

**THE RAMARAJU SURGICAL COTTON MILLS  
LIMITED**

**CODE OF CONDUCT FOR  
PREVENTION OF INSIDER TRADING**

**AND**

**CODE OF CORPORATE DISCLOSURE PRACTICES**

# THE RAMARAJU SURGICAL COTTON MILLS LIMITED

## PART A

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

#### **1.0 Compliance Officer**

- 1.1 Shri. A. Emarajan, Company Secretary shall be the Compliance Officer.
- 1.2 The compliance officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing; of designated employees' and their dependents' trades, monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of Directors of the company.

"Designated Employee" means

- a) All Officers in the rank of Senior General Manager and above of the Company's Management.
  - b) All Officers in the rank of Manager and above in Finance, Accounts & Secretarial Departments.
  - c) the employees designated by the company to whom these trading restrictions shall be applicable.
- 1.3 The compliance officer shall maintain a record of the designated employees (As per Annexure – 1) 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.

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

- 2.1 Employees/Directors shall maintain the confidentiality of all Price Sensitive Information. Employees/Directors 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
  - 2.2.1 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 the company who need the information to discharge their duty.

2.3 Limited access to confidential information

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

**3.0 Prevention of misuse of “Price Sensitive Information”**

3.1 All directors/officers/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 unpublished.

3.2.2 When the trading window is closed, the directors/officers/designated employees shall not trade in the company’s securities in such period.

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

(a) Declaration of financial results (quarterly, half-yearly and annually).

(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.

3.2.3A The trading window shall be closed 3 days prior to the date of the Board Meeting, if the Board is to consider any of the business contained in para 3.2-3 above.

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

3.2.5 All directors/officers/designated employees of the company shall conduct all their dealings in the securities of the Company only in a valid trading window and 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/officers/designated employees of the company and their dependents, viz. spouse, dependent children and parents, who intend to deal in the securities of the company, exceeding Rs.5 lakhs in value or 25,000 shares or 1% of the paid-up capital of the Company, whichever is lower, should pre-clear the transaction as per the pre-dealing procedure described hereunder.

3.3.2 An application may be made to the Company in the prescribed form (As per Annexure – 2) the company may notify in this regard, to the Compliance Officer indicating the estimated number of securities that the director /officer/designated employee intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.

3.3.3 An undertaking shall be executed in favour of the company by such director /officer/designated employee incorporating, inter alia, the following clauses, as may be applicable :

- (a) That the director /officer/designated employee does not have any access or has not received “Price Sensitive Information” upto the time of signing the undertaking.
- (b) That in case the director /officer/designated employee 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 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 has made a full and true disclosure in the matter.

The approval letter shall be in the format as per Annexure – 3.

## 4.0 Other restrictions

4.1 All directors/officers/designated employees and their dependents 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 employee/director must pre-clear the transaction again.

- 4.2 All directors/ officers/ designated employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All directors/ officers/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. 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 holding period may be waived by the compliance officer after recording in writing his/her reasons in this regard.

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

- 5.1 All directors/officers/designated employees of the company shall be required to forward following details of their securities transactions including the statement of their dependents to the Compliance Officer:

- (a) all holdings in securities of that company by directors/officers/designated employees at the time of joining the company, within 15 days from the date of joining (As per Annexure – 4);
- (b) half yearly statement (April to September and October to March) of transactions in the securities, within 15 days from the end of the respective period (As per Annexure – 5); and
- (c) annual statement of all holdings in securities as on 31<sup>st</sup> of March, within 15 days thereof (As per Annexure – 6).

- 5.2 The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the directors/officers/designated employees for a minimum period of three years.

- 5.3 The Compliance Officer shall place before the Managing Director or a committee specified by the company, on a monthly basis all the details of the dealing in the securities by directors/officers/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/officer/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 appropriate action may be taken by the company.

6.2 Directors/officers/designated employees of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligible for future participation in employee stock option plans, etc.

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.

## **THE RAMARAJU SURGICAL COTTON MILLS LIMITED**

### **CODE OF CORPORATE DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING**

#### **1.0 Corporate Disclosure Policy**

- 1.1 The object of the Policy is to ensure timely and adequate disclosure of price sensitive information by following the below mentioned norms:—

#### **2.0 Prompt disclosure of price sensitive information**

- 2.1 Price sensitive information shall be given to stock exchanges and disseminated on a continuous and immediate basis.
- 2.2 The Company may also consider ways of supplementing information released to stock exchanges by improving Investor access to the public announcements.

#### **3.0 Overseeing and co-ordinating disclosure**

- 3.1 The Compliance Officer is designated to oversee the corporate disclosures.
- 3.2 The Compliance Officer shall be responsible for ensuring that the company complies with continuous disclosure requirements, overseeing and co-ordinating disclosure of price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.
- 3.3 Information disclosure/dissemination may normally be approved in advance by the official designated for the purpose.
- 3.4 If information is accidentally disclosed without prior approval, the person responsible may inform the designated officer immediately, even if the information is not considered price sensitive.

#### **4.0 Responding to market rumours**

- 4.1 The Compliance Officer is responsible for responding to any queries or requests for verification of market rumours by exchanges.
- 4.2 The Compliance Officer is responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure.

#### **5.0 Timely Reporting of shareholdings/ownership and changes in ownership**

- 5.1 Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.

## **6.0 Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors**

6.1 The Company should follow the guidelines given hereunder while dealing with analysts and institutional investors:—

- (i) Only Public information to be provided – The Company shall provide only public information to the analyst/research persons/large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.
- (ii) Recording of discussion - In order to avoid misquoting or misrepresentation, it is desirable that at least two company representatives be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.
- (iii) Handling of unanticipated questions – The Company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- (iv) Simultaneous release of Information - When the company organises meetings with analysts, the company shall make a press release or post relevant information on its website after every such meet. The company may also consider live webcasting of analyst meets.

## **7.0 Medium of disclosure/dissemination**

- (i) Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- (ii) The Company shall ensure that disclosure to stock exchanges is made promptly.
- (iii) The Company may also facilitate disclosure through the use of its dedicated Internet website.
- (iv) The Company's website(s) may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.
- (v) The information filed by the Company with exchanges under continuous disclosure requirement may be made available on the company's website(s).





To

The Compliance Officer  
The Ramaraju Surgical Cotton Mills Limited  
Rajapalaiyam – 662 117.

**APPLICATION FOR PRE-CLEARANCE**

As on date I /my dependent Shri. \_\_\_\_\_ am/is holding \_\_\_\_\_ shares in your Company, under Folio No. / DP ID – Client ID \_\_\_\_\_. I/my dependent am/is desirous of dealing (purchase/sell) \_\_\_\_\_ Shares of the Company. I seek your approval for the same under the Code of Conduct for Prevention of Insider Trading.

I hereby state that--

- a) I am not depending on/using any price sensitive information as defined in the Code that has not become public.
- b) In the event that I have access to or received any information that could be construed as “Price Sensitive Information” 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 of the company until such information becomes public;
- c) I have not contravened the provisions of the code of conduct for prohibition of insider trading as notified by the company from time to time.
- d) I have made full and true disclosure in the matter.

NAME :

SIGNATURE :

DATE :

**PRE-CLEARANCE APPROVAL LETTER**

Date: \_\_\_\_\_

To

Mr. \_\_\_\_\_

Empl.No. \_\_\_\_\_

Designation: \_\_\_\_\_

Dear Mr. \_\_\_\_\_

Sub: Preclearance Approval / Disapproval

Ref: Your Application dated \_\_\_\_\_.

