



CODE OF CONDUCT

OF

SHARDA CROPCHEM LIMITED

FOR

PREVENTION OF INSIDER TRADING, 2015



CODE OF CONDUCT OF SHARDA CROPCHEM LIMITED FOR PREVENTION OF INSIDER TRADING, 2015

1. Introduction

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Board of Directors in their meeting held on November 5, 2014 approved and adopted the Code of Conduct of Sharda Cropchem Limited for Prevention of Insider Trading which came into force with immediate effect.

In line of the Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015, the following Code of Conduct (hereinafter referred to as the "Code") has been further amended and adopted by the Board of Directors of the Company at its meeting held on May 30, 2015 and shall come into force with immediate effect.

2. Applicability

This Code is applicable to the Designated Employees of Sharda and other Connected Persons as mentioned in this Code.

The provisions of this Code are also applicable to all the subsidiary companies of Sharda.

3. Definitions

In this Code, unless the context otherwise requires,

- 1 "Act" shall mean the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- 2 "Board" shall mean the board of directors of Sharda;
- 3 "Code" means this Code of Conduct for Prevention of Insider Trading, 2015, as modified from time to time.
- 4 "Compliance Officer" means any senior officer, designated so and reporting to the board of directors or head of the organisation in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company or the head of the organisation, as the case may be.
- 5 "Connected Person" means
 - (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access



- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
- a. an immediate relative of connected persons specified in clause (i); or
 - b. a holding company or associate company or subsidiary company; or
 - c. an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
 - d. an investment company, trustee company, asset management company or an employee or director thereof; or
 - e. an official of a stock exchange or of clearing house or corporation; or
 - f. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
 - g. a member of the Board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
 - h. an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
 - i. a banker of the Company; or
 - j. a concern, firm, trust, Hindu Undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest;

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

7 “**Designated Employee (s)**” shall include:

- (i) All Directors of Sharda
- (ii) Key Managerial Personnel
- (iii) Every employee in the Category of “Manager” and above;
- (iv) Every employee in the accounts, finance, secretarial and legal department of the Company;
- (v) Any other employee as may be determined and informed by the Compliance Officer from time to time.



- 8 “**Director**” shall mean the member of the Board of Directors of the Company;
- 9 “**Employee**” means every employee of the Company including the Directors in the employment of the Company.
- 10 “**Generally available information**” means information that is accessible to the public on a non-discriminatory basis.
- 11 “**Immediate Relative**” means a spouse of a person, and includes parent, sibling and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- 12 “**Insider**” means any person who is,
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information.
- 13 “**Key Managerial Person**” means person as defined in Section 2(51) of the Companies Act, 2013.
- 14 “**Promoter**” shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- 15 “**Regulations**” shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 16 “**SEBI**” means Securities and Exchange Board of India.
- 17 “**Securities**” shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- 18 “**Specified**” means specified by the Board in writing.
- 19 “**Specified Persons**” means the Directors, connected persons, the insiders, the Designated Employees and the promoters and immediate relatives are collectively referred to as Specified Persons
- 20 “**Stock Exchange**” shall mean a stock exchange in which the shares of Sharda are listed.
- 21 “**Takeover regulations**” means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 22 “**Trading**” means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities and “trade” shall be construed accordingly.



- 23 "Trading Day"** means a day on which the recognized stock exchanges are open for trading
- 24 "Unpublished Price Sensitive Information"** means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:
- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - (v) changes in key managerial personnel;
 - (vi) material events in accordance with the listing agreement.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

4. Compliance Officer

- 4.1 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.
- 4.2 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 Designated Employees 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.
- 4.3 Unless the context otherwise requires, the term "Compliance Officer" wherever used in the Code in connection with Sharda shall mean "Compliance Officer for Sharda".
- 4.4 The Compliance Officer shall assist all the employees in addressing any clarifications regarding the regulations of this code.



5. Preservation of “Unpublished Price Sensitive Information”

- 5.1 All Designated Employees and Connected Persons shall maintain the confidentiality of price sensitive information. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider’s legitimate purposes, performance of duties or discharge of his legal obligations.
- 5.2 No insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 5.3 No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties of discharge of legal obligation.
- 5.4 Notwithstanding anything contained in the Code, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–
- i. entail an obligation to make an open offer under the takeover regulations where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company.
 - ii. not attract the obligation to make an open offer under the takeover regulations but where the board of directors of the company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the board of directors may determine.
- 5.5 For purposes of above clause, the parties shall be required to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of Clause 5.4 and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.
- 5.6 For the purpose of prompt public disclosure of Unpublished Price Sensitive Information, the Company also adopts the Code regarding practice & procedure for Fair Disclosure.

6. Limited access to Unpublished Price Sensitive Information

- 6.1 All files, papers and records containing Unpublished Price Sensitive Information shall be kept secured.
- 6.2 In case of Unpublished Price Sensitive Information being available in the computer files, the same shall be secured in the manner stipulated by Sharda.



7. Trading Restrictions

No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information

8. Prohibition on forward dealings in securities by Director of KMP

No Director/KMP of the Company shall buy in the Company or in its subsidiary or associate company-

- a. A right to all for delivery or a right to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures; or
- b. A right, as he/she may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of relevant shares or a specified amount of relevant debentures.

Explanation – For the purposes of this Clause, “relevant shares” and “relevant debentures” mean shares and debentures of the company in which the concerned person is a Whole-time Director or other KMP or shares and debentures of the subsidiary companies.

9. Trading Plans

1. An insider shall be entitled to formulate a trading plan and present it to the compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.
2. Such trading plan shall:-
 - a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
 - b. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
 - c. entail trading for a period of not less than twelve months;
 - d. not entail overlap of any period for which another trading plan is already in existence;
 - e. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
 - f. not entail trading in securities for market abuse.



3. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.
4. The trading plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information.

5. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

10. Trading Window

- 10.1 The “Trading Window” for the purpose of this Code shall mean the period during which Dealing in Securities is permitted.
- 10.2 The Designated Employees and the Connected Persons shall engage in Dealing in Securities of Sharda only when the Trading Window is open.
- 10.3 Unless otherwise specified by the Compliance Officer, the Trading Window shall be, inter alia, closed 7 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.
- 10.4 The Trading Window shall be opened 48 hours after the information relating to items specified in clause 10.3 is made public.

11. Pre-Clearance of trades.

- 11.1 All Designated Employees and their immediate relatives who intend to trade in the securities of the company above a minimum of 2500 shares of the company per transaction should pre-clear the transactions as per the pre-trading procedure as described hereunder.
- 11.2 An application shall be made in **Form I** to the Compliance Officer indicating the estimated number of securities that the Designated Employees or their immediate relatives intends to trade 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.

- 11.3 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.
- 11.4 In the event, the clearance in terms of clause 11.3 above has been given, the concerned Designated Employees and/or immediate relatives shall carry out the Dealing in Securities of Sharda within seven trading days after the approval of pre-clearance is given. If the proposed Dealing in Securities of the Company is not completed within seven trading days after approval is given, the concerned Designated Employees and/or immediate relatives must pre-clear the proposed Dealing in Securities again by following the procedure mentioned herein above.
- 11.5 An undertaking (**Form II**) shall be executed In favour of the Company by such Designated Employees incorporating, inter alia, the following clauses, as may be applicable:
- a. That the Designated Employee 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 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.
- 11.6 In case the Designated Employees and/or immediate relatives decides not to execute the trade after securing pre-clearance, he/she shall inform the Compliance Officer of such decision alongwith reasons thereof immediately.
- 11.7 All Designated Employees who buy or sell any number of shares of the company shall not execute a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction.
- 11.8 The Compliance Officer may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate the regulations.
- 11.9 Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the act.



12. Disclosure Requirements.

1. Initial Disclosure

Initial Disclosures to be made by the Designated Employees at the time of effectiveness of this Code as per the below requirements.

By whom	To Whom	What is to be disclosed	When to be disclosed	Form
Promoter Designated Employees	Compliance Officer	Holding of securities of the Company as on the date of this Code taking effect i.e. May 30, 2015	Within 30 days of the Code taking effect i.e. May 30, 2015	Form A
Promoter Designated Employees	Compliance Officer	Holding of securities of the Company as on the date of appointment or becoming Promoter	Within 7 days of such appointment or of becoming Promoter	Form B

2. Continual Disclosure

By whom	To Whom	What is to be disclosed	When to be disclosed	Form
Promoter Designated Employees	Compliance Officer	Number of such shares acquired or disposed	Within 2 trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10 lakhs or such other value as may be specified.	Form C
Company	BSE & NSE	Details of above disclosure	Within 2 trading days of receipt of disclosure or becoming aware of such disclosure	Form C

3. Disclosure by other Connected Persons

Every Connected Persons shall make disclosures of holdings and trading in securities of the Company in **Form D** and at such frequency as may be determined by the Company in order to monitor compliances with these regulations.

- The Compliance Officer shall maintain records of all the disclosures/declarations/undertakings/forms as mentioned in this Code, as received from time to time, for a period of five years.



5. The Compliance Officer shall report to the Board of Directors for the purpose of the Code and in particular, shall provide reports to the Chairman of the Audit Committee and to the Chairman of the Board annually.

13. Penalty for Contravention of the Code

- 13.1 All Designated Employees and Connected Persons shall be individually responsible for complying with the provisions of the Regulations and the Code to the extent applicable.
- 13.2 Any Designated Employees and Connected Persons 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.
- 13.3 The action by Sharda shall not preclude SEBI from taking any action for violation of the Regulations.
- 13.4 In case any violation of the Regulation or the Code is observed, SEBI may be informed of the same by the Company.

