

## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

*(Pursuant to Securities and Exchange Board of India, (Prohibition of Insider Trading)  
Regulations, 2015)*

### OBJECTIVE OF THE CODE

This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information (“UPSI”) by Insiders and Connected Persons.

### 1. DEFINITIONS

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

“**Board**” means the Board of Directors of the Company.

“**the Code**” or “**Code of Conduct**” shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by insiders of SEPC Limited, as amended from time to time.

“**Company**” means SEPC Limited

“**Compliance Officer**” means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

“**Connected Person**” means,-

(i) any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship between himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.



(ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established, -

- (a). an immediate relative of connected persons specified in clause (i); or
- (b). a holding company or associate company or subsidiary company; or
- (c). an intermediary as specified in section 12 of the Act or an employee or director thereof; or
- (d). an investment company, trustee company, asset management company or an employee or director thereof; or
- (e). an official of a stock exchange or of clearing house or corporation; or
- (f). a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- (g). a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- (h). an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- (i). a banker of the company; or
- (j). a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

**NOTE:** *It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.*



**“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.

**“Designated Persons”** shall mean

- (i) Directors of the Company.
- (ii) All promoters of the Company and its Promoter Group.
- (iii) Officers as defined in the Companies Act, 2013 as amended from time to time.
- (iv) All employees in the grade of M2 and above of the Company and its material subsidiaries.
- (v) All employees of the Company and its material subsidiaries who have access to UPSI in various business divisions and functions including Finance, IT and Secretarial as may be determined by the respective business / functional heads jointly with the Compliance Officer on the basis of the role/function in addition to seniority and professional designation.
- (vi) Any other Person as may be specified by the Compliance Officer / Managing Director of the Company from time to time.

**“Derivative”** “includes—

- (i) a security derived from a debt instrument, share, loan, whether secured or unsecured, risk instrument or contract for differences or any other form of security;
- (ii) a contract which derives its value from the prices, or index of prices, of underlying securities.

**“Director”** means and includes every Director on the Board of the Company.

**“Employee”** means every Employee of the Company (whether working in India or abroad), including the Directors in the employment of the Company.

**“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis;

*NOTE: It is intended to define what constitutes generally available information so that it is easier to crystallize and appreciate what unpublished price sensitive information is. Information published on the website of a stock exchange, would ordinarily be considered generally available.*

**“Immediate Relative”** “immediate relative” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;



*NOTE: It is intended that the immediate relatives of a “connected person” too become connected persons for purposes of these regulations. Indeed, this is a rebuttable presumption.*

**“Insider” means any person who is:**

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

*NOTE: Since “generally available information” is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an “insider” regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.*

**“Key Managerial Personnel”** means a person as defined in Section 2 (51) of the Companies Act, 2013.

**“Non - Trading Period”** means:

- (i) the period, i.e., the number of Trading Days, before and after the date of a meeting of the Board or shareholders of the Company where ‘UPSI’ is to be considered as provided under Clause 8 of the Code; or
- (ii) such other period(s) as may be decided and notified by the Compliance Officer.

**“promoter”** and **“promoter group”** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

**“Securities and Exchange Board of India”** or **“SEBI”** means the regulatory body for the investment market in India, constituted under the resolution of the Government of India in the Department of Economic Affairs.

**“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.



“**Stock Exchanges**” shall include BSE Limited (BSE) and, The National Stock Exchange of India Limited (NSE) where the Securities of the Company are currently listed.

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

“**trading**” means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and "trade" shall be construed accordingly;

*NOTE: Under the parliamentary mandate, since the Section 12A (e) and Section 15G of the Act employs the term 'dealing in securities', it is intended to widely define the term “trading” to include dealing. Such a construction is intended to curb the activities based on unpublished price sensitive information which are strictly not buying, selling or subscribing, such as pledging etc when in possession of unpublished price sensitive information.*

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

“**Trading Plan**” shall mean a plan for trades to be executed in the future by persons who have perpetual access to the UPSI.

“**Trading Window**” shall mean the window available for Trading in the Securities of the Company.

“**Unpublished Price Sensitive Information**” means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –

- (i) financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- (v) changes in key managerial personnel.

## **2 TRADING BY INSIDERS**

### **2.1 Communication or Procurement of UPSI:**



Designated person shall maintain the confidentiality of all unpublished price sensitive information. Designated person shall not pass on such information to any person directly or indirectly by way of making recommendation for the purchase or sale of securities.

No Insider shall communicate, provide or allow access or procure from or cause communication by any insider regarding UPSI, relating to the Company or its Securities, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

The Insiders who are in possession of UPSI are required to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis.

#### Need-to-Know

(i) “need to know” basis means that UPSI should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

(ii) All non-public information directly received by any employee should immediately be reported to the head of the department.

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

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

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

The following guidelines shall be followed while dealing with analysts and institutional investors.

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.



- Simultaneous release of information after every such meet.

## **2.2 Trading while in possession of UPSI:**

➤ No Insider shall trade in Securities of the Company when in possession of UPSI, provided that the Insider may prove his/her innocence by demonstrating the circumstances including the following:

-The transaction is an off-market inter-se transfer between Insiders who were in possession of the same UPSI without being in breach of restrictions imposed on communication and Trading by Insiders and both parties had made a conscious and informed trade decision.

- In case of non- individual Insiders:

a) The individuals who were in possession of such UPSI were different from the individuals taking Trading decisions and such decision making individuals were not in possession of such UPSI when they took the decision to trade; and

b) Appropriate and adequate arrangements were in place to ensure that the Regulations are not violated and no UPSI was communicated by the individuals possessing the information to the individuals taking Trading decisions and there is no evidence of such arrangements having been breached.

- The trades were pursuant to a Trading Plan set up in accordance with the Regulations/Code.

NOTE: When a person who has traded in securities has been in possession of Unpublished Price Sensitive Information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. The reasons for which he trades or the purposes to which he applies the proceeds of the transactions are not intended to be relevant for determining whether a person has violated the Regulation. He traded when in possession of Unpublished Price Sensitive Information is what would need to be demonstrated at the outset to bring a charge. Once this is established, it would be open to the Insider to prove his innocence by demonstrating the circumstances mentioned in the proviso, failing which he would have violated the prohibition. The determining authority for this purpose will be Board of Directors of SEPC Limited.

In the case of Connected Persons the onus of establishing, that they were not in possession of UPSI, shall be on such Connected Persons and in other cases, the onus would be on SEBI.

Subject to the applicable regulations and ESOP Plan/Schemes of the company, employees stock options can be exercised when the trading window is closed.

## **2.3 Prevention of misuse of UPSI:**



1. Designated Persons shall not at any time deal in the Company's securities on the basis of any Unpublished Price Sensitive Information or communicate any Unpublished Price Sensitive Information to any person except as required in the ordinary course of business or under any law. Likewise Designated Persons shall not procure any other person to deal in the securities of the Company on the basis of any Unpublished Price Sensitive Information. Such conditions shall lapse after 48 hours of such information coming into the public domain.

2. Without prejudice to the above, trading is not permitted during the following periods (days outside these periods shall be deemed to be "Trading Window"):

a. From 1<sup>st</sup> day of the month immediately after the fiscal quarter end until 48 hours after the respective quarterly results as approved by the Board, are made public.

b. From 1<sup>st</sup> day of the month immediately after the close of the financial year until 48 hours after the audited financial results as approved by the Board, are made public. Provided that once the financial results are published on Stock Exchange's website, the same will then be construed as made public.

3. All Designated persons shall be subject to the following trading restrictions: -

a. They shall trade in the Company's securities only when the trading window is open.

b. The trading window shall be closed during the time any Unpublished Price Sensitive Information is available to the Designated Person/s.

c. The trading window shall be, inter alia, closed prior to:-

- declaration of financial result (s);
- declaration of dividend (s);
- change in capital structure mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- changes in key managerial personnel; and

It is however provided that change in capital structure resulting out of allotment of shares against exercise of employee stock options will not be construed to be requiring closure of trading window.

The trading window shall be opened 48 hours after the information referred to in sub clause 3 of this clause is made public. Provided that once such information is published on the Stock Exchange's website, the same will then be treated as "made public."





**NOTE:**

Creation of pledge or invocation of pledge for enforcement of security while in possession of unpublished price sensitive information is prohibited. Creation of pledge or invocation of pledge is allowed when trading window is closed provided that neither the pledger nor pledgee must be in possession of Unpublished Price Sensitive Information. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company and having access to Unpublished Price Sensitive information.

