



**S. E. POWER LIMITED**  
Reg. Off.: Survey No. 54/B, Pratapnagar  
Jarod-Savli Road, Samlaya Vadodara-391520  
CIN: L40106GJ2010PLC091880

## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**



## **SEPL's CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

{In terms of chapter IV of SEBI (Prohibition of Insider Trading) Regulations, 2015}

### **Introduction**

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated and issued SEBI (Prohibition of Insider Trading) Regulations, 1992, and these regulations have been amended from time to time. Further on January 15, 2015 SEBI vide its notification has substituted such SEBI (Prohibition of Insider Trading) Regulations, 1992 by new regulation namely SEBI (Prohibition of Insider Trading) Regulations, 2015, to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof. The objective of these regulations is to prevent persons who have access to unpublished price sensitive information relating to a Company to misuse such information and /or profit from such information.

For this purpose, the Company endeavours to preserve the confidentiality of un-published 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 director, officer and designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his/her work at the Company. No director, officer and designated employee of the Company may use his/her position or knowledge of the Company to gain personal benefit or to provide benefit to third party.

SEBI (Prohibition of Insider Trading) Regulations, 2015 requires that on the basis of model codes, every listed Company shall formulate code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by its employee and other connected persons towards achieving compliance with these regulations. In compliance of such provisions of regulations and to prevent insider trading, S.E. Power Limited notified and amended that this code of conduct for prevention of insider trading, to be followed by all the Directors, Officers and Designated Employee.

### **PART-A**

#### **Applicability**

This Code shall apply to all Directors/General Managers/ Concerned persons, and other designated employees of the company.

#### **Definitions**

“**Act**” means the Companies Act, 2013, as amended from time to time.

“**Board**” or “**Board of Directors**” means Board of Directors of S.E. Power Limited.

“**Compliance Officer**” means any senior officer, designated so and reporting to the Board of Directors of the Company, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.

**"Connected Person"** means,-

- (i) any person who is or has during the six months prior to the concerned act been associated with the company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -
  - (a) an immediate relative of connected persons specified in clause (i); or
  - (b) a holding company or associate company or subsidiary company; or
  - (c) an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, 1992 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 SEBI; 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.

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

**"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.

**"Insider"** means any person who is:

- i) a connected person; or

ii) in possession of or having access to unpublished price sensitive information.

**“Insider Trading”** means dealing in securities of a Company by insiders based on, or when in possession of, unpublished price sensitive information.

**“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.

**“Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

**“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.

**“Specified”** means specified by the Securities and Exchange Board of India in writing.

**“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.

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

**“Trading Day”** means a day on which the recognized stock exchanges are open for trading.

**“Unpublished Price Sensitive Information”** means 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: –

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel; and
- (vi) material events in accordance with the listing agreement.
- (iv) any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.

**“Dependent Family Members”** means the spouse, dependent parents and dependent children of the Company and Designated Employee.

**“Designated Employee”** shall include:

- i) Executive Director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Marketing Officer or any such other equivalent position;
- ii) President, Vice President or any other such equivalent position;
- iii) General Manager/ Deputy General Manager/Assistant General Manager /Divisional Manager or any such equivalent position;
- iv) Officer in finance & account department and secretarial department;
- v) Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

**“Free Period”** means any Period other than the Prohibited Period.

**“Unpublished Information”** means information which is not published by the company or its agents and is not specific in nature.

Words and expressions not defined here shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depository Act, 1996 or Companies Act, 2013 and rules and regulations made thereunder.

## **PART-B**

### ➤ **Compliance Officer**

The Company Secretary or any other Officer of the Company so appointed by Board of Directors to act as Compliance Officer, who shall report to the Board of Directors of the Company and in particular shall provide reports to the Chairman of the Audit Committee or to the Chairman of the Board of Directors at such frequency as may stipulated by the Board of Directors from time to time.

The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, Pre clearing of all directors'/ employees'/ officers' trades, addressing any clarifications/ difficulties regarding the Code and the implementation of the Code, under the overall supervision of the Board of Directors of the Company.

- i. Compliance Officer shall maintain a record of the designated employees/connect persons and any change made in the list of designated employees/connected persons.
- ii. He may in consultation with the Managing Director / Board of Directors and shall as directed by the Board, specify prohibited period from time to time and immediately make an announcement thereof to all concerned.
- iii. He shall maintain a record of prohibited period specified from time to time.
- iv. He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.