This Code and any amendment thereto shall be available on the website of the Company



FORM I

**FORMAT OF APPLICATION FOR SEEKING PRE-CLEARANCE
FOR DEALING IN SECURITIES
(Under Clause 11.2 of the Code)**

Date:

To,
The Compliance Officer,
Sharda Cropchem Limited,
Mumbai

Dear Sir/Madam,

Application for seeking Pre-clearance for dealing in securities of the Company

Pursuant to the SEBI (Prohibition of Insider Trading), Regulations, 2015 and the Company' Code of Conduct for Prevention of Insider Trading, 2015, I seek approval to purchase / sale / subscription of _____ Equity Shares of the Company as per the details given below:

Sr. No.	Particulars	Remarks
1	Name of the applicant	
2	Designation	
3	Department	
4	Employee No.	
5	Number of securities held as on date	
6	Folio No. / DP ID / Client ID No.	
7	The proposal is for	(a) Purchase of securities (b) Subscription of securities (c) Sale of Securities
8	Proposed date of dealing in securities	
9	Estimated number of securities proposed to be acquired/subscribed/sold	
10	Price at which transaction is proposed	
11	Current market price (as on date of application)	
12	Whether the proposed transaction will be through stock exchange or off-market deal	
13	Folio No./DP ID/Client ID No. where the securities will be credited/debited	

I enclose herewith the form of Undertaking signed by me.

Yours faithfully

Signature



FORM II

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH
APPLICATION FOR SEEKING PRE-CLEARANCE**

(Under Clause 11.5 of the Code)

UNDERTAKING

Date:

To,
Sharda Cropchem Limited,
Mumbai

I, _____, _____ of the Company
residing at _____, _____, am desirous of
dealing in _____ * shares of the Company as mentioned in my application dated
_____ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Code) up to the time of signing this Undertaking.

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.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

** Indicate number of shares*

Yours faithfully

Signature



Form A

Initial Disclosure

(Under Clause 12.1 of the Code)

Name of the Company: **Sharda Cropchem Limited**

ISIN of the Company: **INE221J01015**

Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such personas as mentioned in Clause 12.1 of the Code:

Name	PAN No.	CIN/DIN	Address with contact number	Category of Person (Promoters / KMP / Directors / Immediate relatives / others, etc)	No. of Equity Shares held as on May 30, 2015	% of shareholding
1	2	3	4	5	6	7

Signature : _____

Designation : _____

Employee No. : _____

Date : _____

Place : _____



Form B

Initial Disclosure

(Under Clause 12.1 of the Code)

Name of the Company: **Sharda Cropchem Limited**

ISIN of the Company: **INE221J01015**

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such person as mentioned in Clause 12.1 of the Code:

Name	PAN No.	CIN/DIN	Address with contact number	Category of Person (Promoters / KMP / Directors / Immediate relatives / others, etc)	No. of Equity Shares held as on May 30, 2015	% of shareholding
1	2	3	4	5	6	7

Signature : _____

Designation : _____

Employee No. : _____

Date : _____

Place : _____



Form C

Continual Disclosure

(Under Clause 12.2 of the Code)

Name of the Company: **Sharda Cropchem Limited**

ISIN of the Company: **INE221J01015**

Details of change in holding of Securities of Promoter, Employee of Director of a listed company and other such persons as mentioned in Clause 12.2 of the Code.

Name, PAN No., CIN/DIN & address with Contact No.	Category of Person (Promoters /KMP/Directors/Immediate relatives/others, etc	Equity Securities held prior to acquisition/ disposal	Equity Shares acquired/ disposed	% of shareholding pre-transaction	% of shareholding post-transaction	Date of acquisition /disposal	Date of intimation to company	Mode of acquisition (market purchase/ public rights/preferential offer/ off market/ inter-se transfer, etc	Exchange on which the trade was executed
1	2	3	4	5	6	7	8	9	10

Signature : _____

Designation : _____

Employee No. : _____

Date : _____

Place : _____



Form D

Disclosures by Connected Persons

(Under Clause 12.3 of the Code)

Name of the Company: **Sharda Cropchem Limited**

ISIN of the Company: **INE221J01015**

Details of transactions by other connected persons as identified by the Company as mentioned in Clause 12.3 of the Code.

Name, PAN No., CIN/DIN & address with Contact No.	Category of Person (Promoters /KMP/Directors/Immediate relatives/others, etc	Equity Securities held prior to acquisition/disposal	Equity Shares acquired/disposed	% of shareholding pre-transaction	% of shareholding post-transaction	Date of acquisition /disposal	Date of intimation to company	Mode of acquisition (market purchase/public rights/preferential offer/off market/inter-se transfer, etc	Exchange on which the trade was executed
1	2	3	4	5	6	7	8	9	10

Signature : _____

Designation : _____

Date : _____

Place : _____