Subject to Clause 3 of this Code, dealing with Trading Plan, all Designated Persons of the Company shall conduct all their dealings in the securities of the Company only in a valid Trading Window and shall not deal in the Company's securities during the periods when Trading Window is closed or during any other period as may be specified by the Company from time to time.

### **3. Trading Plans**

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

**NOTE:** This provision intends to give an option to persons who may be perpetually in possession of Unpublished Price Sensitive Information and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an Insider to enable him to plan trades to be executed in future. By doing so, the possession of Unpublished Price Sensitive Information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he had pre - decided even before the Unpublished Price Sensitive Information came into being.

2. Such trading plan shall:—

a. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;

**NOTE:** It is intended that to get the benefit of a trading plan, a cool - off period of six months is necessary. Such a period is considered reasonably long for Unpublished Price Sensitive Information that is in possession of the insider when formulating the trading plan, to become generally available. It is also considered to be a reasonable period for a time lag in which new Unpublished Price Sensitive Information may come into being without adversely affecting the trading plan formulated earlier. In any case, it should be remembered that this is only a statutory cool - off period and would not grant immunity from action if the Insider were to be in



possession of the same Unpublished Price Sensitive Information both at the time of formulation of the plan and implementation of the same.

b. not entail trading for the period between the 20<sup>th</sup> trading day prior to the last day of any financial period for which results are required to be announced by the Company and the 2<sup>nd</sup> trading day after the disclosure of such financial results;

NOTE: Since the trading plan is envisaged to be an exception to the general rule prohibiting trading by insiders when in possession of Unpublished Price Sensitive Information, it is important that the trading plan does not entail trading for a reasonable period around the declaration of financial results as that would generate Unpublished Price Sensitive Information.

c. entail trading for a period of not less than twelve months;

NOTE: It is intended that it would be undesirable to have frequent announcements of trading plans for short periods of time rendering meaningless the defence of a reasonable time gap between the decision to trade and the actual trade. Hence it is felt that a reasonable time would be 12 months.

d. Not entail overlap of any period for which another trading plan is already in existence;

NOTE: It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an insider to time the publication of the Unpublished Price Sensitive Information to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.

e. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and

NOTE: It is intended that while regulations should not be too prescriptive and rigid about what a trading plan should entail, they should stipulate certain basic parameters that a trading plan should conform to and within which, the plan may be formulated with full flexibility. The nature of the trades entailed in the trading plan i.e. acquisition or disposal should be set out. The trading plan may set out the value of securities or the number of securities to be invested or divested. Specific dates or specific time intervals may be set out in the plan.

f. not entail trading in securities for market abuse

NOTE: Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse. For instance, in the event of manipulative timing of the



release of Unpublished Price Sensitive Information to ensure that trading under a trading plan becomes lucrative in circumvention of regulation 4 being detected, it would be open to initiate proceedings for alleged breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.

3. The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of the Code and shall be entitled to seek such express undertakings, inter-alia, confirming no such violation, as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.].

4. The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan. The implementation of the Trading Plan shall not be commenced if any Unpublished Price Sensitive Information in possession of the Insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such Unpublished Price Sensitive Information becomes generally available information so as to avoid a possible violations. Compliance Officer may call upon furnishing of such undertakings as may be deemed fit.

Note:

It is intended that since the trading plan is an exception to the general rule that an insider should not trade when in possession of unpublished price sensitive information, changing the plan or trading outside the same would negate the intent behind the exception. Other investors in the market, too, would factor the impact of the trading plan on their own trading decisions and in price discovery. Therefore, it is not fair or desirable to permit the insider to deviate from the trading plan based on which others in the market have assessed their views on the securities.

The proviso is intended to address the prospect that despite the six-month gap between the formulation of the trading plan and its commencement, the Unpublished Price Sensitive Information in possession of the Insider is still not generally available. In such a situation, commencement of the plan would conflict with the over-riding principle that trades should not be executed when in possession of such information. If the very same Unpublished Price Sensitive Information is still in the insider's possession, the commencement of execution of the trading plan ought to be deferred.



5. Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

#### **4. Initial Disclosure and Continuous Disclosure**

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

b. Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter or member of Promoter group shall disclose in Form A-1 holding of securities of the Company as on the date of appointment or becoming a Promoter, to the Company within 7 days of such appointment or becoming a Promoter.

##### **2. Continual Disclosure**

i). Every Promoter or member of Promoter group, designated person and Director of the Company shall disclose to the Company in Form A-2, the number of such securities acquired or disposed or indirectly through his Immediate Relatives, within 2 trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs 10 Lakhs or more;

ii). The Company shall notify the particulars of such trading to the Stock Exchange within 2 Trading days of receipt of the disclosure or from becoming aware of such information. The disclosure of the incremental transactions after any disclosure under this sub-clause, shall be made when the transactions effected after the prior disclosure cross the said threshold specified in clause (4) (2) (i).

The Company may at its own discretion require any other connected persons or class of connected persons to make disclosures of holdings and trading in securities of the Company in such Form and at such frequency as may be determined by the Company to monitor compliance with this Code and the Regulations.

NOTE: This is an enabling provision for the Company to seek information from those to whom it has to provide Unpublished Price Sensitive Information. This provision confers discretion on the Company to seek such information. For example, the Company may ask that a management consultant, who would advise it on corporate strategy and would need to review Unpublished Price Sensitive Information, should make disclosures of his trades to the Company. Anyone dealing with the Company would thus need to take into account and ensure compliance with the said requirement.

Every disclosure shall be made in the specified format. Further, the disclosures shall be made by any person and Immediate Relatives, including by any other person for whom such person takes



trading decisions. Any or all the Forms hereunder or otherwise provided, can be put up on electronic platform and electronic / email submission, processing etc. thereof is permitted.

NOTE: It is intended that disclosure of trades would need to be of not only those executed by the person concerned but also by the Immediate Relatives including any other persons for whom the person concerned takes trading decisions. This Code is primarily aimed at preventing abuse by trading when in possession of Unpublished Price Sensitive Information and therefore, what matters is whether the person who takes trading decisions is in possession of such information rather than whether the person who has title to the trades is in such possession.

The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account. However, trading in the said derivatives of securities should be permitted by any law for the time being in force.

The disclosures made hereunder shall be maintained by the Company, for a minimum period of five years, in such form as may be specified.

## 5. Pre-clearance of Trades

All designated persons, their immediate relatives and connected persons who intend to deal in the securities of the Company (purchase, sale or otherwise) either directly or where their Immediate Relatives intend to deal in the securities of the Company or in case of any proposed dealing by any other person for whom such person takes trading decisions, should pre intimate / pre-clear the transactions as per the procedure described hereunder.

§ If the cumulative value of the proposed transaction in a week is expected to exceeds Rs. 10 lakhs (market value), a pre-clearance application should be made in Form B to the Compliance officer at least 2 trading days prior to the proposed date for transaction and indicate the estimated number of securities that he/she intends to deal in, DP ID & Client ID, Permanent Account No. and the likely date range in which the transaction(s) is proposed to be carried out.

The notice requirement of 2 trading days will not prevent the Company to expeditiously process such application / shorten the advance business days requirement on a case to case basis.

An undertaking shall be executed in favour of the Company and/or Compliance Officer by such designated person incorporating, inter-alia, the following clause

1. That the designated person does not have any access or has not received up to the time of signing the undertaking any "Price Sensitive Information" which has remained **unpublished** and not in the public domain.



2. That in case the designated person has access to or receives Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time 48 hours have elapsed when such information becomes public.
3. That he/she has not contravened this Code.
4. That he/she has made a full and true disclosure while applying for clearance to trade.

### **Other restrictions**

All designated persons shall execute their order in respect of securities of the Company within the time prescribed below:

§ In case of Pre-Clearance: Within one week from the date pre-clearance approval/date range set out in the pre-clearance Form.

Provided that if the order is not executed or is only partly executed within one week of such approval, the designated persons must pre-clear the transaction / balance transaction again.

The Compliance Officer shall submit report to the Board of Directors, Audit Committee Chairman and others, in the format as may be determined by the Board / Audit Committee Chairman from time to time, containing prescribed particulars about such pre-clearances processed and underlying transactions carried out during the period.

To this purpose the Compliance Officer is authorised to seek such additional information as may be required to submit its report to the Board of Directors / Audit Committee Chairman.

In case of trades by the Compliance Officer or his immediate relatives, compliance officer will submit his/her preclearance request(s) to the Executive Director and in his absence to Non-Executive Director(s)/Chief Financial Officer of the Company, who shall consider and decide about the same, as per this Code of Conduct of the Company.

### **No contra-Trade:**

All designated persons/insiders who buy or sell any shares/securities of the Company shall not enter into a contra trade i.e. sell or buy any number of shares/securities during the next 6 months following the prior transaction. All designated persons shall also not take positions in derivative transactions, if applicable, in the shares/securities of the company at any time during the next 6 months following the prior transaction. However, the Compliance Officer may grant relaxation from such restriction reasons to be recorded in writing to the extent that such relaxation does not violate the code.



Profits made out of transaction in violations of the regulations, shall be liable to be disgorged for remittance to SEBI for credit to Investor Education Protection Fund.

**NOTE:**

If a designated person has sold/ purchased shares, he can subscribe and exercise ESOPs at any time after such sale/purchase, without attracting contra trade restrictions. Further, where a designated person acquires shares under an ESOP and subsequently sells/pledges those shares, such sale shall not be considered as contra trade, with respect to exercise Of ESOPs. Further, the restriction of 'contra-trade' shall not apply in respect of matters such as buy back offers, open offers, rights issues, FPOs, bonus, etc. of the Company which may be available to designated persons. The restrictions with regards to Contra Trade shall apply to all the insiders who are required to handle unpublished price sensitive information of the Company.

## **6. Reporting Requirements for Transaction in securities**

All designated persons shall be required to forward the details of their dealings in the Company's securities which should include the statement of immediate relatives to the Compliance officer on an annual basis in **Form C- 1 and C-2 respectively**, of all holdings in securities.

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the designated persons for a minimum period of five years. The Compliance officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, if any or to the Chairman of the Board Directors. of Directors at such frequency as may be stipulated by the Board of A designated persons leaving the organization will be required to execute the undertaking as provided in Form E.

## **7. Principles of Fair Disclosure for the purposes of Practices and procedures for fair disclosure of Unpublished price Sensitive Information.**

Following are the broad principles, practices and procedures which for fair disclosure of Unpublished Price Sensitive Information:

1. Prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available. The Unpublished Price Sensitive Information will be disclosed publicly via first intimating to the stock Exchanges.
2. Uniform and universal dissemination of Unpublished Price Sensitive avoid selective disclosure.



3. Chief Financial Officer of the Company is designated as the Chief Investor Relations Officer to deal with dissemination of information and disclosure of Unpublished Price Sensitive Information and to implement fair disclosure norms hereunder.
4. Prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
5. Appropriate and fair response to queries on news verification of market rumors by regulatory authorities.
6. Ensuring that information shared with analysts and research personnel is not Unpublished Price Sensitive Information.
7. Ensure prompt publication/disclosure of policies such as those on dividend, inorganic growth pursuits etc. if any set to be put in public domain, calls meetings with analysts, publication of transcripts of such calls and meetings, with the intent of ensuring asymmetry of information available in public domain.
8. Developing best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
9. Handling of all Unpublished Price Sensitive Information on a need-to-know basis.

#### DETERMINATION OF “LEGITIMATE PURPOSES

Legitimate Purposes shall mean, sharing of Unpublished Price Sensitive Information (UPSI) in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, professionals, or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations.

In compliance with Regulation 3(2A) of the PIT Regulation, the following shall be construed as Legitimate Purpose for sharing of unpublished price sensitive information in the ordinary course of business:

- a) Sharing of information by an Insider with any other person in the organization as well as to an outsider shall also be covered while determining the Legitimate Purpose
- b) UPSI can be shared in the ordinary course of business if the same is necessary to be shared. UPSI can also be shared in case same is mandatory for performance of duties.
- c) All the UPSI with outsider shall be shared only upon prior approval by the Chief Investor Relations Officer.





- d) The sharing of information shall not be in contravention of the prohibitions of the PIT Regulation.

Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for the purposes of the PIT Regulation.