With reference to your above application seeking approval for undertaking certain transactions in Securities of the Company detailed therein, please be informed that you/your Dependents are hereby authorised/not authorised to undertake the transaction(s) as detailed in your said application.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid for a period of one week from the date of this letter. If you/your Dependents do not execute the approved transaction /deal on or before this date you would have to seek fresh pre-dealing approval before executing any transaction/deal in the Securities of the Company.

Yours truly,

**COMPLIANCE OFFICER**

**DISCLOSURE OF PARTICULARS BY DIRECTORS/OFFICERS/DESIGNATED EMPLOYEES**

Date: \_\_\_\_\_

To

The Compliance Officer  
The Ramaraju Surgical Cotton Mills Limited  
Rajapalayam – 662 117.

Dear Sir,

My Personal details are as under:

NAME OF DIRECTOR/OFFICER/DESIGNATED EMPLOYEE _____
Emp. No: _____ Grade _____ Department _____
Location _____ Date of Appointment _____

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, and the Company's Code of Conduct for prevention of insider trading, I hereby declare that I have the following dependent(s).

Sl. No	Name of the Dependent	Relationship with Director / Officer / Designated Employee

I hereby declare that I/my dependents

- Do not hold any securities as on date  
 Hold securities as per details given below

Name of the holder*	First or joint holder**	Folio No. (Physical form)	Holding	DP ID / Client ID (Electronic form)	holding

\* include holdings where Director / Officer / Designated Employee or dependent is a joint holder.

\*\* indicate "F" where the named holder is the first holder of the securities and "J" where he/she is the joint holder of the securities.

All DP IDs and Client IDs to be furnished even if no securities of the Company are held.

I hereby declare that the above details are true, correct and complete in all respects.

NAME :

SIGNATURE :

DATE :

**Annexure - 5**

To

The Compliance Officer  
 The Ramaraju Surgical Cotton Mills Limited  
 Rajapalaiyam – 626 117.

**HALF YEARLY DISCLOSURE OF TRANSACTIONS BY DIRECTOR / OFFICER / DEPENDENT**

Reporting Period			6 months ended _____		
Name of the Director / Officer					
<i>Date of purchase</i>	<i>No. of shares</i>	<i>Price per share</i>	<i>Date of Sale</i>	<i>No. of shares</i>	<i>Price per share</i>
TOTAL			TOTAL		
<i>Total no. of shares held at the beginning of the Half Year</i>					
<i>Total no. of shares held at the end of the Half Year</i>					
Name of the Dependent					
Relationship					
<i>Date of purchase</i>	<i>No. of shares</i>	<i>Price per share</i>	<i>Date of Sale</i>	<i>No. of shares</i>	<i>Price per share</i>
TOTAL			TOTAL		
<i>Total no. of shares held at the beginning of the Half Year</i>					
<i>Total no. of shares held at the end of the Half Year</i>					
Name of the Dependent					
Relationship					
<i>Date of purchase</i>	<i>No. of shares</i>	<i>Price per share</i>	<i>Date of Sale</i>	<i>No. of shares</i>	<i>Price per share</i>
TOTAL			TOTAL		
<i>Total no. of shares held at the beginning of the Half Year</i>					
<i>Total no. of shares held at the end of the Half Year</i>					

NAME :

SIGNATURE :

DATE :

To

The Compliance Officer  
The Ramaraju Surgical Cotton Mills Limited  
Rajapalaiyam – 626 117.

**ANNUAL DISCLOSURE OF SHAREHOLDINGS OF DIRECTOR/OFFICER/DEPENDENT**

**I. DETAILS OF SHARES HELD BY DIRECTOR/OFFICER**

NAME	DESIGNATION	NO OF SHARES HELD ON 31 <sup>st</sup> March _____	FOLIO NO/DP ID/ CLIENT ID

**II. DETAILS OF SHARES HELD BY DEPENDENT FAMILY MEMBERS**

NAME	RELATIONSHIP	NO OF SHARES HELD ON 31 <sup>st</sup> March _____	FOLIO NO/DP ID/ CLIENT ID

NAME :

SIGNATURE :

DATE :