. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Directors and Executives must comply, and oversee compliance by employees, officers and other directors, with laws, rules and regulations applicable to the Company.

## 8. FAIR DEALING

Directors and Executives must deal fairly, and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees.

## 9. INSIDER TRADING

The Directors and Executives should not use confidential information for personal benefit. The Directors and Executives should not trade in securities or tip others to trade in securities of the Company on the basis of material information before it is made publicly available to ordinary investors through appropriate media.

## 10. ENCOURING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOUR

Directors and Executives should promote ethical behaviour and take steps to ensure the Company:

- a. Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.
- b. Encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct to appropriate personnel.
- c. Informs employees that the Company will not allow retaliation for report made in good faith.

## 11. COMPLIANCE STANDARDS

Directors and Executives should communicate any suspected violations of this Code promptly to the Board of Directors. Violations will be investigated by the Board or by persons authorised by the Board, and appropriate action will be taken in the event of any violations of the Code.

## 12. WAIVER OF CODE OF CONDUCT

Any waiver of this Code may be made only by the Board of Directors

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## ANNEXURE - II

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING UNDER REGULATION 12(1) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (INSIDER TRADING) (AMENDMENT) REGULATIONS, 2002

#### 1.0 Compliance Officer

- 1.1 The Company Secretary shall be the compliance officer who shall report to the Chairperson and Managing Director.
- 1.2 The compliance officer shall be responsible for:
  - (a) Setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information":
  - (b) Pre-clearing of designated employees' and their dependants' trades (directly or through respective department heads as decided by the company); and
  - (c) Monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of Directors/ Share Transfer Committee of the Board.

Explanation: For the purpose of this schedule, the term 'designated employee' shall include:-

- (i) officers comprising the top three tiers of the company management and all employees in the finance, **accounts and secretarial departments**.
- (ii) the employees designated by the company **from time to time** to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.

1.3 The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

1.4 The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct as amended from time to time.

## **2.0 Preservation of " Price Sensitive Information"**

2.1 Directors/ designated employees shall maintain the confidentiality of all Price Sensitive Information. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

### **2.2 Need to know**

Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within company who need the information to discharge their duty.

### **2.3 Limited access to confidential information**

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

## **3.0 Prevention of misuse of "Price Sensitive Information"**

3.1 All directors and designated employees of the company shall be subject to trading restrictions as enumerated below:-

### **3.2 Trading window**

3.2.1 The company shall specify a trading period, to be called "**Trading Window**", for trading in the company's securities. The trading window shall be closed during the time the information referred to in para 3.2.3 is un-published.

3.2.2 When the trading window is closed, the directors and designated employees shall not trade in the company's securities.

3.2.3 The trading window shall be, inter alia, closed at the time of:-

(a) Declaration of Financial results (quarterly, half-yearly and annual)

(b) Declaration of dividends (interim and final)

(c) Issue of securities by way of public/rights/bonus etc.

(d) Any major expansion plans or execution of new projects

(e) Amalgamation, mergers, takeovers and buy-back

(f) Disposal of whole or substantially whole of the undertaking

(g) Any changes in policies, plans or operations of the company

3.2.4 The trading window shall be opened 24 hours after the information referred in para 3.2.3 is made public.

3.2.5 All directors and designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window. They shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed, as referred to in para 3.2.3 or during any other period as may be specified by the Company from time to time.

3.2.6 In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

### **3.3 Pre clearance of trades**

- 3.3.1 All directors/ designated employees of the company who intend to deal in the securities of the company above a minimum threshold limit of **5,000 (five thousand) equity shares** should pre-clear the transactions as per the pre-dealing procedure as described hereunder.
- 3.3.2 An application for pre-clearance may be made to the Compliance Officer in such form as the company may notify in this regard. Such application shall disclose the following information:
- (a) The estimated number of securities that the director/ designated employee intends to deal in;
  - (b) The details as to the depository with which he has a security account;
  - (c) The details as to the securities of the company held in such depository mode; and
  - (d) Such other details as may be required by any rule made by the company in this behalf from time to time.
- 3.3.3 The director/designated employee shall, at the time of seeking pre-clearance, execute an undertaking in favour of the company incorporating, inter alia, the following clauses, as may be applicable:
- (a) That he/she does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
  - (b) That in case he/she has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, he/she shall inform the Compliance officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.
  - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
  - (d) That he/she made a full and true disclosure in the matter.

### **4.0 Other restrictions**

- 4.1 All directors/designated employees shall execute their order in respect of securities of the company ***within one week*** after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the director/ designated employee must pre clear the transaction again.
- 4.2 All directors/designated employees shall ***hold their investments in securities for a minimum period of 30 days*** in order to be considered as being held for investment purpose. The holding period shall also apply to subscription in the primary market (IPOs). In the case of IPOs the holding period would commence when the securities are actually allotted.
- 4.3 In case the sale of securities is necessitated by personal emergency, the compliance officer may, on an application, waive the minimum holding period after recording in writing his/her reasons in this regard.

### **5.0 Reporting Requirements for transactions in securities**

- 5.1 All directors/designated employees of the company shall be required to forward following details of their securities transactions including the statement of dependant family members namely, **spouse, minor children, dependant parents, brothers, sisters and other dependant relatives** to the Compliance officer:
- (a) All holdings in securities of that company by directors/ designated employees at the time of joining the company. In case of existing directors/ designated employees the details may be furnished as on the date the Insider Trading Regulation came into effect viz. 20<sup>th</sup> February, 2002;

- (b) **Quarterly** statement of any transactions in securities **including transactions for which pre-clearance was obtained**; and
- (c) Annual statement of all holdings in securities.
- 5.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors/designated employees for a minimum period of three years.
- 5.3 The Compliance officer shall place before the Chairman and Managing Director/ Share Transfer Committee or any other officer/committee specified by the Board, **on a monthly basis**, all the details of the dealing in the securities by directors/ designated employees of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.
- 6.0 Penalty for contravention of code of conduct**
- 6.1 Any director/designated employee who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and the company may take appropriate action against them.
- 6.2 Directors/designated employees of the company who violate the code of conduct shall also be subject to such disciplinary action by the company, which may include wage freeze, suspension, ineligibility for further participation in employee stock option plans, etc. **as may be decided by the Board of Directors from time to time.**
- 6.3 The action by the company shall not preclude **SEBI** from taking any action in case of violation of **SEBI** (Prohibition of Insider Trading) Regulations, 1992.
- 7.0 Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992.**
- 7.1 In case it is observed by the company/compliance officer that there has been a violation of **SEBI** (Prohibition of Insider Trading) Regulations, 1992, **SEBI** shall be informed by the company.

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