## **8. Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Designated persons**

The following minimum standards are being adopted and the Code will operate, inter-alia, based on the following standards:

1. The compliance officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Audit Committee, at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.

2. All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. The code of conduct shall contain norms for appropriate Chinese Walls procedures, and processes for permitting any designated person to “cross the wall”. Any such permission shall be granted subject to approval by any Executive Director and shall have regard to all relevant regulations.

3 “designated persons and immediate relatives of designated persons”) in the organisation shall be governed by an internal code of conduct governing dealing in securities. 4. Designated persons may execute trades subject to compliance with these regulations. Towards this end a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the compliance officer in consultation with and as per advice of Executive Director and/or Chief Financial Officer, determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed. Trading restriction period shall be mandatorily made applicable from the end of every quarter till 48 hours after the declaration of financial results. The gap between clearance of accounts by audit committee and board meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information

5. The timing for re-opening of the trading window shall be determined by the compliance officer in consultation and as per advise of Executive Director and/or Chief Financial Officer, taking into account various factors including the unpublished price sensitive information in



question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. The trading window shall also be applicable to any person having contractual or fiduciary relation with the company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the company.

6. When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, in consultation with and as per advise of Executive Director and/or Chief Financial Officer, if the value of the proposed trades is above such the thresholds as the board of directors may stipulated hereunder. 7. If and as applicable, the compliance officer shall confidentially maintain a list of such securities as a “restricted list” which shall be used as the basis for approving or rejecting applications for preclearance of trades.

8. Prior to approving any trades, the compliance officer shall be entitled to seek declarations, affirmations and/or undertakings to the effect that the applicant for pre- clearance is not in possession of any unpublished price sensitive information. He shall also have regard to, in consultation with and as per advise of Executive Director and/or Chief Financial Officer, whether any such declaration is reasonably capable of being rendered inaccurate.

9. The code of conduct shall specify any reasonable timeframe, which in any event shall not be more than seven trading days, within which trades that have been pre- cleared have to be executed by the designated person, failing which fresh pre- clearance would be needed for the trades to be executed.

10. The code of conduct hereunder specifies the period, of six months, within which a designated person who is permitted to trade shall not execute a contra trade. The compliance officer in consultation with and as per advise of Executive Director an

d/or Chief Financial Officer, may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund.

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

11. The code of conduct stipulates such formats as the Board of Directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with these regulations.



Further any Executive Director is empowered to specify any such additional format /disclosure which it deems fit to ensure compliance with this Code.

However, the same will be placed before the Board of Directors subsequently for ratification / information.

12. Stock Exchanges where the specified securities are listed (i.e National Stock Exchange of India Limited and BSE limited) shall be promptly informed if there is any violation to the Code of Conduct, which comes to the notice of Executive Director, Chief Financial Officer and Compliance Officer.

13. Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship
- c) Phone, mobile and cell numbers which are used by them

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.

14. SEPC Limited has a process for how and when people are brought ‘inside’ on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

## **9. Penalty(ies) and disclosure to SEBI**

**PENALTY FOR CONTRAVENTION OF THE CODE 7.1** Any Specified Person who trades in Securities or communicates any information for Trading in Securities, in contravention of the Code may be penalized and appropriate action may be taken by the Company. **7.2** Designated Persons who violate the Code shall also be subject to disciplinary action by the Company, which may include warning, monetary fine, wage freeze, suspension, recovery, ineligibility for future participation in ESOP, etc. at the sole discretion of the Company. **7.3** The action taken by the



Company in terms of the penalty provisions shall not preclude SEBI from taking any action in case of violation of the Regulations.

## 10. Enquiries

For any assistance, clarifications or questions concerning the code kindly contact the Compliance Officer of the Company:

T. Sriraman, Company Secretary & Compliance officer.

Email: [tsr@sepc.in](mailto:tsr@sepc.in)

## 11. Placement of the Code on Website

Pursuant to Regulations, the Code and any amendments thereto shall be posted on the website of the Company ([www.sepc.in](http://www.sepc.in))

## 12. Amendment(s) to the Code

The Code may be amended to meet the requirements of any relevant statute(s) or the business interest of the Company by the Board of the Company.

Any or all provisions of this Code would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Last Modification date August 10, 2023**

Form B-1



**SEPC Limited**  
(Formerly Shriram EPC Ltd)  
Regd. Office : 'Báscón Futura SV' - 4th Floor,  
10/1, Venkatanarayana Road, T.Nagar, Chennai - 600 017. Phone : +91-44-4900 5555  
E-mail: [info@shriramepc.com](mailto:info@shriramepc.com) Website : [www.shriramepc.com](http://www.shriramepc.com)  
CIN: L74210TN2000PLC045167



**APPLICATION FOR PRE - CLEARANCE**

Compliance Officer  
SEPC Limited,

Dear Sir,

**Subject: Application for Pre-clearance**

My personal details are as under:

Name	
Employee No	Grade/Designation
Department/ Program & Process	Location:

**Table 8:**

With reference to the Code of Conduct and Code for Fair Disclosure of the Company, I seek the approval to Trade in shares/securities of the Company held by me/immediaterelatives as stated below. I understand the term 'Trade' or 'Trading' hereunder includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in securities — even transactions such as creation of security interest or pledge are covered.

The details of my/~~Immediate~~Relative(s) present holding are as follows:

Name Of the Designated Employee /Immediate Relative	No. of Shares/Securities held	Folio no./ DPID & Client ID	PAN	Nature of Transaction for which the approval is sought	Date range (maximum one week)	No. of shares / securities be dealt



**Table 9:**

As required by the Code, I am fully aware of the requirements therein and hereby declare that:

- a. I have no access to/ I do not have any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code /SEBI regulation while making this pre-clearance request to the Company.
- b. In the event that I have access to or received any information that could be construed as "Unpublished Price Sensitive Information" as defined in the Code, after the signing of this application but before executing the transaction for which approval is sought, I shall intimate the same and shall completely refrain from dealing in the shares/securities of Company and shall not communicate, provide, or allow access to such information, relating to a company or securities listed, to any person including other employee(s), Immediate Relative(s) and any other person (s) legitimate purposes, performance of duties or discharge of legal obligations and as per the trading plan submitted and approved by the Company / compliance officer.
- c. I have not contravened the provisions of the Code of Conduct and Code for Fair Disclosure / SEBI Regulations as applicable from time to time.
- d. I have made full and true disclosure in the matter and understand that this preclearance will be processed by the Company /Compliance Officer relying on my affirmations and undertakings, contained hereunder specifically that I will not Trade in Company's securities while being privy to any Unpublished Price Sensitive Information and THAT for any default, I shall be solely responsible, to the complete exclusion of the Company and/ or its Directors, Employees, and Compliance Officer.
- e. I undertake that i shall indemnify the Company as given below:
  - I. To hold SEPC Limited, its directors, officers and employees faultless in the event of any investigation against me for insider trading by any regulatory authority.
  - II. To make good to the SEPC Limited, its directors, officers and/or employees, for all economic losses, fines or penalty, if any, imposed on the SEPC Limited, its directors, officers and/or employees as a result of any investigation by any regulatory authority/authorities into any of the transactions entered by me in dealing with the securities of the Company.



- III. To compensate the SEPC Limited,, its directors, officers and/or employees for and towards all legal expenses incurred in defending itself in such investigations, including advocate's fees.

Yours Faithfully,

Date: \_\_\_\_\_ Sign: \_\_\_\_\_

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



Form B-2

TO  
(Employee name)

### Pre-clearance Order

Pre Clearance Number: \*\*/(Financial year)

This is to inform you that your request dated \*\*.\*\*.\*\*\*\* for dealing in \*\*\*\*\* (nos.) equity shares / securities of the Company as mentioned in your application is approved. Please note that the said transaction must be completed on or before (date) i.e. within seven days from the date of this order/ as per the date range mentioned in your pre-clearance.

**In case you are not able to execute the transaction hereunder either fully or partially, then please the Compliance officer, the reason thereof within 2 working days of expiry of date range.**

**In case of no revert, the reason(s) will be presumed to be as follows:**

**Target price not met / Intermediary; broker or dealer not able to execute the transaction.**

And kindly ensure that you are not in possession of any unpublished price sensitive information at the time of sharing this pre-clearance and / or at the time of carrying out the transaction(s).

Date:

For SEPC Limited

**Compliance officer**

