

**SHYAM CENTURY FERROUS LIMITED**

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

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**CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED  
PRICE SENSITIVE INFORMATION**

**1. Definitions:**

1.1 “**Act**” means the Securities and Exchange Board of India Act, 1992.

1.2 “**Board**” means the Securities and Exchange Board of India

1.3 “**Code**” or “**Code of Conduct**” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Shyam Century Ferrous Limited as amended from time to time.

1.4 “**Company**” means Shyam Century Ferrous Limited.

1.5 “**Compliance Officer**” means any senior officer, designated so and reporting to the board of directors or head of the organization 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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 listed company or the head of an organization, as the case may be.

1.6 “**Connected Person**” means:

(i) any person who is or has during the six months prior to the concerned act been associated with a 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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

## SHYAM CENTURY FERROUS LTD

- 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.

1.7 "**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.

1.8 **Designated Person(s)** shall include :

- (i) every employee in the grade of M3 and above;
- (ii) every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer; and
- (iii) any other employee as may be determined and informed by the Compliance Officer from time to time.

1.9 "**Director**" means a member of the Board of Directors of the Company.

1.10 "**Free Period**" means any Period other than the Prohibited Period.

1.11 "**Generally available Information**" means information that is accessible to the public on a non- discriminatory basis.

1.12 "**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.

1.13 "**Insider**" means any person who,

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information.

1.14 "**Insider Trading**" means—

- (i) an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or
- (ii) an act of counseling about procuring or communicating directly or indirectly any non public price-sensitive information to any person;

1.15 "**Key Managerial Person**" means person as defined in Section 2(51) of the Companies Act, 2013.

1.16 "**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.

1.17 **"Prohibited Period"** means;

1. Period as defined in clause 6.1 of this code

2. Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman & Managing Director

1.18 **"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;

1.19 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

1.20 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

1.21 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;

1.22 **"Unpublished Price Sensitive Information"** means: 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) dividends;

ii) change in capital structure;

iii) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;

iv) financial results;

v) changes in key managerial personnel; and

vi) material events in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.23 **"Regulations"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

***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.***

## **2. Role of Compliance Officer**

2.1 The Compliance Officer shall report on insider trading to the Board of Directors of the Company 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.

2.2 He shall maintain a record of Designated Persons and any changes made to the list of Designated Persons.

2.3 He may in consultation with the Chairman & Managing Director and shall as directed by

the Board, specify Prohibited Period from time to time and immediately make an announcement thereof.

2.4 He shall maintain a record of Prohibited Period specified from time to time.

2.5 He shall maintain records of all the declarations submitted in the appropriate form given by the Directors and Designated Persons for a minimum period of three years. The declarations may be taken and preserved in either physical form or electronic form.

2.6 He shall place before the Chairman / Managing Director, at regular intervals, all the details of the dealing in the securities by Directors and Designated Persons of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.

2.7 He shall assist all the Designated Persons/directors in addressing any clarifications regarding SEBI (Prohibition of Insider Trading) Regulation, 2015 and the Company's code of conduct.

2.8 He shall be responsible for overseeing and co-ordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the Chairman/ Managing Director.

2.9 He shall ensure that prohibited period is intimated to all concerned at least 48 hours before the commencement of the said period.

2.10 If the Company /Compliance Officer observe that there has been a violation of the Regulations, SEBI must be informed by the Compliance Officer.

### **3. Preservation of "Unpublished Price Sensitive Information"**

Directors and Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information. Designated Persons/directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities. Following practices should be followed in this regard

#### **3.1 Need to Know**

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information for legitimate purposes, performance of duties or discharge of his legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

#### **3.2 Limited access to confidential information**

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

**4. Prohibition on dealing, communicating or counseling on matters relating to Insider Trading:**

No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the company or its securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or its securities, except in furtherance of legitimate purposes, performance of duties or discharge of 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.

**5. Trading Plan**

An insider shall be entitled 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.

**5.1 Trading Plans 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.

5.2 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.

5.3 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.

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

## **6. Trading Window and Window Closure**

6.1 (i) The period prior to declaration of unpublished price sensitive information is particularly sensitive for transaction in the Company's securities. This sensitivity is due to the fact that the Directors and Designated Persons will, during that period, often possess unpublished price sensitive information.

The Directors and Designated Persons and their immediate relatives of the Company shall not trade in the company's securities when the trading window is closed. The period during which the trading window is closed shall be termed as Prohibited Period. The intimation of closure shall be made through email and/ or through the website of the Company.

(ii) In respect of declaration of financial results, the Trading Window shall be closed at least 7 days prior to the date of Board Meeting wherein the quarterly or annual standalone / consolidated financial results, as the case may be, are declared.

The closure of Trading Window for purposes other than declaration of financial results and for which a specific notice/intimation is required to be given to stock exchange shall commence from the date on which intimation of the date of Board meeting for consideration of any such Price Sensitive Information is given to Stock Exchange.

However, if the circumstances so warrant, the time for closing the Trading Window may be increased or decreased by the Compliance Officer with the approval of Chairman /Managing Director.

(iii) When the trading window is closed, the Designated Persons shall not trade in the Company's securities in such period.

(iv) All Designated Persons shall conduct all their dealings in the securities of the Company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when the trading window is closed or during any other period as may be specified by the Company from time to time.

(v) 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.

6.2 The Compliance Officer shall intimate the closure of trading window to all the designated persons 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.

6.3 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.

6.4 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.

## **7. Pre-clearance of trades**

7.1 All Designated Persons, who intend to deal in the securities of the Company when the trading window is opened 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 shall be executed in favour of the Company by such Designated Persons incorporating, inter alia, the following clauses, as may be applicable:

(a) 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.

(b) 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.

(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.

(iii) All Designated Persons and their immediate relative shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Designated Persons shall file within 2 (two) 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.

(iv) If the order is not executed within seven days after the approval is given, the employee/director must pre-clear the transaction again.

#### **8. Minimum Period for holding of Securities**

i. All Directors /Designated Persons and their immediate relatives 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 Directors /Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time.

ii. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.

iii. If a contra trade is 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.

iv. In the case of subscription under ESOP Scheme(s) of the Company, the above mentioned entities shall hold their investments for a minimum period of 30 days. The holding period would commence when the securities are actually allotted. However, in case the sale of securities is necessitated by personal emergency, the holding period may be waived by Compliance Officer after recording in writing reasons in this regard. The application for this approval should be made to the Compliance Officer in Annexure 1.

The aforesaid restrictions on entering into opposite transaction shall not apply to acquisition of securities in the primary market or pursuant to exercise of options vested under any ESOP Scheme(s) of the Company.

#### **9. Other Restrictions**

a) 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.

b) 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.

c) The disclosures made under this Code shall be maintained for a period of five years.

## **10. Reporting Requirements for transactions in securities**

### **Initial Disclosure**

10.1. Every promoter/ Key Managerial Personnel / Director / Officers / Designated Employees 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 3)**.

10.2. Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter 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 in the prescribed **Form (Annexure 3)**.

### **Continual Disclosure**

10.3. Every promoter, employee and 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 lakhs.

The disclosure shall be made within 2 working days of:

- A) the receipt of intimation of allotment of shares, or
- B) the acquisition or sale of shares or voting rights, as the case may be.

## **11. Disclosure by the Company to the Stock Exchange(s)**

11.1. Within 2 days of the receipt of intimation under Clause 10.3, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

11.2. 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.

## **12. Penalty for breach of code of conduct**

a) The Designated Persons who violate the code of conduct shall be subject to disciplinary action by the Company that may include wage freeze, suspension etc. and shall be ineligible for future participation in Employees Stock Option Plan (ESOP).

b) The persons required to formulate a code of conduct under sub-regulation (1) and sub regulation (2) of regulation 9, that there has been a violation of these regulations, they shall inform the Board promptly.

c) The action by the Company shall not preclude SEBI or other Regulatory authorities from taking any action against those who are found guilty of Insider trading.

d) If any person enters into Insider Trading, he shall be punishable with imprisonment for a term which may extend to five years or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher, or with both.

**13. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015**

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI must be informed by the Company.

**THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO AVOID INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF EACH DESIGNATED PERSON TO ENSURE COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES FULLY.**

**14. Code of Fair Disclosure**

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

1. 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.
2. Uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
3. Designation of a senior officer as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. Prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not unpublished price sensitive information.
7. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Handling of all unpublished price sensitive information on a need-to-know basis.

**SPECIMEN APPLICATION FOR PRE-CLEARANCE APPROVAL OF SHARES**

Date:

To,  
**The Compliance Officer**  
**Shyam Century Ferrous Ltd**  
**Satyam Towers**  
**3, Alipore Road, Kolkata- 700 027**

Dear Sir/Madam,

**Application for Pre-Clearance 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	Number of securities held as on date	
4	Folio No. / DP ID / Client ID No.	
5	The proposal is for	(a) Purchase of securities (b) Subscription to securities (c) Sale of securities
6	Estimated number of securities proposed to be acquired/subscribed/sold	
7	Price at which the transaction is proposed	
8	Current market price (as on date of application)	
9	Whether the proposed transaction will be through stock exchange or off-market deal	
10	Proposed date of dealing in securities	

I further declare that I am not in possession of or otherwise privy to any unpublished price sensitive information upto the time of signing of this declaration. In case I have access to or received any Price Sensitive Information after signing of this declaration and before executing transaction, I shall inform the same to the Compliance Officer and refrain from dealing in the securities. I have not contravened the prevailing Code of Conduct to Regulate, Monitor and Report Trading by Insiders. I further declare that I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

The above declarations are true to my belief and knowledge.

Signature:

Name:

# SHYAM CENTURY FERROUS LTD

Date:

ANNEXURE-2

## SPECIMEN FOR ANNUAL DISCLOSURE OF SHAREHOLDING

To

**The Compliance Officer  
Shyam Century Ferrous Ltd  
Satyam Towers  
3, Alipore Road, Kolkata- 700 027**

Dear Sir/Madam,

**Subject: Annual Disclosure of shareholding**

In terms of requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for prevention of Insider Trading, following are the details of shares held by me and my immediate relatives as on 31st March.....

Name	Relationship	No. of shares held in the Company as on 31st March, _____	Other details such as Folio/DP ID/Client ID
	Self		
Immediate Relatives:			
1.			
2.			
3.			

I/we hereby declare that the above disclosure is true and correct and is in accordance with the previous disclosures given to the Company.

Signature:

Name:

Designation:

Department:

Date:

**SPECIMEN FOR INITIAL DISCLOSURES BY THE DIRECTOR/DESIGNATED EMPLOYEE ETC AT THE TIME OF JOINING IN THE COMPANY**

To  
**The Compliance Officer**  
**Shyam Century Ferrous Ltd**  
**Satyam Towers**  
**3, Alipore Road, Kolkata- 700 027**

Dear Sir/Madam,

**Subject: Initial Disclosure of shareholding**

Following are the details of shares held by me and/ or my dependent family members as on .....

Name	Relationship	No. of shares held in the Company as on 31st March, _____	Other details such as Folio/DP ID/Client ID
	Self		
Immediate Relatives:			
1.			
2.			
3.			

I/we hereby declare that the above disclosure is true and correct and is in accordance with the previous disclosures given to the Company.

Signature:  
Name:  
Designation:  
Department:  
Date: