

CODE OF CONDUCT

SITASHREE FOOD PRODUCTS LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Policy and Obligations

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every director, officer, designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No director, officer, designated employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, Sitashree Food Products Limited hereby notifies that this Code of conduct is to be followed by all Directors, officers, designated employees and connected persons.

Part A - Definitions

A.1 'Insider Trading' means when insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions.;

A.2 'Insider' means any person who

- (i) is or was "Connected Person" or a "Deemed Connected Person" and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a Company, or
- (ii) has received or has had access to such unpublished price sensitive information;

A.3 'Company' means Sitashree Food Products Limited;

A.4 'Compliance Officer' means the Company Secretary or any other person authorised in this regard, of the Company.

A.5 'Connected Persons' means any person who

- (a) is a director of the Company; or
- (b) an officer or designated employee of the Company; or
- (c) has a professional or business relationship with the Company

A.6 'Deemed Connected Persons' means and includes:

- (a) Any group company, company under the same management or subsidiary of the Company;
- (b) Dependent Family Members of the Connected Persons;
- (c) Bankers of the Company;
- (d) Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker, Portfolio Manager, Investment Advisor, Sub-broker or any employee thereof having a fiduciary relationship with the Company;
- (e) Trustees of any trust the beneficiaries of which include any of the Connected Persons;

- (f) Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company, wherein any of the connected persons holding interest ;
- (g) Any person who was a connected person, whether temporary or permanent six months prior to an act of insider trading;
- (h) Persons having professional or business relationship between themselves and the Company, whether temporary or permanent and by virtue of such relationship are expected to be in possession of price-sensitive information;
- (i) Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992;

A.7 ‘Dealing in Securities’ means buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent and includes exercising of options;

A.8 ‘Officer’ means and includes any employee of the Company in the rank of Senior Vice-President and above cadre and includes statutory and internal Auditors of the Company;

A.9 ‘Designated Employee’ shall mean:

- (a) Managing and Whole-time Director;
- (b) CEO/CFO;
- (c) All employees in the rank of Senior Vice-President and above cadre; and
- (d) Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

A.10 ‘Dependent Family Members’ shall mean the employee’s spouse, dependent parents and dependent children;

A.11 ‘Price Sensitive Information’ shall mean any information which relates directly or indirectly to a Company and which if published is likely to materially affect the price of securities of Company.

Explanation: The following shall be inter alia, deemed to be price sensitive information:-

- (a) periodical financial results of the Company;
- (b) intended declaration of dividends (both interim and final);
- (c) issue of securities or buy-back of securities;
- (d) any major expansion plans or execution of new projects;
- (e) amalgamation, mergers or takeovers;
- (f) disposal of the whole or substantial part of the undertaking;
- (g) any significant changes in policies, plans or operations of the Company.
- (h) disruption of operations due to natural calamities;
- (i) commencement of any new commercial production or commercial operations where the contribution there from is likely to exceed 10% of the total turnover of the Company during that financial year;
- (j) developments with respect to changes in pricing/realisation on goods and services arising out of changes in government policy;
- (k) Litigation/dispute with a material impact;
- (l) Revision of credit ratings assigned to any debt or equity instrument of the Company;
- (m) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

A.12 'Prohibited Period' means;

- (i) the period effective from the date on which the Company sends intimation to the Stock Exchange advising the date of the Board Meeting, upto 24 hours after the price sensitive information is submitted to the Stock Exchange.
- (ii) such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman.

A.13 'Free Period' means any Period other than the Prohibited Period.

A.14 'Working Days' shall mean the working day when the regular trading is permitted on the concerned stock exchange where securities of the Company are listed.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 (Regulations) or the Securities and Exchange Board of India Act, 1992.

Part B

1. Compliance Officer The Compliance Officer who shall report to the Chairman of the Company.

Duties of Compliance Officer

- (a) He shall maintain a record of designated employees and any changes made to the list of Connected Persons.
- (b) He may in consultation with the Chairman and shall as directed by the Board, specify Prohibited Period from time to time and immediately make an announcement thereof.
- (c) He shall maintain a record of Prohibited Period specified from time to time.
- (d) He 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 the Company.
- (e) He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.
- (f) He shall place before the Chairman, on a monthly basis all the details of the dealing in the securities by Designated Employees, Directors, Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.
- (g) He shall from time to time inform the Stock Exchanges of any price sensitive information on immediate basis.
- (h) He shall intimate to all Stock Exchanges on which the securities of the Company are listed the relevant information received under clause 6 of Part B.
- (i) He shall be responsible for overseeing and co-ordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and

educating staff on disclosure policies and procedure and report to the Chairman.

- (j) He shall inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 within 7 days of knowledge of violation.

2. **Preservation of "Price Sensitive Information"** Directors, Designated Employees, Officers 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. Following practices should be followed in this regard.

