

S. E. Power Limited



Corporate Governance Manual

TABLE OF CONTENTS

Particulars	Page No.
Definitions	1
Company's Philosophy of Corporate Governance	3
The Board of Directors	4
Board Procedure	6
Governance by Committees of Board of Directors	7
i. Audit Committee	7
ii. Nomination & Remuneration Committee	9
iii. Stakeholders Relationship Committee	9
iv. Risk management Committee	10
Familiarisation Programme for Independent Directors	11
Related Party Transaction	12
Corporate Ethics	13
• Code of Conduct for Directors and Senior Management Personnel	14
• Template of Letters of Appointment of Independent Directors	16
• Code for Independent Directors	21
• SEPL's Code of Conduct for Prevention of Insider Trading	25
Whistleblower Policy	38
Risk Management policy	43

DEFINITIONS

Corporate Governance

Corporate Governance involves a set of relationships between Company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.

At its core, Corporate Governance is the arrangement of checks, balances, and incentives for managing and communicating between management and investors and also its element of transactional relationship deals with disclosure and authority.

In essence, good Corporate Governance consists of a system of structuring, operating and controlling a Company such as to achieve the following:

- A culture based on a foundation of sound business ethics;
- Fulfilling the long-term strategic goal of the owners while taking into account the expectations of all the key stakeholders, and in particular consider and care for the interests of employees, past, present and future work to maintain excellent relations with both customers and suppliers take account of the needs of the environment and the local community;
- Maintaining proper compliance with all the applicable legal and regulatory requirements under which the company is carrying out its activities.
- Appropriate controls and procedures are in place covering management's activities in running the day-to-day operations of the Company; and
- The Company's operating and financial activities, as well as its governance activities, are consistently reported to Shareholders in a fair, accurate, timely, reliable, relevant, complete and verifiable manner.

Corporate Governance deals with determining ways to take effective strategic decisions. It gives ultimate authority and complete responsibility to the Board of Directors. In today's market- oriented economy, the need for corporate governance arises. Also, efficiency as well as globalization are significant factors urging corporate governance. Corporate Governance is essential to develop added value to the stakeholders.

Corporate Governance ensures transparency which ensures strong and balanced economic development. This also ensures that the interests of all shareholders (majority as well as minority shareholders) are safeguarded. It ensures that all shareholders fully exercise their rights and that the organization fully recognizes their rights.

Corporate Governance has a broad scope. It includes both social and institutional aspects. Corporate Governance encourages a trustworthy, moral, as well as ethical environment. S.E. Power Limited defines Corporate Governance as an integral part of its operations and endeavours to adopt elements of good corporate governance like transparency, accountability, and responsibility in all its operations and in ensuring fairness to all its stakeholders comprising of employees, customers, investors and the society at large.

SEPL strives to uphold highest principles of Corporate Governance consistent with the Company's goal to enhance stakeholders' value.

Underlying principles of Company's Corporate Governance framework are as follows:

- Constituting a Professional team, in terms of composition, size, varied expertise and commitment so as to enable them to skilfully discharge their responsibilities and duties;
- Board responsibilities are clearly outlined to majority shareholders. All Board members will be on the same page and share a similar vision for the future of the company;
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions efficiently;
- The Company undertakes to protect the rights of its shareholders and treat all shareholders on an equal basis;
- Establishment of sound system of Risk Management and Internal Control;
- Independent analysis and verification of Company's financial information, to safeguard the Integrity of same;
- Timely and balanced disclosure of all material information, concerning the Company, to all its stakeholders;
- Maintenance of Transparency and accountability;
- Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors;
- Ensuring Compliance with all the applicable Act, rules and regulations.

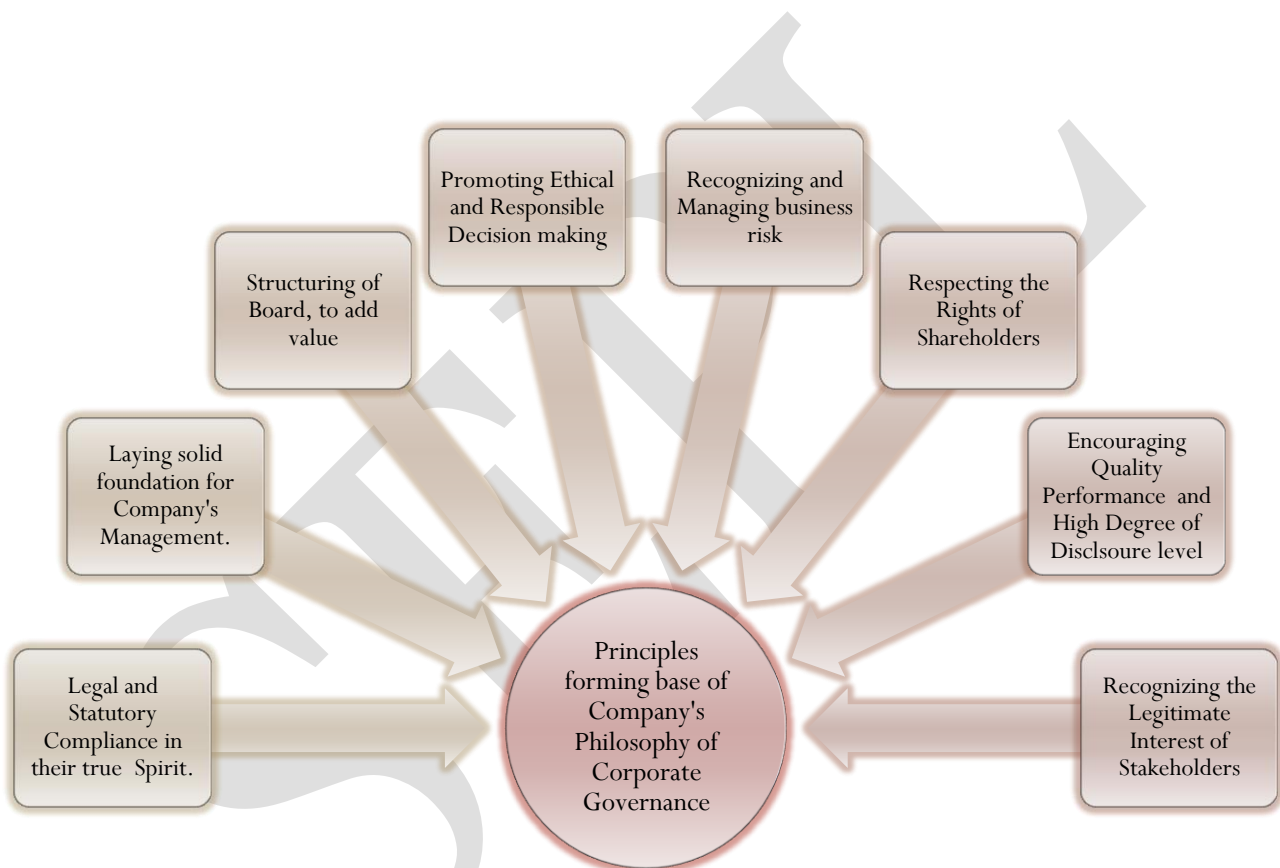
The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

Corporate Governance at S. E. Power Limited strives in development and enhancement of long term stakeholder's value.

The Board of Directors of the Company understand their duties towards the stakeholders and work in furtherance of the true spirit of being "Trustees". Company's philosophy on Corporate Governance is based on following principles.

The Board of Directors of the Company has adopted 'Code of Conduct for prohibition of Insider Trading' based on the principles of Good Corporate Governance and best management practices being followed globally besides complying with the needs of the law of land.



BOARD OF DIRECTORS

The term “Board of Directors” — in this Manual refers to all individuals who sit on the Board (defined below), including Executive Directors, Independent Directors, and Non-Executive Directors.

Executive Director

A working director of an organization who is usually its full-time employee, and has a specified decision making role as Managing Director, Whole Time Director, Director Finance etc., on an on-going basis.

The standard of care required from executive directors is much higher than that required from non-executive directors. These individuals are not considered Independent.

Non-Executive Director

A member of a Company's Board of Directors who is not part of the executive team. A Non-Executive Director (NED) typically does not engage in the day-to-day management of the organization, but is involved in policy making and planning exercises. In addition, non-executive directors' responsibilities include the monitoring the performance of the executive directors, and to act in the interest of any stakeholders.

All Independent Directors should be Non-Executive Directors but Non-Executive Directors are different from independent ones.

Independent Director

An Independent Director is a Non-Executive Director of a Board, who does not have any material or pecuniary relationship with company or related persons, except sitting fees.

Independent Directors are definitely a non executive director but vice versa is not true always.

Board’s Definition of Independent Director shall mean a Non – Executive Director of the Company who:

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (i) who is or was not a promoter of the company or its holding, subsidiary or associate Company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- Apart from receiving director’s remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its senior management or its Holding Company, its Subsidiaries and Associated Companies;
- Is not related to Promoters, Chairman, Managing Director, Whole Time Director, Secretary, CEO or CFO and of any person in the Management at one level below the Board;
- Is of not less than 21 years of age;

- Is not a material Supplier, Service Provider or Customer of the Company. This should include lessor-lessee type relationships also;
- Is not a Substantial Shareholder of the Company, i.e. owning two percent or more of the block of voting shares.;
- Not holds or has not held the position of a key managerial personnel or is not or has not been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- Is not a Partner or any Executive of the Statutory Audit Firm or the Internal Audit Firm that is associated with the Company, and has not been a Partner or an Executive of such firm for the last three year. This will also apply to Legal Firm(s) and Consulting Firm(s) that have a material association with the entity;
- Has not been an Executive of the Company in the Immediately Preceding Three Financial Years.
- Is not a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;

Composition of Board of Company

- The Board of the Company shall have combination of Executive Director and Non – Executive Director.
- The Directors in the Board (Executive or Non-Executive) shall be experienced, competent and reputed persons from their respective fields.
- All members of the Board shall possess qualification as required under the law.
- Board Members should bring with them a commitment to take an unbiased approach in making decisions that will benefit the Company rather than simply voting with management.
- The composition of the Board of Directors of the Company should be in accordance with provisions of Companies Act,2013 and Clause 49 of the Listing Agreement as amended time to time.
- Director shall be appointed on the nomination and recommendation of Nomination and Remuneration Committee.
- Board of Directors (Executive or Non-Executive) shall not be appointed for a term exceeding the statutory limit.

BOARD PROCEDURE

The Board will meet at least once in a quarter to review the quarterly performance and the financial results. The Board Meetings shall schedule in advance and the notice of each Board Meeting is given in writing to each Director.

The information as specified in Annexure (I) (A) to the Clause 49 of the Listing Agreement shall regularly be made available to the Board.

To enable the Board to discharge its responsibilities effectively, the members of the Board will be briefed of every Board Meeting on the overall performance of the Company. Senior management may be invited to attend the Board Meeting so as to provide additional inputs to the items being discussed by the Board.

In addition to statutory matters requiring Board's approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investment, details of joint ventures, sale of business unit/division, compliance with statutory/regulatory requirements, major accounting provisions and write-offs, if any, shall be considered by the Board.

Agenda and Minutes

All the matters requiring Board/ Committee approval shall be noted vigilantly and shall be circulated to the Board Members as Agenda Papers, well in time before the schedule date of the Board meeting.

The agenda and minutes of the Board/Committee meeting shall be prepared with due care and adherence to applicable provisions of the law, including the Companies Act, 2013, shall be ensured.

The minutes of the proceeding of each meeting of Board and Committee thereof shall be recorded in the minutes book of respective meetings and shall be signed by the Chairman of the meeting. The Board will also take note of the minutes of the Committee meetings duly approved by their respective Chairman.

All material information shall be incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting.

Items enumerated under Annexure IA of Clause 49 of Listing Agreement shall be specifically placed before the Board, as and when required.

Directors Terms

Managing Director, Whole Time Director and Manger shall not be appointed for the terms exceeding the limit as specified in statute (Companies Act, 2013)

Independent Directors shall hold office only for the term as specified in Section 149 of Companies Act, 2013, rules made thereunder.

From time to time, nomination and remuneration committee shall review the functioning of the individual Directors for the purpose of enhancing or reducing the term of particular Director.

GOVERNANCE BY COMMITTEES OF BOARD OF DIRECTORS

The Board of the Company has constituted different committees to focus on specific areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of Board of Directors is guided by its Charter, which defines its scope, powers and composition of the Committee. All decisions and recommendations of the Committee are placed before the Board either for information or approval. The details of various Committees, is as follows:



1. Audit Committee

The Audit Committee of the Company has been constituted in accordance with Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013. The role and powers of the Audit Committee are governed by Listing Agreement entered into with the Stock Exchanges and primarily include the following responsibilities:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section 5 of section 134 of the Companies Act, 2013.

- Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
 - Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
 - Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
 - To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
 - Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Composition

The Audit Committee shall have at least 3 Members (including chairman). Majority of Committee Members shall be Independent Directors. Two members shall form the quorum for the meeting of the committee.

Company Secretary shall act as Secretary to the Committee.

The Audit Committee shall meet at least Four (4) times in the financial year.

2. Nomination & Remuneration Committee

The terms of reference of Nomination & Remuneration Committee will inter-alia include the following:

- Reviewing the overall compensation policy, service agreements and other employment conditions of Managing /Whole-time Director(s).
- Reviewing the performance of the Managing / Whole-time Director and recommending to the Board, the quantum of annual increments and annual commission.
- To review such other matters which the Board may from time to time request the Committee to consider, examine, recommend and/or approve.
- The function of the Remuneration Committee includes recommendation of appointment and remuneration of Managerial Personnel to the Board.

