



**INSTITUTIONAL MECHANISM
FOR PREVENTION OF INSIDER
TRADING
OF
SHARDA CROPCHEM LIMITED**



Preface

- a. The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has adopted the Code of Conduct ("**the Code**"), which lays down the principles and standards that should govern the actions of the Company and its employees. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the directors and the employees in pointing out such violations of the Code cannot be undermined.
- b. Securities and Exchange Board of India (SEBI) has issued notification dated December 31, 2018 which further amended SEBI (Prohibition of Insider Trading) Regulations, 2015 and same is effective from April 1, 2019.
- c. The said amendment requires the Chief Executive Officer, Managing Director and Compliance Officer of the of the Company shall place an adequate and effective system of internal controls to ensure the compliance with requirement of insider trading regulations to prevent insider trading.
- d. Accordingly, this Institutional Mechanism has been formulated with a view to provide a mechanism for inquiry incase of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information in the securities of the Company.

1. Definitions:

The definitions of some of the key terms used in this Policy are given below.

- a. "**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. "**Code**" means the Code of Conduct of M/s. Sharda Cropchem Limited & of its Group.
- c. "**Complainant**" means any person who complaints and/or informs and/or disclose the leak of Unpublished Price Sensitive Information to the Committee.
- d. "**Director**" means every director including a director in the employment of the Company.
- e. "**Employee**" means every employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.
- f. "**Insider**" means any person who is:
 - A Connected Person; Or
 - A person/s who is/are in possession of or having access to Unpublished Price Sensitive information;



- g. **"Investigators"** mean that person authorized, appointed, consulted or approached by the Chairman of the Audit Committee and includes the auditors of the Company.
- h. **"Trading"** means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, and deal in any securities.
- i. **"Unpublished Price Sensitive Information(UPSI)"** means any information relating to a Company or its securities, directly or indirectly, that is not generally available and which upon becoming generally available, is likely to have material impact on the price of the securities and shall, ordinarily includes but not restricted to, information relating to following:
- Financial results;
 - Dividends;
 - Change in capital structure;
 - Mergers, de-merger, acquisitions, delisting, disposals and expansion of business and such other transactions;
 - Changes in Key Managerial Personnel and

2. Applicability:

This mechanism shall be applicable to any person possessing or having access to unpublished price sensitive information of the Company.

3. Formation of Committee:

The existing Audit Committee of the Board of Directors of the Company shall inquire, investigate and report to the Board the case of leak of unpublished price sensitive information by the insider.

4. Procedure:

- a. Disclosures should be reported in writing by the complainant to the Committee as soon as he becomes aware of the leak of UPSI and the complaint should be either typed or written in a legible handwriting in English or in the regional language. Alternatively, the same can also be sent through email to the mail id co.sec@shardaintl.com with the subject "Intimation with respect to leak of UPSI".
- b. The disclosures shall be addressed to the Audit Committee of the Company:

The contact details of the committee are as under:

Chairman of the Audit Committee

Address: C/o. Company Secretary, Sharda Cropchem Limited
Prime Business Park, Dashrathlal Joshi Road,
Vile Parle (West), Mumbai – 400 056

- c. If a disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee for further appropriate action.



- d. For the purpose of providing protection to the Whistle Blower, the Whistle Blower should disclose his/her identity in the covering letter forwarding such Protected Disclosure. No need to mark a copy of the communication to anyone in the Company.
- h. On receipt of the disclosure the committee shall make a record of the Disclosure and also ascertain from the complainant whether he was the person who made the disclosure or not. The committee shall also carry out an initial enquiry by itself or by involving any other officer of the Company. The committee, if deems fit, may call for further information, details or particulars from the complainant.
- i. The committee shall issue a show cause notice to the suspected person to submit his/her justification/reasons for leak of UPSI.
- j. The investigation shall be completed normally within 60 days of the receipt of the disclosure by the committee. If it is not completed within 60 days, the committee shall record the reason in writing for the delay.

5. Decision:

If an investigation leads the Chairman of the Audit Committee to conclude that there was a leakage of UPSI, the Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as the Chairman of the Audit Committee may deem fit.

It is clarified that any disciplinary or corrective action initiated against the person who has leaked the UPSI, as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

6. Internal Control:

Company has put forward adequate and effective system of internal controls to ensure compliance with requirements of amended SEBI Regulations.

The Audit Committee of the Company shall review compliance of the Code at least once in Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.

Internal auditor shall investigate and submit the report to Audit Committee once in a year to post assessing the adequacy and effectiveness of such internal controls.

7. Retention of documents:

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of five (5) years.



8. Amendment:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.