

## **SYSCHEM (INDIA)LIMITED**

### **Code of Conduct to regulate, monitor and report trading by its Employees and other connected persons**

*(As envisaged under SEBI (Prohibition of Insider Trading) Regulations, 2015)*

#### **INTRODUCTION**

Regulation 9(1) of the newly introduced SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "Regulations") requires a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Accordingly, in supersession of the existing SYSCHEM Code of Internal Procedures and Conduct for Prevention of Insider Trading, a Code of Conduct to Regulate, Monitor and Report Trading by Employees and other connected persons (the "Code") for SYSCHEM (INDIA) LIMITED (the "Company") is hereby framed as under -

#### **DEFINITIONS**

The following terms used herein shall have the meaning specified:

- i. **Act** – shall mean the Securities and Exchange Board of India Act, 1992.
- ii. **Compliance Officer** – shall mean the Company Secretary, for the time being, of the Company and where there is no company secretary, any director of the company.
- iii. **Trading** - means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- iv. **Connected Person** – shall mean 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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

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 as specified above; 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 a company or his immediate relative or banker of the company, has more than 10% of the holding or interest;
- v. **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;
- vi. **Insider** – shall mean any person who is :
- a) a connected person; or
  - b) in possession of or having access to unpublished price sensitive information;
- vii. **Designated Persons** – shall mean and include
- a) All Directors of the Company whether whole time or not;
  - b) All Key Managerial Persons of the Company;
  - c) All Employees in the grade of General Manager and above;
  - d) Personal Secretary to Whole-time Director;
  - e) All Employees in the grade of Manager and above in Finance Department;
  - f) Any Person who has been identified as having price sensitive information, from time to time.
- viii. **Employee** – shall mean Permanent Employee of the Company (whether or not on probation)
- ix. **Trading Day** - means a day on which the recognized stock exchanges are open for trading;

- x. **Unpublished Price sensitive Information** – shall mean any information, relating to the 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;
  - d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
  - e) changes in Key Managerial Personnel; and
  - f) material events in accordance with the listing agreement with Stock Exchanges where the Company’s shares are listed.
- xi. **Securities** – shall mean the equity shares of the Company.

Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **CODE:**

### **1. Applicability**

Employees and connected persons designated on the basis of their functional role in the organization shall be governed by this code.

### **2. Reporting**

The Compliance Officer shall report to the Board of Directors (“Board”) and in particular, shall provide reports to the Chairman of the Audit Committee, on a quarterly basis or at such frequency as may be stipulated by the Board from time to time.

### **3. Information on a need to know basis & Chinese Wall procedures**

3.1 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/her legal obligations.

3.2 Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

#### **4. Communication or procurement of unpublished price sensitive information**

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

#### **5. Trading Window**

5.1 The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. In any case, trading window would be closed at least **seven days** prior to the date of Board Meeting where any price sensitive is to be considered.

5.2 The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than **forty-eight hours** after the information becomes generally available.

5.3 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.

5.4 The timing of closure and re-opening of Trading Window will be sent to the Stock Exchanges, where the securities / shares of the Company are listed, and will also be disclosed on the website of the Company.

#### **6. Trading by Designated Persons**

6.1 Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.

6.2 When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) or aggregate thereof is above a minimum threshold limit of Rs. 5,00,000/- (Rupees Ten Lakh) in value over any calendar quarter.

6.3 Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any unpublished price sensitive information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.

6.4 The trades that have been pre-cleared have to be executed by the designated person within seven trading days failing which fresh pre-clearance would be needed for the trades to be executed.

6.5 A designated person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such 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 SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

6.6 No designated person shall 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.

6.7 In any case, no Designated Person shall trade in securities of the Company when in possession of unpublished price sensitive information even if the Trading Window is not closed.

## **7. Trading Plan**

7.1 Designated Person 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.

7.2 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.

7.3 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.

7.4 The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

7.5 However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Designated Person 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 Designated Person 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.

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

## **8. Disclosure Requirements**

### Initial Disclosures of holdings

8.1 Every promoter, Key Managerial Personnel and Director of the Company shall disclose (as per Form A) his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;

8.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose (as per Form A) his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven (7) days of such appointment or becoming a promoter.

### Continual Disclosures of trades

8.3 Every promoter, employee and director of the Company shall disclose to the Company (as per Form B) the number of such securities acquired or disposed of within two (2) trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs.10,00,000/- (Rupees Ten lakh) or such other value as may be specified;

8.4 The Company shall within a period of two (2) working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

## Other formats / disclosures

8.5 Application-cum-undertaking for pre-clearance (as per Form C)

8.6 Reporting of holdings in securities by Designated Persons as on 31<sup>st</sup> March, on an annual basis by 15<sup>th</sup> April (as per Form A)

8.7 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.

8.8 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.

8.9 The disclosures made under this Code shall be maintained for a period of five years by the Company.

## **9 Penalty for contravention of Code of Conduct**

Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Board of Directors / Chairman of the Board in consultation with the Compliance Officer.

## **10 Reporting to SEBI**

In case it is observed by the Board of Directors / Compliance Officer that there has been a violation of these Regulations, they shall inform SEBI promptly.

This Code has been adopted by the Board of Directors of SYSCHEM (INDIA)LIMITED in its meeting held on 15<sup>th</sup> April, 2015 and shall be deemed to have come in to force from 15<sup>th</sup> May, 2015. Subsequent modification(s) / amendment (s) to SEBI (Prevention of Insider Trading) Regulations, 2015 shall automatically apply to this Code. Further, the Company reserves its right to amend or modify the Code in whole or in part, at any time, when it deems appropriate.

**Form A**

The Compliance Officer,  
SYSCHEM (INDIA)Limited,  
Chandigarh.

**Sub: Intimation of shareholding of the Company.**

In accordance with the SYSCHEM Code of Conduct to regulate, monitor and report trading by its Employees and other connected persons, following are the details of shares held by me and my dependent family members as on \_\_\_\_\_:

Regd.Folio No./ DP & Client ID	No. of Shares Held	Held by (Name)	Self/Relationship with Employee

You are requested to kindly take note of the same.

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

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

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

Department : \_\_\_\_\_

Employee No. : \_\_\_\_\_



## Form B

The Compliance Officer  
SYSCHEM (INDIA)Limited  
Chandigarh

Dear Sir,

### **Sub: Disclosure of dealing in Securities of the Company**

In accordance with the SYSCHEM Code of Conduct to regulate, monitor and report trading by its Employees and other connected persons, I hereby wish to inform you that I / my spouse / my dependent child(ren) / dependent parent(s) (single / jointly) have purchased / sold \_\_\_\_\_ shares of the Company as per details given below:

#### Number of Shares Transacted

Name	Relationship	DP ID/ Regd Folio No.	Client ID	No. of shares held before the transa ction	Purcha se (No. of Shares & Value)	Sale (No. of Shares & Value)	Others (specify)	Date	Appro val No. (if applic able)	Balance holding on

You are requested to kindly take note of the same.

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

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

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

Department : \_\_\_\_\_

Employee No. : \_\_\_\_\_

## Form C

The Compliance Officer  
SYSCHEM (INDIA)Limited  
Chandigarh

Dear Sir,

### Sub: Undertaking

I, \_\_\_\_\_ (name), am desirous of dealing in \_\_\_\_\_ shares of the Company as mentioned in my application dated \_\_\_\_\_ for prior approval of the transaction.

In accordance with the SYSCHEM Code of Conduct to regulate, monitor and report trading by its Employees and other connected persons, I hereby confirm that:

- I have no access to nor do I have any information that could be construed as price sensitive information upto 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 after 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 shares of the Company till such information becomes public.
- I have not contravened the code of conduct as notified by the Company from time to time.
- I have made full and true disclosure in the matter.

I further confirm that in case the permission is granted, the said shares would be sold / purchased within 7 trading days of the date of receipt of permission and the details of sale / purchase will be intimated to the Company within 15 days from the date of deal.

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

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

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

Department : \_\_\_\_\_

Employee No. : \_\_\_\_\_