



CODE OF CONDUCT
OF
SHARDA CROPCHEM LIMITED
FOR
PREVENTION OF INSIDER TRADING



Introduction

Insider trading means dealing in securities of a company listed on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (“SEBI”) had formulated SEBI (Insider Trading) Regulations 1992, which came into force on December 19, 1992 and has been amended subsequently from time to time. The amended regulations are now titled as “Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992”.

Chapter IV of SEBI Regulations require, inter alia, all listed companies to frame a Code of Internal Procedures and Conduct as near thereto to the Model Code specified in Part A of Schedule I to the SEBI Regulations without diluting it in any manner and ensure compliance of the same.

Sharda Cropchem Limited (“**Sharda**”) has formulated code of conduct called Code of Conduct for Prevention of Insider Trading of Sharda Cropchem Limited (“the said Code”).

The Board Members, the Employees of Sharda and their Dependent Family Members are governed by the Code. The Code shall come into effect on 5th November, 2014.

The Code of Conduct is divided in two parts. Part A contains Code of Conduct for Prevention of Insider Trading and Part B contains Code of Corporate Disclosure Practices for Prevention of Insider Trading. The Board Members of Sharda and the Employees of Sharda are advised to carefully go through and familiarise themselves with and adhere to the SEBI Regulations and the Code.



PART A

CODE OF CONDUCT OF SHARDA CROPCHEM LIMITED FOR PREVENTION OF INSIDER TRADING

TITLE, COMMENCEMENT AND EXTENT

- I. This Code is called Code of Conduct of Sharda Cropchem Limited for Prevention of Insider Trading.
- II. It shall come into force on 5th November, 2014.
- III. This Code is applicable to the Board Members of Sharda and Employees of Sharda and their Dependent Family Members.
- IV. The provisions of this Code are also applicable to all the subsidiary companies of Sharda.

1. DEFINITIONS

In this Code, unless the context otherwise requires,

“**Act**” shall mean the Securities and Exchange Board of India Act, 1992 (15 of 1992);

“**Board**” shall mean the board of directors of Sharda;

“**Board Members**” shall mean the members of the Board;

“**Code**” means this Code of Conduct for Prevention of Insider Trading, as modified from time to time.

“**Code of Conduct for Independent Directors**” means **Appendix (A)** to this Code and it will be applicable to all the Independent Directors of the Company as per Section 149(8) and Schedule IV of the Companies Act, 2013.

“**Compliance Officer**” means the officer appointed as compliance officer pursuant to clause 2 of the Code.

“**Dealing in Securities**” means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities by any person, either as a principal or as an agent.

“**Dependent Family Members**” means the spouse, parents and children of the Board Members/Employees.

“**Employee**” means all employees of Sharda & its subsidiaries in Accounts, Finance and Legal & Secretarial Departments and all the employees of Sharda in the Category of “Manager” and above

“**Other Listed Company/ies**” means any Indian company (other than Sharda), which has Securities listed or traded on a recognised stock exchange in India.



“Price Sensitive Information” means any information, which relates directly or indirectly to Sharda and which if published is likely to materially affect the price of Securities of Sharda. It includes the following:

- (i) periodical financial results of Sharda;
- (ii) intended declaration of dividends (both interim and final);
- (iii) issue of securities or buy-back of securities;
- (iv) any major expansion plans or execution of new projects;
- (v) amalgamation, mergers or takeovers;
- (vi) disposal of the whole or substantial part of the undertaking;
- (vii) any significant changes in policies, plans or operations of Sharda.

“Regulations” means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time.

“Stock Exchange” shall mean a stock exchange in which the shares of Sharda are listed.

“SEBI” means Securities and Exchange Board of India.

“Securities” mean Equity Shares of Sharda.

“Sharda” shall mean Sharda Cropchem Limited.

“Subsidiary/ies” shall have the meaning as mentioned in the Companies Act, 1956 or in the Companies Act, 2013, as may be applicable

“Trading Window” shall have the meaning as mentioned thereto in clause 7 of the Code.

“Unpublished” means information which is not published by Sharda and is specific in nature.

“Working day” shall mean the working day when the regular trading is permitted on the concerned stock exchange where the securities of Sharda are listed.

2. COMPLIANCE OFFICER

2.1 Compliance Officer for Sharda: The Company Secretary of Sharda shall be the Compliance Officer for the purpose of this Code and will report to the Managing Director/Whole-time Director. In the absence of the Company Secretary, any other person as may be designated by the Managing Director/Whole-time Director shall be the Compliance Officer for the purpose of this Code.

2.2 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 all Board Members/Employees/Dependent Family Members proposed Dealings, addressing any clarifications/difficulties regarding the Regulations and/or the Code and the implementation of the Code, under the overall supervision of the Managing Director/Whole-time Director.

2.3 Unless the context otherwise requires, the term “Compliance Officer” wherever used in the Code in connection with Sharda shall mean “Compliance Officer for Sharda”.



2.4 The Compliance Officer shall assist all the employees in addressing any clarifications regarding the regulations of this code.

3. PRESERVATION OF PRICE SENSITIVE INFORMATION

3.1 All the Board Members and Employees shall maintain confidentiality of all Unpublished Price Sensitive Information in their possession.

3.2 Board Members and Employees shall not advise, communicate, counsel, inform or pass on such information to any person, directly or indirectly, other than communication required to be made/done in the ordinary course of business, or under any law.

3.3 Unpublished Price Sensitive Information shall be handled on a “need-to-know” basis, i.e., Unpublished Price Sensitive Information should be disclosed only to those within Sharda and/or its subsidiaries who need the information to discharge their duty and/or functions.

4. LIMITED ACCESS TO UNPUBLISHED PRICE SENSITIVE INFORMATION

4.1 All files, papers and records containing Unpublished Price Sensitive Information shall be kept secured.

4.2 In case of Unpublished Price Sensitive Information being available in the computer files, the same shall be secured in the manner stipulated by Sharda.

5. PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Notwithstanding anything contained in the Code, the Board Members and Employees shall not engage in Dealing in Securities, whether on their own account or on account of the Dependent Family Members and shall further ensure that their Dependent Family Members shall also not engage in Dealing in Securities on their own account, if such Board Members or Employee (or in case of Dependent Family Member, the concerned Board Member or Employee) is in possession of any Unpublished Price Sensitive Information.

6. PRE-CLEARANCE FOR DEALING IN SECURITIES OF SHARDA BY BOARD MEMBERS AND/OR EMPLOYEES AND/OR THEIR DEPENDENT FAMILY MEMBERS.

A. The Board Member or Employees or their Dependent Family Member who intends Dealing in Securities of Sharda is required to seek pre-clearance to Deal in Securities of Sharda. Application for pre-clearance of proposed Dealing in Securities along with an undertaking in **Form I** should be made to the Compliance Officer. In case, the Compliance Officer intends to deal in Securities then he/she shall submit the application for pre-clearance to deal along with an undertaking in **Form I** to the Managing Director/Whole-time Director/his or her Supervisor. The Board Members or Employees need not seek permission to deal in Securities of Other Listed Companies.

B. The Compliance Officer shall consider the application made as above, inter alia, having regard to the Trading Window, and may clear/refuse to clear the same, without assigning any reason(s) for refusal to clear the same.



- C. In the event, the clearance in terms of sub-clause B above has been given, the concerned Board Member and/or Employees and/or their Dependent Family Member shall carry out the Dealing in Securities of Sharda within one week after the approval of pre-clearance is given. If the proposed Dealing in Securities of Sharda is not completed within one week after approval is given, the concerned Board Member and/or Employees and/or their Dependent Family Member must pre-clear the proposed Dealing in Securities again by following the procedure mentioned herein above.

7. TRADING WINDOW

- 7.1 The “Trading Window” for the purpose of this Code shall mean the period during which Dealing in Securities is permitted.
- 7.2 Subject to clause 6 of the Code, the Board Members and Employees and their respective Dependent Family Members shall engage in Dealing in Securities of Sharda only when the Trading Window is open.
- 7.3 Unless otherwise specified by the Compliance Officer, the Trading Window shall be, inter alia, closed 10 days prior to the following:
- 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 significant changes in policies, plans or operations.
- 7.4 The Trading Window shall be opened 24 hours after the information relating to items specified in clause 7.3 is made public.