Payment of remuneration to Managing Director and Whole-time Director(s) is governed by the respective agreements executed between them and the Company. Payment of Remuneration to Executive Director shall be recommended by Nomination and Remuneration Committee and approve by the Board of Directors, subject to approval of Shareholders and/or Central government as required under Companies Act, 2013.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre.

Composition

The Nomination & Remuneration Committee shall consist of at least 3 Members (including Chairman of the Committee). Two members shall form the quorum for the meeting of the committee. The Company Secretary shall acts as secretary to the Committee.

The Committee shall meet from time to time as per the requirements.

3. Stakeholders Relationship Committee

The Stakeholder Relationship Committee, inter-alia, oversee and review all matters connected with the investor services in connection with non – receipt of Balance Sheet, non – receipt of declared dividend, re-materialization and de-materialization of shares and transfer of shares of the Company.

The Committee oversee performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Board has delegated the power of approving transfer of securities to the officers of the Company.

Composition

The committee shall be constituted in accordance with Clause 49 of the Listing Agreement.

4. Risk Management Committee

Risk Management Committee shall be to assist the Board in fulfilling its corporate governance with regard to the identification, evaluation and mitigation of the operational, strategic and external environment risks policies and associated practice of the Company.

Risk management Committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures.

Risk Management Committee shall annually review and approve the frameworks, process and practices of the Company related to risk management.

Risk management Committee shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in the both ongoing and new business activities.

Risk Management Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner (including one-off initiatives, and ongoing actives such as business continuity planning and disaster recovery planning & testing).

Risk Management Committee will coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

The Board shall review the performance of Risk Management Committee time to time.

Risk Management Committee shall have access to any internal information necessary to fulfil its oversight role. Risk Management Committee shall also have authority to obtain advices and assistance from the internal or external legal, accounting or other advisors.

Composition

Risk Management Committee shall be appointed by and will serve at the discretion of the Board. Risk Management Committee shall consist of no fewer than 3 Members (including Chairman of Committee).

The members of the Risk Management Committee shall meet time to time as per the requirement of Company/Board. Two members present shall form the quorum for the meeting of the Committee.

FAMILARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with requirements of Clause 49 of the Listing Agreement and Schedule IV of the Companies Act, 2013, the Company SEPL has put in place a system to familiarise the Independent Directors about the Company, nature of the industry in which the Company operates, its products, business and the on-going events relating to the Company etc., through various programmes.

Independent Directors of the Company are made aware of their role, responsibilities and liabilities at the time of their appointment/re-appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. They are also made aware of Company's Board and Board Committee framework, policies and procedures.

As part of Board discussions, presentations on business units and important announcements related to the Company are made to the Independent Directors through mail or any other means from time-to-time. Presentations, inter alia, cover the Company's strategy, business model, operations, markets, organization structure, product offerings, finance, risk management framework, quarterly and annual results, human resources, technology, quality and such other areas as may arise.

Plant visits may also be arranged for Independent Directors for better understanding of the Company's production unit.

Further, Independent Directors have freedom to interact with the Company's Management and have been given access to information relating to the Company, whenever they so request. The Company may provide an orientation programme to the Independent Director at the time of their joining so as to enable him understand, inter alia, the culture and business of the Company.

The Familiarisation Programme shall be posted on the website of the Company and a web link thereto shall also be given in the Annual Report of the Company.

The Familiarisation Programme for the Independent Directors may be modified or altered by the Board of Directors, time to time, keeping in view the business conduct of the Company.

RELATED PARTY TRANSACTION

1. Transactions with related parties are periodically brought to the notice of Audit Committee.
2. In the event any contract or arrangement with a related party which is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.
3. The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:
 - 1) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - 2) The indicative base price / current contracted price and the formula for variation in the price, if any; and
 - 3) Such other conditions as the Audit Committee may deem fit.
4. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.
5. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Provided that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Further, all the **material Related Party Transactions** shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

CORPORATE ETHICS

As a reasonable corporate citizen, the Company will consciously follow corporate ethics in both business and corporate interactions.

The Company has framed various codes and policies, which act as guiding principles for carrying business in ethical way. Some of our policies are:

- Code of conduct for directors and senior management personnel;
- Template of letter of appointment of Independent Director
- Code of conduct for Independent Director;
- Code of conduct for prevention of Insider Trading;
- Whistle Blower Policy

SEPL

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Purpose

The Directors and Senior Management Personnel of S. E. Power Limited (hereinafter referred to as “Company”) are expected to read and understand the Code of Conduct and uphold these standards in their day-to-day activities, comply with all applicable policies and ensure compliance.

This code shall serve as a guide to the Directors and Senior Management Personnel of the Company on the principles of Integrity, transparency, business ethics and to set up standards for compliance of Corporate Governance.

Compliance with Laws, Rules, Regulations

The Directors and Senior Management Personnel shall act in the best interest of the Company. The Directors and Senior Management Personnel are also expected to:

- a) comply with all applicable laws, regulations, obligations and other corporate policies, of the Company;
- b) follow all policies, procedures and internal control systems of the Company;
- c) act honestly, in good faith and in the best interests of the Company.

Ethical Conduct

The Directors and Senior Management Personnel of the Company shall conduct their activities on behalf of the Company and on their own behalf, with honesty, integrity and fairness. The Directors and Senior Management Personnel of the Company will act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated. The Directors and Senior Management Personnel of the Company will act in the best interests of the Company and fulfill the fiduciary obligations.

Conflict of Interest

The Directors and Senior Management Personnel of the Company should not enter into any transaction or engage in any practice, directly or indirectly, that would tend to influence him/her to act in any manner other than in the best interests of the Company. Every Director and Senior Management Personnel should make a full disclosure to the Board of any transaction that they reasonably expect, could give rise to an actual conflict of interest with the Company and seek the Board’s authorization to pursue such transactions.

Confidentiality

Information relating to any client or activities of the Company is strictly confidential and shall not be disclosed orally or in writing or electronically, directly or indirectly to anyone unless the Directors/ Senior Management personnel have been specifically authorized to release this information.

The Company’s confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of any Director. These obligations apply not only during a Director’s term, but thereafter as well unless the said information becomes public.

Insider Trading

Directors/ Senior Management personnel shall not deal in the securities of a Company either on their own account or their relative's account if they are in possession of any unpublished price sensitive information concerning the Company. None of the Directors or the Senior Management Personnel shall derive any benefit nor assist others to deriving benefit by giving investment advice from access to and possession of information about the Company, which is not in public domain and constitutes insider information.

Fair Dealing

The Directors and Senior Management Personnel should endeavor to deal fairly and not seek to take unfair advantage of the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

Gift/ Favours

Directors/ Senior Management Personnel shall not accept any gift, favor or invitation offered by any client, person or organization with whom the Company has any business relationship that creates a conflict between the individual's personal interest and the interest of the Company.

Directors and Senior Management Personnel shall not accept any such gift, favour or invitation except those extended as a customary courtesy of business life.

Protecting Company Assets

Every Director and Senior Management Personnel should endeavor to ensure that they use the Company's assets, proprietary information and resources only for the legitimate business purposes of the Company and not for their personal gains. The assets of the Company shall not be misused, but employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information.

False or Misleading Statements

Directors/ Senior Management Personnel shall not make a statement or disseminate any information, which is misleading or false and is likely to induce sale or purchase of securities by any other person or is likely to have the effect of influencing the market price of the securities.

Maintenance of Accurate Books and Records

Company shall prepare and maintain its accounts fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of India. Every business transaction undertaken by the Company must be recorded in its books accurately and in a timely manner. There shall be no willful omissions of any transactions of the Company from the books and records.

Non-Compliance

Suspected violations of this Code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations shall be appropriately investigated. Any waiver of this code must be approved by the Board of Directors and publicly disclosed if required by any applicable law or regulation.

**TEMPLATE OF LETTER OF
APPOINTMENT OF INDEPENDENT DIRECTOR**

Date : _____

Dear _____

Re: Appointment to the Board of Directors as Independent Directors

On behalf of the Board of S. E. Power Limited ('the Company' or 'SEPOWER'), I am pleased to inform you that with effect from _____, the Board of Directors of the Company has approved your appointment as Non-executive Independent Director (Additional) of the Company (Independent Director'). This letter sets out the terms of your appointment.

1. Appointment and Term of Office

In accordance with the provisions of Companies Act, 2013, amended Listing Agreement and other applicable laws, you will serve as an Independent Director of the Board. Initially, you will hold office upto the date of ensuing Annual General Meeting of the Company and you may be appointed as Independent Director for a period of Five (5) years from by the Shareholders at the Annual General Meeting of the Company. As per relevant provisions of Companies Act, 2013 and Listing Agreement, you shall not be liable to retire by rotation.

Your appointment is subject to the provisions of Companies Act, 2013 regarding appointment, fees, expenses, retirement, disqualification and removal of directors. You may cease to hold office as a Director:

At any time that you resign by written notice. It is desirable that you give the Chairman reasonable forewarning of your intention to resign or to not seek re-appointment where that is possible so that SEPOWER can plan for succession of skills and experience on the Board; and you may be required to vacate office for any reason pursuant to any of the provisions of the Companies Act, 2013; or

You may be removed as a director or otherwise required to vacate office under any applicable law and under the Article of Association of the Company.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with processes agreed by the Board from time to time. You agree to participate in such reviews.

2. Commitments

You as an Independent Director, will be expected to devote such time as is necessary for the proper performance of your duties and you will be involved in a number of Board and Committee meetings each year. You should strive to attend all the scheduled quarterly Board Meetings, General Meetings; Committees Meetings and other meetings or attendance as necessary.

This is a template and subject to modifications

As an independent director you should strive to hold and present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

- i) Review the performance of non-independent directors and the Board as a whole;
- ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors,
- iii) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

3. Functions, Responsibilities and Duties

You will be expected to perform your duties, whether statutory, fiduciary or common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience. You will have all the usual duties of an Independent Director under the Companies Act, 2013 and Listing Agreement, including attendance at Board Meetings, the Annual General Meetings, Meetings of Independent Directors, Meetings with investors and shareholders and other Board events, together with such additional duties as may be agreed with the Board, and which may related to the business of the Company. You will be required to serve on such committees as the Board may request, including but not limited to Audit, and/or Nomination and remuneration and/or Stakeholders Relationship and/or sub-committees of Board of Directors.

As a Director of SEPOWER, you will have legal duties and obligations as prescribed under the Companies Act, 2013 and it is expected that you will familiarize yourself with the relevant duties, role and responsibilities of Independent Director.

4. Liability

As an Independent Director you will be liable only in respect of such acts of omission or commission by a Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

5. Technology

Being a Director, you may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings.

You may attend the board or committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Companies Act, 2013.

This is a template and subject to modifications

6. Conflict of Interest

By accepting this appointment you will be deemed to have confirmed that any other position you hold including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the Company Secretary.

As an Independent Director you shall not engage in any activity/ies that is not expected from you as an Independent Director.

7. Disclosures

You shall be required to submit certain information in the prescribed forms/format on a defined periodicity. You are required to disclose to the Company your interests and any matters (excluding those matters which may be subject to legal professional privilege) which affect your independence.

During your tenure as an independent director you are required to give a declaration that you meets the criteria of independent every financial year as provided under Section 149 of the Companies Act. 2013.

8. Fees

Subject to the applicable provisions of Companies Act, 2013 and Articles of Association of the Company, sitting fee for attending the meetings of Board and Committees shall be paid to non-executive/ independent directors as Board may decide from time to time.

The Company shall reimburse you all travelling, hotel, and other incidental expenses properly and reasonably incurred by you in performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

As an Independent Director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

9. Review

The performance of individual Directors, the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Managing Director or the other Independent Directors as soon as you can.

10. Code for Independent Directors, code of conduct for Directors and code of conduct for prevention of insider trading for employees, including Directors

You are required to abide by the Code for independent Directors. Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors, as issued by the Company time to time.

This is a template and subject to modifications

11. Induction & Training

Where possible, Directors will be encouraged to attend special training courses by various professional bodies to ensure that the Directors are refreshed and equipped to perform their role in the highest standards and performance possible. You should feel free to request any further information which you require, at any time.

12. Indemnity and Insurance/ Provision for Directors and Officers Insurance

The Company may obtain a Directors' & Officers' liability Insurance Policy for you. Details of the same will be provided by the Company Secretary as and when such policy is taken by the Company.

13. Confidentiality and access to Company Records

Under Company law, Directors have a right of access to Company's documents and records including financial records. Any confidential information which may come to your knowledge in the performance of your duties as a Director of the Company must not be divulged, except so far as required by law to disclose and may be necessary in connection with the proper performance of your duties to the Company.

14. Applicable Law

This letter of appointment shall be governed by the laws of India.

It is a pleasure to have you on the Board of Directors of the Company. The Board is confident that your association, expertise and advice will immensely benefit the Company.

Kindly confirm your agreement to the terms set out above by signing the endorsement on the enclosed copy of this.

Yours sincerely

For S. E. Power Limited

(Director)

This is a template and subject to modifications

Enclosures

Annexure: I- Code for Independent Directors.

Annexure: II- SEPOWER's Code of conduct for prevention of insider trading.

Forms

Forms mentioned in the code for various disclosure under the regulation are appended at the end.

Forms relating to reporting under Prevention of Insider Trading are as follows:-

Form A- application for pre-clearance of trade

Form B- form for initial disclosure

Form C- disclosure of change in holding

Form D- annual disclosure

Please return duly signed copy to the Company. In returning this letter duly signed, you agree that the Company may make this letter publicly available.

I have read and agree to the above terms regarding my appointment as an independent nonexecutive Director

Signature:

Name :

DIN :

Date :

Place:

This is a template and subject to modifications

CODE FOR INDEPENDENT DIRECTORS

This is to inform Independent Director that in terms of Section 149(7) of Companies Act, 2013 and Clause 49(II) (E) (3) of Listing Agreement and SEBI Guidelines by the Company, it is mandatory for all Independent Directors to adhere with the Code of Conduct of the Company.

The said Code has been prescribed under Schedule IV of the Companies Act, 2013 and the same is reproduced herein below for your perusal and ready reference:-

The Code is a guide to professional conduct for independent directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

Guidelines of Professional Conduct

An Independent Director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a *bona fide* manner in the interest of the Company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- 9) assist the Company in implementing the best corporate governance practices.

Role and Functions

The Independent Directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate level of remuneration of executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of executive Directors, Key Managerial Personnel and Senior Management;
- 8) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

Duties

The Independent Directors shall:

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 2) seek appropriate clarification or amplification of information and, where necessary take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the Company;
- 6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the Company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- 10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

- 13) not disclose confidential information, including commercial secrets, technologies advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

Manner of Appointment

- 1) Appointment process of Independent Directors shall be independent of the Company Management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed Director is Independent of the Management.
- 4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
 - a) the term of appointment;
 - b) the expectation of the Board from the appointed Director; the Board-level committee(s) in which the Director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) provision for Directors and Officers [D and O) insurance, if any;
 - e) the Code of Business Ethics that the Company expects its Directors and Employees to follow;
 - f) the list of actions that a Director should not do while functioning as such in the Company; and
 - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the Company's website.

Re-Appointment

The re-appointment of independent director shall be on the basis of report of performance evaluation.

Resignation or Removal

- 1) The resignation or removal of an Independent Director shall be in the same manner as is provided in sections 163 and 169 of the Act.
- 2) An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 3) Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be the requirement of replacement by a new independent director shall not apply

Separate Meetings

- 1) The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of Management.
- 2) All the Independent Directors of the Company shall strive to be present at such meeting;
- 3) The meeting shall:
 - a) review the performance of Non-Independent Directors and the Board as a whole.
 - b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
 - c) assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the board to effectively and reasonably perform their duties.

Evaluation Mechanism

- 1) The performance evaluation of Independent Directors shall be Done by the entire Board of Directors, excluding the Director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

SEPL's CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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 Securities and Exchange Board of India (Prohibition of Insider Trading) regulations, 1992 (Hereinafter referred to as "Regulations"). For this purpose the Company is committed to transparency and fairness with all stakeholders and in ensuring adherence to all law 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 work at the Company. No Director, Officer and designated employee of the Company may use his position or knowledge of the Company to gain personal benefit or to provide benefit to third party.

To prevent insider trading, Company has notified that this code of conduct for prevention of insider trading is to be followed by all the Directors, Officers and Designated Employee of the Company.

Part-A

Definitions

'Insider Trading' means dealing in securities of a Company by insiders based on, or when in possession of, unpublished price sensitive information;

'Insider' means means any person who is or was a "Connected Person" or a "Deemed Connected Person" and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a Company or who has received or has had access to such unpublished price sensitive information;

'Company' means S. E. Power Limited;

'Compliance Officer' means the Company Secretary of the Company;

'Connected Persons' means:

- 1) is a Director of the Company or
- 2) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company [whether temporary or permanent] and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company.

[Explanation: — the words "connected person" shall mean any person who is a connected person six months prior to an act of insider trading;];

'Deemed Connected Persons' means and includes:

- 1) Any group company, company under the same management or subsidiary of the Company;
- 2) Bankers of the Company;
- 3) Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker,
- 4) Portfolio Manager, Investment Advisor, Sub-broker or any employee thereof having a fiduciary relationship with the Company;

- 5) is an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, Investment company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation;
- 6) Trustees of any trust the beneficiaries of which include any of the Connected Persons;
- 7) Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company, wherein any of the connected persons holding interest ;
- 8) Any person who was a connected person, whether temporary or permanent six months prior to an act of insider trading;
- 9) Persons having professional or business relationship between themselves and the Company whether temporary or permanent and by virtue of such relationship are expected to be in possession of price-sensitive information;
- 10) Relatives of the Connected Persons;
- 11) Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992;

'Dealing in Securities' means subscribing, buying, selling or agreeing to subscribe, sell or deal in any securities either as principal or agent and includes exercising of options;

'Dependent Family Members' means the spouse, dependent parents and dependent children of the Company and Designated Employee;

'Designated Employee' shall include:

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

'Officer of Company' means any person as defined as officer under the provisions of Companies Act and above cadre and includes Auditors of the Company;

'Price Sensitive Information' shall mean any information which relates directly or indirectly to a Company and which if published is likely to materially affect the price of securities of Company.

Explanation: The following shall be inter alias, deemed to be price sensitive information:-

- (a) periodical financial results of the Company;
- (b) intended declaration of dividends (both interim and final);

- (c) issue of securities or buy-back of securities;
- (d) any major expansion plans or execution of new projects;
- (e) amalgamation, mergers or takeovers;
- (f) disposal of the whole or substantial part of the undertaking;
- (g) any significant changes in policies, plans or operations of the Company.
- (h) disruption of operations due to natural calamities;
- (i) commencement of any new commercial production or commercial operations where the contribution therefrom is likely to exceed 10% of the total turnover of the Company during that financial year;
- (j) developments with respect to changes in pricing / realization on goods and services arising out of changes in government policy;
- (k) Litigation/dispute with a material impact;
- (l) Revision of credit ratings assigned to any debt or equity instrument of the Company;
- (m) 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;

'Prohibited Period' means the period effective from the date on which the Company sends intimation to the Stock Exchange advising the date of the Board Meeting, up to 24 hours after the price sensitive information is submitted to the Stock Exchange.

'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.

Explanation: Speculative reports in print or electronic media shall not be considered as published information.

Words and expressions not defined in these Regulations shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 (Regulations) or the Securities and Exchange Board of India Act, 1992.

Part-B

Compliance officer

The Company has appointed the Company Secretary as Compliance Officer who shall report to the Managing Director / Board of Directors of the Company.

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 Chairman and Managing Director.

- 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.
- He shall maintain a record of prohibited period specified from time to time.
- 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.
- He shall intimate to all Stock Exchanges on which the securities of the Company are listed the relevant information received.
- He shall inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 within 7 days of knowledge of violation.

Preservation of "Price Sensitive Information"

All the Directors, Officers and Designated Employees shall maintain the confidentiality of all Unpublished Price Sensitive information in their possession

Directors, Officers and Designated Employees 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 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.

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:

- 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;
- 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 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 and Designated Employees of the Company 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:-

- (a) 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 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 changes in policies, plans or operations of the Company disruption of operations due to natural calamities;
- (h) 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.

The period of closure shall be effective from the date on which the Company sends intimation to Stock Exchange advising the date of the Board Meeting, up to 24 hours after the Price sensitive information is submitted to the Stock Exchange.

The trading window shall be opened 24 hours after the information referred above (the trading window shall be, inter alias, closed at time of), is made public.

All Directors, Officers, Designated Employees of the Company 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.

Pre-Clearance of Trades

All Directors, Officers, Designated Employees of the Company who intend to deal in the securities of the Company during free period in excess of 25000 Securities in number shall pre-clear the transactions as per the pre-dealing procedure as described hereunder. The Company Secretary is authorized to change the number of Securities from time to time.

Pre-Dealing Procedure

An application for pre-clearance of trade may be made in Form 'A' to the Compliance Officer alongwith an undertaking (UT) in favour of the Company by such Designated Employee, Director, Officer 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 Employee, Director, Officer has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance officer of the change in his or her position and that he or she would completely refrain from dealing in the securities of the company till the time such information becomes public in the securities of the Company till the time such information becomes public.
- (c) That he or 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 or she has made a full and true disclosure in the matter.

The Compliance Officer shall on receiving an application, provide the Director, Officer, and Designated Employee with an acknowledgement on the duplicate of the application.

The Compliance Officer shall grant approval within 2 days from the date of acknowledgement and retain copies of all applications and acknowledgements.

In exceptional circumstances consent may not be given if the Compliance officer is of the opinion that the proposed deal is on the basis of possession of any unpublished Price sensitive information.

There shall be no obligation to give reasons for any withholding of consent.

If so requested by the Compliance Officer, Director, Officer, Designated Employee must ensure that his stockbroker is authorized to disclose to the Company all matters relevant to his share dealings.

Other Restrictions

All Directors, Officers, Designated Employees shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the Directors, Officers, and Designated Employees must pre clear the transaction again. All Directors, Officers, Designated Employees shall hold their investments in securities for a minimum period of 30 days irrespective of mode of acquisition in order to be considered as being held for investment purposes.

The holding period shall also apply to subscription in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

In case the sale of securities is necessitated by personal emergency, the compliance officer may waive the holding period after recording in writing his or her reasons in this regard.

Reporting Requirement for Transaction in Securities

All the Directors, Officers and Designated Employees shall be required to forward to the Compliance Officer following details in respect of the securities held by them and their respective Dependent Family Member:

A. Initial Disclosure

Every existing Director, Officer and Designated Employee of the Company and newly joined Director, Officer and Designated Employee of the Company on being appointed as such shall disclose to the Company, Form 'B', the number of Securities Securities or voting rights in the

Company held by him and their dependent family members. The existing Director, Officer and Designated Employee of the Company have to make disclosure on or before date specified by the Compliance Officer and newly appointed Director, Officer and Designated Employee have to make disclosure within 2 working days of becoming a Director or Officer or Designated Employee of the Company.

B. Continual Disclosures

- (i) Any person who holds more than 5% shares for voting rights in Company shall disclose to the Company [in Form C] the number of shares or voting rights held and change in shareholding or voting rights, even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure; and such change exceeds 2% of total shareholding or voting rights in the Company.
- (ii) Any person who is a director or officer of the Company, shall disclose to the Company and the stock exchange where the securities are listed in Form D, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents (as defined by the Company) from the last disclosure and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.]

"Change" means a net change arrived at after taking netting off purchases and sale of securities.

- (iii) The aforesaid disclosure has to 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
- (iv) The disclosures under this Clause shall be sent to the Compliance Officer / Company Secretary of the Company.

C. Records of disclosures received by the Company

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years. 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 Employees, Directors, Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

Penalty for Contravention of Code of Conduct

Any Director, Officer, Designated Employee who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by the Company. Directors, Officers, Designated Employees of the Company who violate this Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage salary freeze, suspension, withholding of promotions, etc. The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Information to SEBI in case of Violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992

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, 1992, SEBI shall be informed by the Company.

Forms

Forms mentioned in the code for various disclosures under the regulation are appended at the end.

SEBI

Form A
(to be submitted in duplicate)

**Application for Pre-clearance of Trade under SEBI
(Prohibition of Insider Trading) Regulations, 1992**

The Compliance Officer
S. E. Power Limited
S-547, IInd Floor,
Main Road, Shakarpur,
Delhi-110092

1	Name of the applicant	:	
2	Designation	:	
3	Employee Pay Roll	:	
4	Number and value of securities in the Company held as on date (with folio/DP ID/Client ID No.)	:	
5	Nature of securities held	:	*Equity Shares / Debentures / Other Securities
6	Mode in which the securities are held	:	
7	The Proposal is for	:	(a) Acquisition in the open market (b) Subscription to the securities (c) Sale of securities
8	Proposed date of dealing in securities	:	
9	Nature of proposed dealing	:	Purchase / Sale of Securities
10	Estimated number of securities Proposed to be acquired/subscribed/sold	:	
11	Price at which the transaction is proposed	:	
12	Current market price (as on the date of application)	:	
13	Whether the proposed transaction will be through stock exchange or off market deal	:	
14	Proposed mode of dealing in securities	:	Physical / Dematerialised
15	If securities are held/proposed to be dealt in dematerialised form	:	
	Name of the Depository DP ID Number Client ID Number	:	

In relation to the above Dealing, I undertake that:

- a. I have no access to nor do I have any information that could be construed as "Price Sensitive Information" as define in the Code upto the time of signing this undertaking;
- b. 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 signing the 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;

- c. I have not contravened the provisions of the Code of conduct for prevention of insider trading as notified by the Company from time to time;
- d. I have made full and true disclosure in the matter;
- e. I hereby declare that I shall execute my order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, I undertake to obtain pre-clearance for the transaction again. Signature

Place:

Date:

*Strike whichever is not applicable

SEPT

Form B
(Form for Initial Disclosure)

Date:.....

To
The Compliance Officer
S. E. Power Limited
S-547, IInd Floor,
Main Road, Shakarpur,
Delhi-110092

I. Statement of Shareholdings of Director / Officer / Designated Employee / Connected Person

Name	Designation	Department	No. of Shares held Date of Joining	Folio No. / DP ID / CL ID

II. Details of Shares held by Relatives³ / Dependent Family Members⁴ (as applicable)

Name of Relative	Relationship	No. of Shares held	Folio No. / DP ID / CL ID

(Signature)

1. Delete whichever is not applicable.
2. Connected person should mention the nature of the association.
3. Applicable to Director.
4. Applicable to Officer / Designated Employee and Connected Person.

Form C
(Disclosure of Change in Holding)

Date:.....

To
The Compliance Officer
S. E. Power Limited
S-547, IInd Floor,
Main Road, Shakarpur,
Delhi-110092

I. Statement of Change in Shareholdings of Director / Officer / Designated Employee / Connected Person

Name	Department / Designation	Name of the transaction				Date of Transaction	No. of Shares Transacted	Whether Approval obtained	Approval No.	Balance Holding on	Folio No. / DP ID, CL
		No. of Shares held before the transaction	Purchase	Sale	Others (Specify)						

II. Statement of Change in Shareholdings by Relatives³ / Dependent Family Members⁴ (as applicable)

Name	Department / Designation	Name of the transaction				Date of Transaction	No. of Shares Transacted	Whether Approval obtained	Approval No.	Balance Holding on	Folio No. / DP ID, CL
		No. of Shares held before the transaction	Purchase	Sale	Others (Specify)						

(Signature)

1. Delete whichever is not applicable.
2. Connected person should mention the nature of the association.
3. Applicable to Director, 4- Applicable to Officer / Designated Employee and Connected Person.

Form E
(Annual Disclosure)

Date:.....

To
The Compliance Officer
S. E. Power Limited
S-547, IInd Floor,
Main Road, Shakarpur,
Delhi-110092

I. Statement of Shareholdings of Director / Officer / Designated Employee / Connected Person

Name	Designation Department	No. of shares held on April 1,	No. of shares bought during the year	No. of shares sold during the year	No. of shares held as on March 31,	Folio No. / DP ID/ Client ID

II. Details of Shares held by Relatives³ / Dependent Family Members⁴ (as applicable)

Name of Relative	Relationship	No. of shares held on April 1,	No. of shares bought during the year	No. of shares held as on March 31,	Folio No. / DP ID/ Client ID

(Signature)

1. Delete whichever is not applicable.
2. Connected person should mention the nature of the association.
3. Applicable to Director.
4. Applicable to Officer / Designated Employee and Connected Person.

WHISTLEBLOWER POLICY

Preface

- a) The SEPL believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the Company's Code of Ethics & Business Conduct. Any actual or potential violation of these Code would be a matter of serious concern for the Company. Employees have a role and responsibility in pointing out such violations.
- b) Section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 mandates the following classes of companies to constitute a vigil mechanism:
- Every listed company;
 - Every other company which accepts deposits from the public;
 - Every company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores.

Further, Clause 49 of the Listing Agreement between listed companies and the Indian Stock Exchanges has also been amended which, inter alia, provides for a mandatory requirement for all listed companies to establish a mechanism called the 'Whistleblower Policy' for directors and employees to report concerns of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy.

- c) Accordingly, this whistleblower Policy (the Policy) has been formulated with a view to provide a mechanism for employees of the Company to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and report etc.

Policy

Every employee of the Company is expected to promptly report to the management any actual or possible violation of the Company's Code of Ethics & Business Conduct.

The unlawful or unethical or improper practice or act or activity (hereinafter referred to as an "alleged wrongful conduct") may include, but is not limited to, any of the following:

- Abuse of authority
- Manipulation of Company data/records
- Deliberate violation of any law/rule/regulation
- Misuse or misappropriation of the Company's assets/funds
- Breach of contract/company policy
- Misuse of confidential/propriety information
- Any unlawful act whether criminal/civil.

No manager, director, department head, or any other employee with authority to make or materially influence significant personnel decisions shall take or recommend an adverse personnel action against an employee in knowing retaliation for a disclosure of information, made in good faith, about an alleged wrongful conduct.

Definitions

"This Policy" or "Policies" means Whistle-Blower Policy.

"Whistle-Blower (WB)" WB means someone who makes a protected disclosure under this Policy.

"Company/SEPL" means to S. E. Power Limited.

"Code" means the SEPL Code of Conduct.

"Employee" means every employee of the Company, including the directors in the employment of the Company.

"Protected Disclosure" means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

"Good Faith" An employee shall be deemed to be communicating in 'good faith' if there is a reasonable basis for communication of unethical and improper practice or any alleged wrongful conduct. Good faith shall be deemed lacking when the employee does not have personal knowledge of or a factual basis for the communication or where the employee knew or reasonably should have known that the communication about the alleged wrongful conduct is malicious, false or frivolous.

"Subject" means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this policy.

"Whistle officer or Whistle Committee or Committee" means an officer or Committee of persons who is/are nominated/appointed to conduct detailed investigation of the disclosure received from the whistleblower and recommend disciplinary action. Currently, Executive Director is nominated as Whistle Officer. The Committee, if appointed, should include Senior level Officer of Personnel & Admin, Internal Audit and a representative of the Division/Department where the alleged malpractice has occurred.

Scope

Various stakeholders of the Company are eligible to make Protected Disclosures under the Policy. These Stakeholders may fall into any of the following broad categories:

- Employee of the Company,
- Employee of the other agencies deployed for the Company's work, whether working at the Company's office or any other location,
- Client of the Company.
- Any other person having an association with the Company.

A person belonging to any of the above mentioned categories can avail the channel provided by this policy for raising an issue covered under this policy.

Guiding Principles

To ensure that this policy is adhered to, and to assure that concern will be acted upon seriously, the Company will:

- Ensure that the Whistleblower and/or the person processing the protected disclosure is not victimized for doing so
- Treat victimization as a serious matter, including initiating disciplinary action on person including victimisation
- Ensure confidentiality
- Take disciplinary action, if any one destroys or conceals evidence of the protected disclosure made to be made
- Provide an opportunity of being heard to the persons involved specially to the Subject.

Roles, Rights and Responsibilities of Whistle-Blowers

- Whistle-Blowers provide initial information based on a reasonable belief that an alleged wrongful conduct has occurred. The motivation of a whistle-blower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report, whether orally or in writing, is itself considered an improper activity, which the Designated Committee has the right to act upon.
- Whistle-Blowers shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper activity.
- Whistle-Blowers have a responsibility to be candid with the members of the Designated Committee or others to whom they make a report of alleged improper activities and shall set forth all known information regarding any reported allegations.
- Anonymous whistle-blowers must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations would not be undertaken without verifiable evidence. Because investigators are unable to interview anonymous whistleblowers, it may be more difficult to evaluate the credibility of the allegations and, therefore, less likely to cause an investigation to be initiated.
- Whistle-Blowers are “reporting parties,” not investigators. They are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the investigating authority.
- The identity of the whistle-blower will not be disclosed except where required under the law or for the purpose of the investigation. Should, however, the whistle-blower self-disclose his or her identity, there will no longer be an obligation not to disclose the whistle-blower’s identity.
- A whistle-blower’s right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrong doing.
- This policy may not be used as a defence by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under Company rules and policies. It shall not be a violation of this policy to take adverse personnel action against an employee, whose

conduct or performance warrants that action, separate and apart from that employee making a disclosure.

- While it will be ensured that genuine Whistle-Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistle-blower knowing it to be false or bogus or with a mala fide intention.
- Whistle-Blowers, who make any Disclosures, which have been subsequently found to be mala fide or malicious or whistle-blowers who makes three or more Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Disclosures under this Policy. This itself will be considered as an improper activity which the Designated Committee members have the right to act upon.

Rights of A Subject

Subjects have the right to be heard and the Whistle Officer or the Committee must give adequate time and opportunity for the subject to communicate his/her says on the matter.

Subject have right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry/investigation.

Procedures

A. For Making a Disclosure

- Any employee who observes or has knowledge of an alleged wrongful conduct shall make a disclosure to any of the members of the Delegation WB Committee or the Company WB Committee as soon as possible but not later than 60 consecutive calendar days after becoming aware of the same. The disclosure may be made in writing (by e-mail or on paper) or orally (a personal meeting or over the telephone).
- The Committee to which the disclosure has been made shall appropriately and expeditiously investigate all whistle-blower reports received. In this regard, the Committee, if the circumstances so suggest, may appoint a senior officer or a committee of managerial personnel to investigate into the matter.
- The Committee shall have the right to outline a detailed procedure for an investigation.

B. For Filing a Complaint by Whistle-Blower

- Not later than 30 days after a current or former employee is notified or becomes aware of an adverse personnel action, he or she may protest the action by filing a written Whistle-Blower complaint with any member of the Delegation WB Committee or the Company WB Committee if the employee believes the action was based on his or her prior disclosure of alleged wrongful conduct. The Committee on receipt of a Whistle-Blower complaint shall appoint a senior officer or a committee of managerial personnel to review the complaint.
- Within 45 days of the complaint, the Senior Officer or committee will submit a report to the Delegation or Company WB Committee. After considering the report, the Committee shall determine the future course of action and may order remedial action.

Retention of Documents

All protected Disclosures in writing or documented along with the results of the investigation relating thereto shall be retained by the Company for minimum period of 7 years.

Access to Reports and Documents

All reports and records associated with Disclosures are considered confidential information and access will be restricted to the Whistleblower, the Whistle Committee and Whistle Officer. Disclosures and resulting investigations, reports or resulting actions will generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

Notification

All Managing Directors/Heads of the SEPL are required to notify and communicate the existence and contents of this policy to their employees. The new employees shall be informed about the policy by the HR department.

This policy, as amended from time to time, shall be made available on the website of the Company.

RISK MANAGEMENT POLICY

Background and Implementation

S. E. Power Limited like any other business entity is exposed to various risks in the normal course of its activities. No business can be conducted without accepting a certain level of risk, and any expected gain from a business activity is to be assessed against the risk that activity involves.

Risk Management is a mechanism for identification, analysis, assessment, control, and avoidance, minimization, or elimination of associated risks in managing any business activity. It is a structured approach to manage risk resulting from all kinds of threats and involves treatment of risk, embracing both the analysis and handling of risks, using appropriate forms of risk control.

Risk Management makes an effective contribution to the achievement of the corporate objective and deserves the status of a separate managerial function. Thus, in terms of corporate objective, Risk Management is an integral part of various functional management areas.

This document is intended to formalize a risk management policy, the objective of which shall be identification, evaluation, monitoring and minimization of identifiable risks. This policy is in compliance with the amended Clause 49 of the Listing Agreement which requires the Company to lay down the procedure of risk assessment and risk minimization. The Board of Directors of the Company and the Audit Committee shall periodically review and evaluate the risk management system of the Company so that the management control the risks through properly defined network. Concern persons of the Company, shall be responsible for implementation of the risk management system as may be applicable to their respective areas of functioning and report to the Board and Audit Committee.

Risk management policy and processes will enable the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts on the Company and to capitalize the opportunities.

The risks associated with the Company can be identified as being internal or external and subject matter wise, risks are classified broadly into the following categories:

Categories of Risks

1. **Strategic Risk:** include the range of external events and trends (like Government policy, competition, court rulings or a change in stakeholder requirements) that can adversely impact the company's strategic growth.
2. **Business Risk:** include the risks associated specifically with the company's business and having an adverse impact on the company's capability to execute activities critical for business growth, thereby affecting its near-term performance. As a mid-sized undertaking, Company faces the risk of over-reliance on one person, particularly in the area of investment management. Loss of clients is also a significant threat to the business.
3. **Operational Risk:** Any eventuality arising from the act relating to people, technology, infrastructure and external factors, which can give rise to some type of loss in the organisation, is termed as Operational Risk. Most of the times the risk is internal and unknown in nature.
4. **Investment Risk:** Investment risk is the probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

5. **Market Risk:** This is majorly external in nature, which gives rise to Risks like Liquidity risk, Interest Rate risk and Funding risk. Liquidity risk is the inability to meet financial obligations in a timely manner and without stress.

Objective & Purpose of Policy

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

The specific objectives of the Risk Management Policy are:

1. To ensure that all the current and future material risk exposures of the company are identified, assessed, quantified, appropriately mitigated, minimized and managed i.e. to ensure adequate systems for risk management.
2. To establish a framework for the company's risk management process and to ensure its implementation.
3. To assure business growth with financial stability.
4. To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.

Role of The Board

The Board will undertake the following actions to ensure risk is managed appropriately:

- The Board shall be responsible for framing, implementing and monitoring the risk management plan for the Company.
- The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit.
- Ensure that the appropriate systems for risk management are in place.
- Participate in major decisions affecting the organization's risk profile;
- Have an awareness of and continually monitor the management of strategic risks;
- Be satisfied that processes and controls are in place for managing less significant risks;
- Be satisfied that an appropriate accountability framework is working whereby any delegation of risk is documented and performance can be monitored accordingly;
- Ensure risk management is integrated into board reporting and annual reporting mechanisms;
- Arrangement for back-up plan in place for mitigating the Business by having back-up arrangements in place and a delegated learning function.
- Decide the responsibilities of the concern persons to keep continuous watch and to gather the symptoms/warning signals to manage Operational risk.

Constitution of Risk Management Committee

Risk Management Committee shall be constituted by the Company consisting of such number of directors (executive or non-executive) as the Company thinks fit. The Board shall define the roles & responsibilities of the Risk Management Committee & may delegate monitoring & reviewing of the risk management plan to the Committee & such other functions as it may deem fit.

Disclosure in Board's Report

Board of Directors shall include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

Review

This policy shall be reviewed periodically to ensure it meets the requirements of legislation & the needs of organization.

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