



## **SHYAM METALICS AND ENERGY LIMITED**

**CODE OF CONDUCT FOR REGULATING,  
MONITORING AND REPORTING OF  
TRADING BY INSIDERS**

**Trinity Towers, 7th Floor, 83 Topsia Road, Kolkata - 700 046  
T: +91 33 4016 4080, F: +91 33 4016 4025**

# **CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS**

[Under Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]

**(Effective from 15<sup>th</sup> May 2021)**

## **1. INTRODUCTION**

Shyam Metalics and Energy Limited (hereinafter referred to as “SMEL” or “Company”) has introduced a code of conduct for Prohibition of Insider Trading in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time which was approved by the Board of Directors in their meeting held on 15<sup>th</sup> May, 2021 which will be effective from the date of listing of equity share of the Company with the Stock Exchanges.

## **2. THE POLICY AND OBLIGATIONS**

The Company endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information.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 Designated person has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Designated person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

## **3. OBJECTIVE OF THE CODE**

The objective of the Code is to regulate, monitor and report trading by Designated person and other Connected Persons towards achieving compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code shall also provide for practices and procedures for fair disclosure of unpublished price sensitive information.

## **4. APPLICABILITY**

This Code shall apply to all insider and designated and connected person(s).

## **5. DEFINITIONS**

- 1) “**Act**” means the Securities and Exchange Board of India Act, 1992.
- 2) “**Board**” means the Board of Directors of the Company.
- 3) “**Company**” means Shyam Metalics and Energy Limited (SMEL).

4) "**Compliance Officer**" means the Company Secretary of the Company or any other person, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations, designated by the Board of Directors as Compliance Officer from time to time. For the purpose of this clause 5., "financially literate" person means a person who has the ability to read and understand basic financial statements i.e. balance sheet, statement of profit and loss and statement of cash flows

5) "**Connected Person**" means:

any person who is or has during the six months prior to the concerned act been associated with the company or its' Subsidiary, 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.

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 principal or agent.

7) **“Designated Persons”** shall include

- a) Promoters of the Company;
- b) Directors of the Company;
- c) Key Managerial Personnel (KMP) of the Company;
- d) Employees in the Finance & Accounts, Risk & Internal Audit, Legal, Secretarial, Compliance, Treasury, Investor Relations, Human Resource, Business Excellence, Branding, IT and Team handling the Business & Operations, as may be determined by the Compliance Officer;
- e) Other employees designated by the Compliance Officer from time to time;
- f) Any support staff of the Company such as IT staff or Secretarial staff who have access to Unpublished Price Sensitive Information;
- g) Employees of subsidiaries of the Company designated on the basis of their functional role or access to Unpublished Price Sensitive Information in the organization by their board of directors;
- h) Chief Executive Officer (CEO) and employees upto two level below CEO of the Company and material subsidiary, irrespective of their functional role in the Company or its material subsidiary or ability to have access to unpublished price sensitive information.
- i) Any other Connected Person designated by the Company in consultation with the Compliance Officer based on their function and role; and
- j) Immediate relative of (a.) to (i.) above.

8) **“Director”** means a 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,  
a connected person; or  
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) **“Material Subsidiary”** shall have the same meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirement) Regulation , 2018 or any amendments or modification thereto.

- 15) "**Promoter**" shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 16) "**Promoter Group**" shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof .
- 17) "**Regulations**" shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- 18) "**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;
- 19) "**Stock Exchange**" means the Stock Exchange, where the shares of the Company are listed.
- 20) "**Takeover Regulations**" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 21) "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- 22) "**Trading Day**" means a day on which the recognized stock exchanges are open for trading;
- 23) "**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:
- a) financial results;
  - b) dividends;
  - c) change in capital structure  
mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - d) Changes in key managerial personnel; and
  - e) 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 there under shall have the meanings respectively assigned to them in those legislation.

## **6. ROLE OF COMPLIANCE OFFICER**

- a) He shall maintain a record of Promoter, member of Promoter Group, Designated Persons and any changes made therein.
- b) He may in consultation with the Chairman / Executive Director and shall as directed by the Board, specify the prohibited period from time to time and immediately make an announcement thereof to all concerned.
- 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 'Unpublished Price Sensitive Information', 'pre-clearing of Designated Persons' trades, monitoring of trades and the implementation of this Code under the overall supervision of the Board of Directors of the Company.
- e) He shall maintain records of all the declarations submitted in the appropriate form under this Code for a minimum period of five years.
- f) He shall place before the Board, on a quarterly basis all the details of the dealing in the securities by the Designated Persons with relevant documents that such persons had executed under the pre-dealing procedure as envisaged in this Code. He shall also provide the said details, on a quarterly basis, to the Chairman of the Audit Committee of the Board or to the Chairman of the Board.
- g) He shall from time to time inform the Stock Exchanges of any Unpublished 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.
- i) He shall be responsible for overseeing and co-ordinating disclosure of Unpublished Price Sensitive Information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.
- j) He shall inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 within 7 days of knowledge of any such violation.
- k) He shall review and grant approval of the trading plan in compliance with Regulation 5 of the Regulations for trading in the securities of the Company.
- l) He shall ensure that prohibited period is intimated to all concerned at least 48 hours before the commencement of the said period.

## **7. PROHIBITION ON DEALING, COMMUNICATING OR COUNSELLING ON MATTERS RELATING TO INSIDER TRADING**

No Insider shall –

- (i) either on his own behalf, or on behalf of any other person, trade in securities of the Company when in the possession of any Unpublished Price Sensitive Information; and
- (ii) 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 furtherance of Legitimate Purposes or performance of duties or discharge of legal obligations.

## **8. TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

- A. 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:

[When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.]

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

- (i) the transaction is an off-market inter-se transfer between [insiders] who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision.

Provided that such unpublished price sensitive information was not obtained under sub-regulation (3) of regulation 3 of these regulations.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such unpublished price sensitive information was not obtained by either person under sub-regulation (3) of regulation 3 of these regulations.

- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.

- (iv) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations.

- (v) in the case of non-individual insiders: –

(a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and

(b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was

communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;

(vi) the trades were pursuant to a trading plan set up in accordance with Regulation 5.

[When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the regulation. He traded when in possession of unpublished price sensitive information is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition.

- B. In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons and in other cases, the onus would be on the Board.
- C. The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

## **9. PRESERVATION OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”**

All information shall be handled within the Company 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.

- Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:
  - 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; or
  - not attracting 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.
- However, the Board of Directors shall require the parties 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 limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.



- Insiders including Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. Insiders including Designated Persons 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 of the Company. Following practices should be followed in this regard:

#### **10.NEED-TO-KNOW:**

- a) “*need-to-know*” basis means that Unpublished 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 the information.
- b) All non-public information directly received by any employee should immediately be reported to the head of the department.

#### **11.LIMITED ACCESS TO CONFIDENTIAL INFORMATION.**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc. Files containing confidential information should be deleted/destroyed after its use.

#### **12.CHINESE WALL**

To prevent the misuse of UPSI, the Company shall follow the ‘Chinese Wall’ approach and separate those departments which routinely have access to such information, considered as “inside areas” from other departments, considered as “public areas”. Employees in the inside areas shall not be allowed to communicate any UPSI to anyone in the public areas, except as may be required on a need-to-know basis, performance of duties or discharge of legal obligations or for Legitimate Purpose in accordance with the Code and the Regulations.

#### **13.CODE OF PRACTICE AND PROCEDURE FOR FAIRE DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

Pursuant to regulation (8)(1) of the SEBI the SEBI (Prohibition of Insider Trading) Regulations, 2015the company has formulated a code of practice and procedure for fair disclosure of unpublished price sensitive information (UPSI)

**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:

- a) financial results;
- b) dividends;  
change in capital structure;
- c) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- d) changes in key managerial personnel; and
- e) material events in accordance with the listing agreement

#### **14. POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES"**

In line with clause 2A of Regulation 3 of Regulations and any modification(s) /amendment(s) thereto, Policy for determination of legitimate purposes is as under

- a) "Legitimate purpose" shall mean Sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.
- b) No insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information, relating to securities of the Company or securities proposed to be listed by the Company, to any person including other insiders except where such communication is in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations.
- c) No person shall procure from or cause the communication by any insider of Unpublished Price Sensitive Information, relating to securities of the Company or securities proposed to be listed by the Company, except in furtherance of Legitimate Purposes, performance of duties or discharge of legal obligations .
- d) Any person in receipt of Unpublished Price Sensitive Information pursuant to Legitimate Purpose shall be considered an insider for the purpose of this Code and due notice shall be given to such persons to maintain confidentiality of Unpublished Price Sensitive Information in compliance with the Regulations. Such person is also required to ensure the confidentiality of unpublished price sensitive information shared with him, in compliance with the Regulations.
- e) Unpublished Price Sensitive Information, such as Financial Results, declaration of Dividends, proposal of Corporate Restructuring, diversification, expansion acquisition in the stake of other entities, change in KMP's, etc. shall be handled within the Company on a need-to-know basis, and the same should be disclosed only to those who need such information to discharge their duties or legal obligations by virtue of their respective role and function, whose possession of such information will not give rise to a conflict of interest or appearance of misuse of such information.

- f) A structured digital database shall be maintained containing the nature of unpublished price sensitive information and the name of such person who have shared the information and also the name of such persons with whom the information is shared along with the PAN number or any other identifier authorised by the law in case PAN is not available . The data base shall not be outsourced and maintained internally with adequate internal control and check as time stamping and audit trail to ensure non tampering of the data base. The Board of directors shall ensure that the data base is preserved for a period of not less than eight years after the completion of the transaction and in the event of receipt of any information from the Board regarding any investigation or enforcement proceeding, the relevant information in the structured database shall be preserved till the completion of such proceeding.

## **15.CODE**

The Company,

- a) shall make prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b) shall ensure uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure who shall act as Chief Investor Relation Officer (CIRO).
- c) appoints Compliance Officer to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
- d) shall make prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e) shall give appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
- f) shall ensure that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
- g) shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the website of the Company, to ensure official confirmation and documentation of disclosures made.
- h) shall ensure that all the Unpublished Price Sensitive Information are handled on a need- to-know basis.

## **16.TRADING PLAN**

An insider shall be entitle to formulate a trading plan for dealing in securities of the Company 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.

A. Trading Plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) 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;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence
- (v) 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
- (vi) not entail trading in securities for market abuse.

B. The Compliance Officer shall consider the Trading Plan made as above and shall approve it forthwith. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations. Further, pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Furthermore, trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

C. 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.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information. Further, the Insider shall also not be allowed to deal in securities of the Company, if the date of trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

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

## 17. TRADING WINDOW AND WINDOW CLOSURE

- A. The trading period, i.e. the trading period of the stock exchanges, called “trading window”, is available for trading in the Company’s securities. Designated Persons and their immediate relatives will not be able to deal in Company’s securities if the Trading Window is intimated as being closed by the Company.
- B. The trading window shall be interalia , closed at the time of
- a) not later than end of every quarter till 48 hours after 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 acquisition/ 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 information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect prices of the securities of the Company.
- C. The period of closure of the trading window, except for clause 11.1.(i) shall be effective from the date on which the Company sends intimation to the Stock Exchange advising the date of the Board Meeting, up to 48 hours after the Unpublished Price Sensitive Information is submitted to the Stock Exchange / made public
- D. When the trading window is closed, the Designated Persons shall not trade in the Company’s securities in such period.
- E. All Designated Persons shall conduct all their dealings in the securities of the Company only during free period and shall not deal in any transaction involving the purchase or sale of the Company’s securities during the prohibited period , as referred to in Point No. (ii) above or during any other period as may be specified by the Company from time to time.
- F. In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading is closed.
- G. The Compliance Officer shall intimate the closure of trading window to all the designated employees of the Company when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

- H. The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than forty-eight hours after the information becomes generally available.
- I. In certain circumstances and on case to case basis, as and when deemed fit and appropriate, a longer closure period may be specified by the Compliance Officer to all the concerned persons and the appropriate authority(ies), if any.
- J. The gap between clearance of accounts by audit committee and Board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.
- K. The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.
- L. The trading window restrictions mentioned in sub-clause 16 A (v) shall not apply in respect of:  
transactions specified in clauses (i) to (iv) and (vi) of the proviso to sub-regulation (1) of regulation 4 of the Regulations and in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Board;  
Explanation : In case of any pledge of shares (including by way of top-up) to be created by a designated person in order to meet the requirement under an agreement / pre- existing commitment, the compliance officer shall respond to the pre clearance request within 24 hours.  
transactions which are undertaken in accordance with respective regulations made by the Board such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buyback offer, open offer, delisting offer.

## **18. PRE-CLEARANCE OF TRADES**

- A. All Designated Persons,(including immediate relatives) who intend to deal in the securities of the Company during free period and if the value of the proposed trades is above 50,000 shares or up to Rs. 10 Lakhs (market value) or 1% of total shareholding, whichever is less, should pre-clear the transaction. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he shall not be allowed to trade.

The pre-dealing procedure shall be hereunder:

- i. An application may be made in the prescribed Form (Annexure 1) to the Compliance officer indicating the estimated number of securities that the Designated Persons intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.
- ii. An undertaking (Annexure 2) shall be executed in favour of the Company by such Specified Employee incorporating, inter alia, the following clauses, as may be applicable:
  - That the employee/director/officer does not have any access or has not received “Price Sensitive Information” up to the time of signing the undertaking.
  - That in case the Designated Persons 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.
  - That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - That he/she has made a full and true disclosure in the matter.
- iii. The Compliance Officer shall grant approval on receipt of duly filled application along with the necessary undertaking, documents and other information as required by the Compliance Officer (Annexure 3).
- iv. All Designated Persons shall execute their order in respect of securities of the Company within 7 trading days after the approval of pre-clearance is given. The Designated Persons shall file within 2 (two) trading days of the execution of the deal, the details of such deal with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, a report to that effect shall be filed. (Annexure 4).
- v. If the order is not executed within seven trading days after the approval is given, the designated persons must pre-clear the transaction again.
- vi. All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any 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 the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Provided that this shall not be applicable for trades pursuant to exercise of stock options.

- vii. The Compliance Officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.
- viii. The Compliance Officer may waive off the holding period in case of sale of securities in personal emergency after recording reasons for the same. However, no such sale will be permitted when the Trading window is closed.

## **19. OTHER RESTRICTIONS**

The disclosures to be made by any person under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code. Provided that Trading in Derivatives of securities is permitted by any law for the time being in force.

## **20. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES**

### **A. Initial Disclosure**

Every promoter, member of the promoter group, Key Managerial Personnel, Director of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed Form(Annexure 5).

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of promoter group shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter(Annexure 6).

### **B. Continual Disclosure**

Every promoter, member of the promoter group, Key Managerial Personnel, Director of the Company shall disclose to the Company the number of such securities acquired or disposed of within two 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. Ten Lacs (Annexure 7).

## **21. DISCLOSURE BY THE COMPANY TO THE STOCK EXCHANGE(S)**

Within 2 trading days of the receipt of intimation under Clause 14.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

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

## **22. DISSEMINATION OF PRICE SENSITIVE INFORMATION**

No information shall be passed by Designated Persons by way of making a recommendation for the purchase or sale of securities of the Company.

Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

- The following guidelines shall be followed while dealing with analysts and institutional investors
- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- 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.
- Simultaneous release of information after every such meet.

## **23. CIRCUMSTANCES AND PROCEDURE FOR BRINGING PEOPLE 'INSIDE'**

### **A. Circumstances:**

People may be brought inside in following situations:

- Availing of consultancy from professionals for confidential matters;
- Availing of assistance within the organization from another team/department for any corporate action viz. merger, demerger, restructuring etc., information whereof is not a generally available information;
- In the course of conduct of due diligence under any provision of law;
- Other situations arising not in the ordinary course of business, based on the inputs received from Whole time Director/Chief Executive Officer (CEO) and other Designated Persons handling UPSI from time to time.

B. Procedure:

- An employee of the Company can be brought 'inside' only if he/she is conversant with their obligation to strictly preserve confidentiality and after obtaining approval of the Whole time Director / Chief Executive Officer (CEO). The need for the person to know the UPSI shall also be stated while seeking approval;
- The information about sharing of UPSI shall be promptly informed to the Compliance Officer for updating in the digital database;
- A person other than an employee of the Company can be brought 'inside' only after ensuring that the organization represented by such person has appropriate code in place covering the compliance to be ensured by the fiduciary/ intermediary under the Regulations.
- Confidentiality agreements shall be entered into with the person other than employees of the Company, before sharing of UPSI.
- Once a person is brought 'inside', Permanent Account Number or any other identifier authorized by law, where Permanent Account Number is not available, shall be promptly shared to the Compliance Officer for updating the digital database.
- The Compliance Officer may require the person brought 'inside' including their immediate relatives, to make disclosure of holdings and trading in securities of the Company in Form D prescribed by SEBI, and at such frequency as he /she deems fit, in order to monitor compliance with the Regulations. (Annexure 8).

## **24. MECHANISM FOR PREVENTION OF INSIDER TRADING**

- A. In order to ensure compliance with the requirements given in the Regulations to prevent insider trading, the CEO or the Managing Director shall put in place adequate and effective system of internal controls as may be stipulated in the Regulations including but not limited to:
- i. Identify all employees having access to UPSI as Designated Persons;
  - ii. Identify all the UPSI and maintain its confidentiality;
  - iii. Impose adequate restrictions on communication or procurement of UPSI;
  - iv. Maintain list of all employees with whom UPSI has been shared and execute Confidentiality Agreement and/or serve notice to such persons for maintaining confidentiality of UPSI;
  - v. Undertake periodic process review to evaluate effectiveness of such internal controls; and

- vi. Maintain a structured digital database containing the names of such persons or entities as the case may be with whom UPSI is shared along with PAN or any other identifier authorised bylaw and provide for adequate internal controls and checks such as time stamping and audit-trials to ensure non-tampering of the database.
- vii. Designated Persons shall be required to disclose names and Permanent Account Number (PAN) or any other identifier as per the law to the Company on an annual basis and as and when the information changes for the following persons:
  - Immediate Relatives
  - Persons with whom the designated person shares a material financial relationship
  - Phone and mobile numbers which are used by them.

In addition the above, the Designated Person shall also disclose the names of educational institutions for where they have graduated and name(s) of their past employers (if any) on a one time basis.

- B. The Board shall ensure that the CEO or the Managing Director ensures compliance with Regulation 9(1) of the Regulations;
- C. The Audit Committee of the Board shall review compliance with the provisions of the Regulations at least once in a financial year and shall verify that the systems for internal controls are adequate and are operating effectively.
- D. The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.
- E. Procedures for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information:
  - i. The Company has in place Whistle Blower Policy to enable employees to report instances of leak of UPSI/suspected leak of UPSI;
  - ii. The procedures to be followed for inquiry in case of leak of UPSI or suspected leak of UPSI is detailed hereunder:
    - Any person (“Whistle Blower”) who discovers that there is an instance of leak of UPSI or suspects leak of UPSI can report such instance to the Compliance Officer.
    - It being a matter of utmost importance, the Whistle Blower is advised to mention the subject line “LEAK OF UPSI” in all his email/written communications,

- Upon receipt of any reporting, the Compliance Officer shall forward a copy in confidence to the Chairman of the Audit Committee.
  - If the instance of leak of UPSI is found genuine, the Chairman of the Audit Committee (in consultation with the Compliance Officer) shall conduct appropriate inquiry in the matter and intimate its outcome to the Board and the Audit Committee at their next meeting,
  - Based on the recommendations of the Board, the Company shall take further action in the matter and inform SEBI of such leaks, inquiries and results of such inquiries, and
  - If it is established that the allegation was made by the Whistle Blower with mala fide intentions or was frivolous in nature, the Whistle Blower shall be subject to disciplinary action.
- F. The Company suo moto reserves the right of initiating an inquiry under this Policy against any Insider or Designated Person, if it has reasons to believe that such person has leaked UPSI or suspected to leak UPSI.
- G. The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than 48 (forty-eight) hours after the information becomes generally available.

## **25. RECORDS AND DISCLOSURES RECEIVED BY THE COMPANY**

The Compliance Officer shall maintain records of all the declarations in the appropriate Form given by the Designated Persons for a minimum period of five years.

The Compliance Officer shall place before the Board of Directors, on a quarterly basis all the details of the dealing in the securities by the Designated Persons of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this Code.

## **26. PENALTY FOR CONTRAVENTION OF THE CODE OF CONDUCT**

Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalised and appropriate action may be taken by the Company.

Designated Person who violates the Code shall also be subject to disciplinary action which may include wage freeze, suspension, recovery, clawback etc.,that may be imposed by the Company.

The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **ANNEXURE 1**

### **SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL**

Date:

To,  
The Compliance Officer,  
ShyamMetalics and Energy Limited,  
Kolkata

Dear Sir/Madam,

#### **Application for Pre-dealing approval in securities of the Company**

Pursuant to the SEBI (prohibition of Insider Trading) Regulations, 2015 and the Company's Code of

Conduct for Prevention of Insider Trading, I seek approval to purchase / sale / subscription of \_\_\_\_\_ equity shares of the Company as per details given below:

1. Name of the applicant
2. Designation
  
3. DIN/Employee Code/Reg No
4. PAN
5. ADDRESS
6. Number of securities held as on date
  
7. Folio No. / DP ID / Client ID No.)
  
8. The proposal is for
  - (a) Purchase of securities
  - (b) Subscription to securities
  - (c) Sale of securities
9. Proposed date of dealing in securities
  
10. Estimated number of securities proposed to be acquired/subscribed/sold

11. Price at which the transaction is proposed
13. Current market price (as on date of application)
14. Whether the proposed transaction will be through stock exchange or off-market deal
15. 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 of Employee)

## ANNEXURE 2

### FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

#### UNDERTAKING

From

Name:- Designation:-

DIN/ Employees Code:- PAN:-

Address:-

To,

The Compliance Officer

ShyamMetalics and Energy Limited,

Kolkata

I, \_\_\_\_\_ , \_\_\_\_\_ of the  
Company \_\_\_\_\_ residing \_\_\_\_\_ at

\_\_\_\_\_ an  
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 Company's Code of Conduct for prevention of Insider Trading (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.
- I undertake to submit the necessary report within four days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.
- 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.

Date :

Signature : \_\_\_\_\_

\* Indicate number of shares



### **ANNEXURE 3**

#### **FORMAT FOR PRE- CLEARANCE ORDER**

To,

Name : \_\_\_\_\_

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

Place : \_\_\_\_\_

This is to inform you that your request for dealing in \_\_\_\_\_ (nos) shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ (date) that is within 7 days from today.

In case you do not execute the approved transaction /deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Yours faithfully,

FOR SHYAM METALICS AND ENERGY LIMITED

COMPLIANCE OFFICER

Date :

Encl: Format for submission of details of transaction

## ANNEXURE 4

### FORMAT FOR DISCLOSURE OF TRANSACTIONS

(To be submitted within 2 days of transaction / dealing in securities of the Company)

To,  
The Compliance Officer,  
ShyamMetalicsand Energy Limited,  
Kolkata

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_ (date)

Name of holder ID / Folio No	No. of securities dealt with Price (Rs.)	Bought/sold/subscribed	DP ID/Client
---------------------------------	---	------------------------	--------------

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 years and produce to the Compliance officer / SEBI any of the following documents:

1. Broker's contract note.
2. Proof of payment to/from brokers.
3. Extract of bank passbook/statement (to be submitted in case of demat transactions).
4. Copy of Delivery instruction slip (applicable in case of sale transaction).

I agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. (applicable in case of purchase / subscription).

I declare that the above information is correct and that no provisions of the Company's Code and/or applicable laws/regulations have been contravened for effecting the above said transactions(s).

Signature:

Designation:

Date:

Place:

---