8. HOLDING PERIOD

- 8.1. The Board Members, the Employees of Sharda and their Dependent Family Members who buy or sell any number of Securities of Sharda shall not enter into opposite transaction (i.e. sell or buy any number of Securities of Sharda) during the period of next six months following the prior transaction. Further, all the Board Members and/or Employees and/or their Dependent Family Members shall not take positions in derivative transactions in the Securities of Sharda at any time.
- 8.2. In case the Dealing in Securities is necessitated by personal emergency of the Board Members and/or Employees and/or their Dependent Family Members (or the Compliance Officer), such person may seek the waiver of the holding period specified herein above by making an application to the Compliance Officer (or Managing Director/Whole-time Director/Supervisor, in the case of the Compliance Officer) in **Form II**. The Compliance Officer (or the Managing Director/Whole-time Director/Supervisor, as the case may be) may waive the holding period after recording in writing, the reasons in this regard.



9. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

9.1. The Employees shall be required to forward following details of the Securities held by them, including the statement of their Dependent Family Members, to the Compliance Officer:

- (a) Initial Disclosure of all Securities held as on the date of joining Sharda and/or its Subsidiaries in the attached "**Form III**". The said **Form III** shall be submitted by the Employees within a period of 4 (four) working days from date of the date of joining;
- (b) Quarterly statement of Dealing in Securities and undertaking in the attached "**Form IV**". The same shall be submitted by the Employees within a period of 15 (fifteen) calendar days from the end of the relevant calendar quarter (for instance, October 15 for the quarter ending September 30); and
- (c) Annual Statement of all Securities held as on March 31 every year in the attached "**Form V**". The said **Form V** shall be submitted by the Employees within a period of 15 (fifteen) calendar days from the commencement of the relevant financial year (for instance, April 15, 2015 for the financial year ending March 31, 2015)
- (d) Any change in Securities of Sharda held if the change exceeds Rs.5,00,000/- (Rupees Five Lac only) in value, or 25,000 equity shares or 1% of the total shareholding in Sharda, whichever is lower, within 2 (two) working days of such change in the attached "**Form VI**". It may be noted that the requirement for furnishing "**Form VI**" as specified herein shall be applicable to the Managing Director, Whole Time Director and Company Secretary only.

9.2. The Board Members shall be required to forward following details of the Securities of Sharda held by them, including the statement of their Dependent Family Members, to the Compliance Officer:

- (a) Initial Disclosure of all Securities of Sharda held as on the date of appointment as Board Member in the attached "**Form VII**". The said **Form VII** shall be submitted by the Board Members within a period of 2 (two) working days from date of the date of appointment;
- (b) Any change in Securities of Sharda held if the change exceeds Rs.5,00,000/- (Rupees Five Lac only) in value, or 25,000 equity shares or 1% of the total shareholding in Sharda, whichever is lower, within 2 (two) working days of such change the in the format as attached "**Form VI**".

9.3 The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Board Members and the Employees for a minimum period of 3 (three) years.

9.4 The Compliance Officer shall place before the Managing Director/Whole-time Director on a monthly basis all the details of the Dealings in the Securities of Sharda by the Board Members, Employees or their Dependent Family Members and the accompanying documents that such Persons had executed under the pre-dealing procedure as envisaged in this Code.



10. PENALTY FOR CONTRAVENTION OF THE CODE

- 10.1 All the Board Members and Employees shall be individually responsible for complying with the provisions of the Regulations and the Code to the extent applicable.
- 10.2 Any Board Member who violates the Code shall be subject to disciplinary action, as may be deemed fit by the Board of Directors of Sharda. Any Employee who violates the Code shall be subject to disciplinary action, which may include freeze on emoluments, ineligibility for future participation in the stock option plans or suspension/termination of service/contract, or any other action as may be deemed fit by Managing Director & CEO/ Whole-time Director/Compliance Officer.
- 10.3 The action by Sharda shall not preclude SEBI from taking any action for violation of the Regulations.

11. INFORMATION TO SEBI IN CASE OF VIOLATION OF THE REGULATION

In case any violation of the Regulation or the Code is observed, SEBI may be informed of the same by the Company.



FORM I

**FORMAT OF APPLICATION FOR SEEKING PRE-CLEARANCE
FOR DEALING IN SECURITIES**
(Under Clause 8.2(A) of the Code)

I wish to buy/sell _____ Equity Shares of Sharda, in my own name/in the name of my Dependent Family Member(s).

I hereby declare and undertake the following:

1. I shall take delivery of the security (ies) being purchased.
2. The transaction being undertaken by me/my Dependent Family Member is not based on any unpublished price sensitive information to which I had an access by virtue of my office and believe that the same will not amount to self dealing.
3. In case I have access to, or receive, "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in the position and I/my Dependent Family Member would completely refrain from dealing in the securities of the client company till the time such information becomes public.
4. I have not contravened any provision of the code of conduct for prevention of insider trading as specified by Sharda from time to time.
5. I have made full and true disclosure in the matter. I will furnish such information as may be requested by Sharda, from time to time, in connection with the above security (ies).
6. In case the deal is not executed within one week after the approval, I will obtain pre-clearance again before dealing in securities.
7. I will indemnify and hold harmless Sharda and/or its Subsidiary/ies and its Directors/Officers from and against any and all actions, claims, demands, proceedings and any and all losses, liabilities, damages, costs, charges and expenses (including legal fees) made or alleged against, or which are suffered or incurred by Sharda and/or its Subsidiary/ies and which relates to or arise from, directly or indirectly, the dealing in the above security(ies).

Name of the Employee:	
Designation	
Employee No.:	
Signature:	
Date:	

Approved/Rejected	
Signature of the Approving Authority	
Reason for rejection	
Date:	
	Compliance Officer



FORM NO II

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD
(Under Clause 8.2 of the Code)

Date: _____

To:
The Compliance Officer
Sharda Cropchem Limited
Domnic Holm, 29th Road,
Bandra (west), Mumbai – 400 050

From: _____ (Name)
_____ (Emp. No)
_____ (Designation)
_____ (Department)

I request you to grant me waiver from the minimum holding period as required under the Code with respect to _____(nos.) Equity Shares of Sharda held by me/ _____ [name of Dependent Family Member(s)] singly/jointly acquired on _____ [Date(s)].

I/ _____ [name of Dependent Family Member(s)] desire to sell the above securities on account of _____ (give reasons).

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

Signature: _____

For Compliance Officer Use

With reference to the above application, I approve/reject the selling of _____ (no. & description of securities).

Date:

Signature of Compliance Officer:



Form III

INITIAL DISCLOSURE
(Under Clause 9.1(a) of the Code)

To:
The Compliance Officer
Sharda Cropchem Limited
Domnic Holm, 29th Road,
Bandra (west), Mumbai – 400 050

Re: Initial Disclosure of Securities of Sharda

Dear Sirs,

1. With reference to above subject, I hereby confirm and declare that I hold _____ Equity Shares of Sharda and it constitutes full and true disclosure of all Securities of Sharda held by me and my Dependent Family Members as on date of joining Sharda.

Signature: _____

Name: _____

Designation: _____

Dept/Group: _____

Employee No.: _____

Date: _____



Form IV

QUARTERLY DISCLOSURE
(Under Clause 9.1(b) of the Code)

To:
The Compliance Officer
Sharda Cropchem Limited
Domnic Holm, 29th Road,
Bandra (west), Mumbai – 400 050

Re: Quarterly Disclosure of Dealings in Securities of Sharda

Dear Sirs,

1. With reference to the above subject, I hereby confirm and declare that I hold _____ Equity Shares of Sharda and it constitutes full and true disclosure of dealings in Securities of Sharda by me and my Dependent Family Members during the quarter ended _____:
2. Further, I hereby confirm and declare that I have not contravened this Code and amendments thereto as notified by Sharda from time to time.

Signature: _____

Name: _____

Designation: _____

Dept/Group: _____

Employee No.: _____

Date: _____



Form V

ANNUAL STATEMENT
(Under Clause 9.1(c) of the Code)

To:
The Compliance Officer
Sharda Cropchem Limited
Domnic Holm, 29th Road,
Bandra (west), Mumbai – 400 050

Re: Annual Disclosure of Securities of Sharda

Dear Sirs,

1. With reference to above subject, I hereby confirm and declare that I hold _____ Equity Shares of Sharda and it constitutes full and true disclosure of all Securities of Sharda held by me and my Dependent Family Members as on March 31, 20__:
2. Further, I hereby confirm and declare that I have not contravened this Code and amendments thereto as notified by Sharda from time to time.

Signature: _____

Name: _____

Designation: _____

Dept/Group: _____

Employee No.: _____

Date: _____



FORM VI

Change in shareholding

(Under Clause 9.1(d) and Clause 9.2(b) of the Code)

Name, PAN & Address of Director / Officer (a)	No. & % of shares/ voting rights held by the Director / Officer (b)	Date of receipt of allotment advice / acquisition / sale of shares / voting rights (c)	Date of intimation to company (d)	Mode of acquisition on (market purchase/ public rights/ preferential offer, etc) (e)	No. & % of shares/ post acquisition/ voting rights sale (f)
Trading member through whom the trade was executed with SEBI regn no. of the TM (g)	Exchange on which the trade was executed (h)	Buy quantity (i)	Buy value (Rs.) (j)	Sell quantity (k)	Sell value (l)

Signature: _____

Name: _____

Designation: _____

Place: _____

Date: _____



Form VII

Initial Disclosure for Board Members
(Under Clause 9.2(a) of the Code)

Name, PAN & Address of Director/ Officer	Date of assuming office of Director/ Officer	No. & % of shares/voting rights held at the time of becoming Director/ Officer	Date of intimation to company	Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)	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

Signature: _____

Name: _____

Designation: _____

Place: _____

Date: _____



APPENDIX A

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise his responsibilities in a *bona fide* manner in the interest of the company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;



- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall—

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;



- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

- Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - the term of appointment;
 - the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - provision for Directors and Officers (D and O) insurance, if any;
 - the Code of Business Ethics that the company expects its directors and employees to follow;
 - the list of actions that a director should not do while functioning as such in the company; and
 - the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.



- The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- All the independent directors of the company shall strive to be present at such meeting;
- The meeting shall:
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.



PART B

CODE OF CORPORATE DISCLOSURE PRACTICES FOR PREVENTION OF INSIDER TRADING

1. Corporate Disclosure Policy

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

2. Prompt disclosure of price sensitive information

- a. Price sensitive information shall be given by Sharda to stock exchanges and disseminated on a continuous and immediate basis.
- b. Sharda may also consider ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.

3. Overseeing and co-ordinating disclosure

- a. Compliance Officer of Sharda shall oversee the corporate disclosure.
- b. 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.
- c. Information disclosure/dissemination may normally be approved in advance by the official designated for the purpose.
- d. If information is accidentally disclosed without prior approval, the person responsible may inform the Compliance Officer immediately, even if the information is not considered price sensitive.

4. Responding to market rumours

- a. Sharda shall clearly lay down procedures for responding to any queries or requests for verification of market rumours by exchanges.
- b. The Compliance Officer shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then make the disclosure.

5. Timely Reporting of shareholdings/ownership and changes in ownership

Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership shall be made as per the Code of Conduct of the Company.

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

Sharda should follow the guidelines given hereunder while dealing with analysts and institutional investors:



- i. *Only Public information to be provided* – Sharda 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 representatives of Sharda be present at meetings with Analysts, brokers or Institutional Investors and discussion should be recorded.
- iii. *Handling of unanticipated questions* – Sharda 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* – Sharda shall make a press release or post relevant information on its website. Sharda may also consider live webcasting of analyst meetings.

7. Medium of disclosure/dissemination

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

8. Dissemination by stock exchanges

- a. The disclosures made to stock exchanges may be disseminated by the exchanges to investors in a quick and efficient manner through the stock exchange network as well as through stock exchange websites.
- b. Information furnished by Sharda under continuous disclosure requirements, should be published on the website of the exchange instantly.