- v. He shall intimate to all Stock Exchanges on which the securities of the Company are listed the relevant information received and which is required to intimate to Stock Exchanges.
- vi. To perform his duties, Compliance Officer shall have access to all information and documents relating to Securities of the Company.

➤ **Preservation of "Price Sensitive Information"**

All the directors, officers, designated employees and other insiders shall maintain the confidentiality of all unpublished price sensitive information in their possession. Insiders shall not advise, communicate, counsel, inform or pass on such information to any person, directly or indirectly, other than communication required to be made in the ordinary course of business or under any law.

Unpublished price sensitive information may be communicated, provided, allowed access to or procured in connection with a transaction:

- i. that would entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company;
- ii. that would not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the proposed transaction is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.

However, for this purposes, 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 as mentioned above, and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information

Unpublished Price Sensitive Information shall be handled on a "need to know" basis. It should be disclosed only to those who need the information to discharge their duty and/ or functions. All non-public information directly received by any employee should immediately be reported to the head of the department.

➤ **Limited Access to Unpublished Price Sensitive**

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

➤ **Prevention of Misuse of Unpublished Price Sensitive**

No Insider shall:

- i. either on his own behalf, or on behalf of any other person, deals in securities of the Company when in the possession of any unpublished price sensitive information; or

- ii. communicates, counsel or procures, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

➤ **Trading Plans**

An insider shall be entitled to formulate a trading plan and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

Such 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.

The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

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 any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Upon approval of the trading plan, the Compliance Officer shall notify the plan to the Stock Exchanges on which the securities of the Company are listed.

➤ **Trading Restrictions**

All directors, officers and designated employees of the Company shall be subject to trading restrictions as enumerated below:-



### **Trading Window**

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the directors, officers and designated employees will, during that period, often possess unpublished price sensitive information.

During such sensitive times, the directors, officers and designated employees will have to forego the opportunity of trading in the Company's securities. The directors, officers, designated employees of the Company and their relatives shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

#### **The trading window shall be, inter alias, closed at the time of:**

- i. declaration of Financial results (quarterly, half-yearly and annual);
- ii. declaration of dividends (interim and final);
- iii. change in capital structure of the Company;
- iv. merger, demerger, acquisitions, delisting, disposals and expansions of business and such other transactions;
- v. disposal of whole or substantially whole of the undertaking;
- vi. any changes in policies, plans or operations of the Company disruption of operations due to natural calamities;
- vii. any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company; and
- viii. any other material events in accordance with listing agreement/regulations.

In respect of declaration of financial results, the period of closure of trading window shall be effective from the date on which the Company sends intimation to Stock Exchange advising the date of the Board Meeting, up to 48 hours after the Price sensitive information is submitted to the Stock Exchange.

In regards of any other matters, trading window shall, inter alia, remain closed for the period start from 7 days prior to publication/ become generally available of the price sensitive information and end on 48 (forty-eight) hours, or such other extended period as may be decided by Compliance Officer, from time to time after the such information becomes generally available/published.

The Compliance Officer shall intimate the closure of trading window to all the designated employee 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. Designated persons and their immediate relative shall not trade in securities when the trading window is closed.

All the insiders shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.



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 window is closed.

The provisions of 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.

➤ **Pre-Clearance of Trades**

During the free period when the trading window is open, trading/ dealing by all the designated person shall be subject to pre-clearance by the Compliance Officer, if the value of proposed trades is more than Rs. 10 lacs. 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 is the trading window is not closed.

The pre-clearance procedure shall be as mentioned under:

- a designated person shall make a pre-clearance application to the Compliance Officer in the prescribed form I.
- along with undertaking stating that he/she has not contravened the provisions of this code.
- if any designated person, obtained any price sensitive information after executing the undertaking but prior to deal in securities of the Company, he/she shall inform the Compliance Officer and refrain from dealing in securities of the Company.
- all the designated persons, shall execute their transaction within 7 days of pre-clearance of trade. If the transaction is not executed within 7 days of such pre-clearance, fresh approval of the Compliance Officer is required.

All designated persons shall conduct their dealings in the securities of the Company only in the “Valid Trading Window” period and shall not enter into “Contra Trade” i.e. opposite or reverse transactions, in the securities of the Company during the next six months following the prior transaction. The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate SEBI Regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act. When the trading window is closed, the Designated Persons shall not trade in the Company’s securities in such period.