2.1 Need to know

Unpublished 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 and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

2.2 Limited access to confidential information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use. Shredder should be used for the destruction of physical files.

3. **Prohibition on Dealing, Communicating or Counseling on Matters Relating to Insider Trading** No Insider shall -

- (a) either on his own behalf, or on behalf of any other person, deal in securities of the Company when in the possession of any unpublished price sensitive information;
- (b) communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

4. **Trading Restrictions** All directors/ officers and designated employees of the Company shall be subject to trading restrictions as enumerated below :-

4.1 Trading Window

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished price sensitive information.

During such sensitive times, the Directors, Officers and Designated Employees will have to forego the opportunity of trading in the Company's securities.

The Directors, Officers and Designated Employees of the Company shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

4.2 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 disruption of operations due to natural calamities;
- (h) Commencement of any new commercial production/commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the Company during that financial year;
- (i) Developments with respect to changes in pricing/ realisation on goods and services arising out of changes in government policy;
- (j) Litigation/dispute with a material impact;
- (k) Revision of credit ratings assigned to any debt or equity instrument of the Company;
- (l) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

4.3. The period of closure shall be effective from the date on which the Company sends intimation to Stock Exchange advising the date of the Board Meeting, upto 24 hours after the Price sensitive information is submitted to the Stock Exchange.

4.4 The trading window shall be opened 24 hours after the information referred in 4.2 is made public.

4.5 All Directors, Officers, Designated Employees of the Company and their dependent family members shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.

5. Pre-clearance of trades All Directors, Officers, Designated Employees of the Company and their dependent family members who intend to deal in the securities of the Company during free period in excess of 500 equity shares in number shall pre-clear the transactions as per the pre-dealing procedure as described hereunder.

5.1 Pre-dealing Procedure An application for pre-clearance of trade may be made in Form 'G' to the Compliance Officer

An undertaking shall be executed in favour of the Company by such Designated Employee, Director, Officer and their dependent family members incorporating, inter alia, the following clauses, as may be applicable:

- (a) That the employee/ director/officer/dependent family member does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.
- (b) That in case the Designated Employee, Director, Officer, dependent family member has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance officer of the change in his position and that he or she would completely refrain from dealing in the securities of the

Company till the time such information becomes public.

- (c) That he or 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 or she has made a full and true disclosure in the matter.

The Compliance Officer shall on receiving an application provide the Director, Officer, and Designated Employee and their dependent family member with an acknowledgement on the duplicate of the application. The Compliance Officer shall grant approval within 2 days from the date of acknowledgement.

The Compliance Officer shall retain copies of all applications and acknowledgements.

In exceptional circumstances consent may not be given if the Compliance officer is of the opinion that the proposed deal is on the basis of possession of any unpublished Price sensitive information. There shall be no obligation to give reasons for any withholding of consent.

If so requested by the Compliance Officer, Director, Officer, Designated Employee, dependent family members must ensure that his stockbroker is authorised to disclose to the Company all matters relevant to his share dealings.

5.2 Other restrictions

All Directors, Officers, Designated Employees and their dependent family members 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 Directors, Officers, and Designated Employees and their dependent family members must pre clear the transaction again.

All Directors, Officers, Designated Employees who buy or sell any number of shares of the Company shall not enter into 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 transaction in the shares of the Company at any time.

In 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.

6. Reporting Requirements for transactions in securities

6.1 Initial Disclosures

Every existing Director, Officer and Designated Employee of the Company and newly joined Director, Officer and Designated Employee of the Company on being appointed as such shall disclose to the Company, in **Form 'B'**, the number of shares or voting rights held and position taken in derivative by such person and his dependent family members in the Company. The existing Director, Officer and Designated Employee of the Company have to make disclosure on or before date specified by the Compliance Officer and newly appointed Director, Officer and Designated Employee has to make disclosure within 2 working days of becoming a Director or Officer or Designated Employee of the Company.

6.2 Continual Disclosures

- (a) Every Director, Officer and Designated Employee of the Company shall disclose to the Company and Stock Exchange where the securities are listed in Form 'D', the number of shares or voting rights in the Company held by him and change in his shareholding or voting rights from the last disclosure made under this Clause or under Clause 6.1 by such person and his dependent family members, if such *change* exceeds Rupees Five lakh in value or 25,000 shares or 1% of the total shareholding or voting rights, whichever is lower or any revised limits notified by SEBI from time to time.
"Change" means a net change arrived at after taking netting off purchases and sale of securities.
- (b) The aforesaid disclosure has to be made within 2 working days of:-
- (c) The disclosures under this Clause shall be sent to the Compliance Officer/ Company Secretary of the Company.
 - (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

6.3 Quarterly / Annual Disclosures

All Directors, Officers, Designated Employees dealing in the Securities of the Company shall be required to forward following details of their Securities transactions including the holdings of dependent family members to the Compliance officer:

- (a) All holdings in securities of the Company by Directors, Officers, Designated Employees at the time of joining the Company;
- (b) In respect of existing Directors, Officers, Designated Employees, all holdings in securities of the Company as on the date specified by the Company Secretary.
- (c) Statement of any transactions in securities of the Company, whether pre-clearance of trade was obtained or not, in Form 'E' on a quarterly basis within 10 days from the end of each quarter; and
- (d) Annual statement of all holdings in securities of the Company in Form 'F' as on March 31 of each year, before April 15 of that year.

6.4. Disclosure by the Company to Stock Exchanges

Within 2 days of the receipt of the information under Clause 6.2 of the Regulations, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

6.5 Records of disclosures received by the Company

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.

The Compliance officer shall place before the Chairman, on a monthly basis all the details of the dealing in the securities by the Designated Employees, Directors, Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

- 7. **Penalty for contravention of Code of Conduct** Any Director, Officer, Designated Employee and their dependent family members 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.

Directors, Officers, Designated Employees and their dependent family members of the Company who violate this Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage salary freeze, suspension, withholding of promotions, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

- 8. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992** In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

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CODE OF CORPORATE DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING.

1.0 Corporate Disclosure Policy

1.1 To ensure timely and adequate disclosure of price sensitive information, the following norms shall be followed.

2.0 Prompt disclosure of price sensitive information

2.1 Price sensitive information shall be given by the Company 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 exchange by improving investor access to their public announcements.

3.0 Overseeing and co-ordinating disclosure

3.1 The Company shall designate a senior official to oversee corporate disclosure

3.2 This official shall be responsible for ensuring that the Company complies with Continuous disclosure requirements, overseeing and co-ordinating disclosure of price sensitive information to stock exchange, 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.

Responding to market rumours

4.1 The Company shall have clearly laid down procedures for responding to any queries or requests for verification of market rumours by exchanges.

4.2 The official designated for corporate disclosure shall be 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.

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

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 representative be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferable 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 a 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 web casting 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 their dedicated internet website.
- (iv) The Company websites 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 website.

8.0 Submission of disclosures and prescribed forms

All submissions, forms etc., envisaged in this code should be addressed to the Compliance Officer and forwarded to the Corporate Secretarial Department of the Company at its corporate office, for administrative purpose and taking appropriate action.

The Corporate Secretarial Department shall acknowledge the receipt of declaration/form.

THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 [Regulation 13 (3) and (6)]

Regulation 13(3) - Details of change in shareholding in respect of persons holding more than 5% shares in a listed company

Name, PAN No. & address of shareholders	Shareholding prior to acquisition/sale	No. & % of shares /voting rights acquired/sold	Receipt of allotment advice/acquisition of shares/sale of shares - specify	Date of intimation to company	Mode of acquisition (market purchase/public/rights/preferential offer etc.)	No. & % of shares /voting rights post-acquisition/sale	Trading member through whom the trade was executed with SEBI Registration no. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value	Sell quantity	Sell value
											-	-

FORM E

To:

The Compliance Officer

Date: _____

I. Periodic Statement of shareholdings of Directors/ Officers/ Designated Employees:

Name	Designation	Department	No. of shares held on _____	No. of shares bought during the quarter	No. of shares sold during the quarter	No. of shares held on _____	Folio No./ DP ID/ Client ID

II. Details of Shares held by dependent family members (defined as spouse, dependant parents and dependant children as per code of conduct for Prevention of Insider Trading):

Name of Relative	Relationship	No. of shares held on _____	No. of shares bought during the quarter	No. of shares sold during the quarter	No. of shares held on _____	Folio No./ DP ID/ Client ID

I/ We declare that I/ we have complied with the requirements of Code of Conduct for Prevention of Insider Trading pertaining to the minimum holding period of 30 days with respect to the Shares purchased.

Signature:

(_____)

FORM F

To,
The Compliance Officer

Date: _____

ANNUAL DISCLOSURE

I. Statement of shareholdings of Directors/ Officers/ Designated Employees:

Name	Designation	Department	No. of shares held on	No. of shares bought during the year	No. of shares sold during the year	No. of shares held on _____, 2009	Folio No./ DP ID/ Client ID

II. Details of Shares held by dependent family

Name of Relative	Relationship	No. of shares held on	No. of shares bought during the year	No. of shares sold during the year	No. of shares held on _____, 2009	Folio No./ DP ID/ Client ID

I/ We declare that I/ we have complied with the requirements of Code of Conduct for Prevention of Insider Trading pertaining to the minimum holding period of 6 months with respect to the Shares purchased.

Signature: _____