In case of contra trade in the securities of the Company is necessitated by person in emergency period restriction may be relaxed by the Compliance Officer after recording in writing the reasons in this regard. The application for relaxation from minimum period restriction for contra trade of company’s securities shall be made by the employee in Form II annexed to this Code.

In the case of subscription in the primary market (initial public offers), 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.

## PART-C

### ➤ **Disclosure Requirement for Transaction in Securities**

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

#### **Disclosure by certain persons:**

##### **1. Initial Disclosure**

- i. Every promoter, key managerial personnel and director of the Company shall disclose his holding of securities of the Company as on the date of SEBI (Prohibition of Insider Trading) Regulations, 2015 taking effect, to the Company within thirty days of such regulations taking effect;
- ii. 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.

##### **2. Continual Disclosures**

- i. 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 ten lakh rupees or such other value as may be specified;
- ii. The Company shall notify the particulars of such trading to the Stock Exchange on which the securities of the Company are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Further, it is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure as above, shall be made when the transactions effected after the prior disclosure cross the threshold limit as specified above.

##### **2. General Provisions**

- i. The Compliance officer shall maintain records of all the declarations in the appropriate form given by designated persons covered under this code for a minimum period of five years.
- ii. The Compliance officer shall place before the CEO/Board of Directors, on a monthly basis all the details of the dealing in the securities by the designated persons covered under this code and the accompanying documents that such persons had executed under the pre - dealing procedure as envisaged in this code.
- iii. 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 relatives.



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- iv. Any designated person who trades in the 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.
- v. The action by the Company shall not preclude SEBI and other authorities from taking any action in case of violation of SEBI (prohibition of Insider Trading) Regulations, 2015.
- vi. If the provision of this code is contrary to the provision of SEBI regulations, Companies Act, 2013, Securities Contract (Regulation) Act, 1956 or any other statutes then the provisions of said SEBI regulations, Companies Act or other Statutes will prevail.



**FORMAT OF APPLICATION FOR PRE-CLEARANCE OF TRADES IN COMPANY'S  
SECURITIES  
FORM-I**

To,  
**The Compliance Officer**  
**S.E. Power Limited**  
Address.....

**Sub.:** Application for trading in the securities of the Company

I, .....Director/Employee of the Company, propose to trade in the equity shares of the Company as per details mentioned hereunder:

- i. Relationship with director/employee :  
(In case of relative)
- ii. Date of last disclosure :
- iii. DP and Client ID :
- iv. Particular of proposed transactions in equity shares of the Company :

<b>Number of equity shares held as on the date of application (A)</b>	<b>Number of equity shares proposed to be disposed (B)</b>	<b>Number of equity shares proposed to be acquired (C)</b>	<b>Holding after the proposed transaction (D)=(A)+(C)-(-B)</b>

I confirm that:

- i. I and my relatives (we) do not have access to any price sensitive information and have complied with the code of conduct for prevention of insider trading as specified by the Company from time to time.
- ii. I/We shall execute the trade of equity shares within 7 days of your approval failing which we shall apply again to you for your fresh approval.
- iii. I/We shall hold Debentures of the Company for a minimum period of 30 days from the date of acquisition.

I/We further confirm that the aforesaid facts are true and correct and shall be fully responsible for any wrongful acts done by me or my relatives including such penalties as may be imposed by the Company.

You are requested to provide the pre-clearance of trade for the above transaction.

Thanking you,

**Yours sincerely,**

**Place:**

**Date:**



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**FORMAT OF APPLICATION FOR RELAXATION FROM MINIMUM PERIOD RESTRICTION  
FOR CONTRA TRADE OF COMPANY'S SECURITIES  
FORM-II**

**To,**  
**The Compliance Officer**  
**S.E. Power Limited**  
**Address.....**

**Sub.:** Application for relaxation from minimum period restriction for contra trade of company's securities

I,.....Director/Employee of the Company, have disposed/acquired ..... equity shares of the Company and due to below mentioned reason, I wish to acquire/dispose all/ ..... equity shares before the restricted period for contra (reverse) trade. Please grant me relaxation from minimum period restriction for contra trade.

Reason for relaxation:

Thanking you,

**Yours sincerely,**

**Signature:**  
**Name:**  
**Designation & Department:**

Place:  
Date: