

Code of Conduct to Regulate, Monitor and Report Trading by Insiders

Introduction

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

Accordingly, in supersession of the existing rules of Company in this context, a Code of Conduct to Regulate, Monitor and Report Trading by Insiders (the “Code”) for South Asian Enterprises Limited (the “Company”) is hereby framed as under –

I. Important Definitions

- (a) “**Compliance Officer**” means Company Secretary or other officer of the Company so designated, for the time being.
- (b) “**Connected person**” shall generally include – Directors, Key Managerial Personnel, Specified Employees and Promoters (referred to as “Designated Persons”) who may have access to unpublished price sensitive information; and Immediate Relatives of the above;
- (c) “**generally available information**” means information that is accessible to the public on a nondiscriminatory basis;
- (d) “**insider**” means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- (e) “**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;
- (f) “**regulations**” means Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (g) “**trading**” means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and “trade” shall be construed accordingly;
- (h) “**trading day**” means a day on which the recognized stock exchanges are open for trading;

- (i) "**unpublished price sensitive information**" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which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 include but not restricted to, information relating to the following: –
- i. financial results; ii. dividends; iii. change in capital structure; iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; v. changes in key managerial personnel; and vi. material events in accordance with the listing agreement.
- (j) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

II. Code

Reporting

The Compliance Officer shall report to the Board of Directors ("Board") and in particular, shall provide reports on trading by insiders to the Chairman of the Audit Committee and in its absence to the Chairman of the Board, at such frequency as may be stipulated by the Board from time to time.

Information on a need to know basis & Chinese Wall procedures

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 the insider's legitimate purposes, performance of duties or discharge of his/her legal obligations. Norms for appropriate Chinese Walls procedures and processes will be as under –

- i. To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, categorized as "inside areas" from those areas which deal with sales/marketing/investment advisory and departments providing support services to customers, categorized as "public areas".
- ii. The employees in the inside area shall not communicate any price sensitive information to any one in public area.
- iii. The employees in inside area may be physically segregated from employees in public area.
- iv. Demarcation of the various departments as inside area may be implemented by the Company.
- v. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria, under intimation to the Compliance Officer.

Designated Persons

The Board of Directors shall in consultation with the Compliance Officer specify the designated persons to be covered by such Code on the basis of their role and function in the organisation. Due regard shall be had to the role and function of person to provide access to unpublished price sensitive information in addition to seniority and professional designation.

Trading window

Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument for monitoring trading by the designated persons. The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. 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.

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

Pre-clearance & trades

When the trading window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of Rs.10,00,000/- (Rupees Ten Lakh) in value over any calendar quarter, or such other limits as the Board may stipulate from time to time. No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed. The Compliance Officer shall confidentially maintain a list as a “restricted list” as may be specified in the SEBI regulations which shall be used as the basis for approving or rejecting applications for pre-clearance of trades.

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

Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed. A designated person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to Securities and Exchange Board of India ('SEBI') for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

Disclosure Responsibilities & formats

- ***Initial Disclosures of holdings***

Every promoter, key managerial personnel and director of the Company shall disclose in Form 'A' prescribed under the regulations, his holding of securities of the Company as on the date of these Regulations taking effect, to the Company within thirty (30) days of these Regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter shall disclose in Form 'B' or such form as provided under the regulations, his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company, within seven (7) days of such appointment or becoming a promoter.

- ***Continual Disclosures of trades***

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

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

- Other formats / disclosures, to monitor compliance with these Regulations would be as under –
 - Application-cum-undertaking for pre-clearance (Appendix-I)
 - Reporting on annual basis of holdings in securities by Designated Persons as on 31 March, latest by 10 April each year in Form 'E' or such form prescribed under the regulations.

Penalty for contravention of Code of Conduct

- Any person to whom this code applies, who contravenes the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, dismissal etc. as may be decided by the Board in consultation with the Compliance Officer apart from punishment prescribed under regulations, disgorgement of profit as stipulated in the regulations and any other action under SEBI Act.
- The Company shall also report the contravention to SEBI.

Amendment

This code is subject to review by the Board of Directors from time to time and in case of any modification in regulations, the provisions of this code shall stand modified accordingly so as to remain consistent with regulations.

Appendix-I

1. Application-Cum-Undertaking for Pre-Clearance of Trade

(For persons intending to trade in the securities of the company beyond the threshold limit)

To
The Compliance Officer,
South Asian Enterprises Limited

I intend to trade in securities of South Asian Enterprises Limited as per particulars given below:

Name of designated person:

No. of securities intended to be purchased/sold:

Current Folio No./DP ID No./Client ID No. :

Name and Address of the DP:

I undertake that:

- I do not have any access or have not received any Unpublished Price Sensitive Information (UPSI) upto the date of signing of undertaking.
- In case, I receive any UPSI after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the changed position and that I would completely refrain from trading in the securities till the time such information becomes public.
- I have not contravened the Code of Conduct for Regulation of Insider Trading as notified by the Company from time to time;
- I have made a full and true disclosure in the matter;
- Order in respect of securities shall be executed within one week after approval is granted by Compliance Officer, failing which I shall apply for pre-clearance again from the Compliance Officer;
- I shall not execute a contra trade for a minimum period of six months. If a contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act;

I confirm having read the Code of Conduct for Regulation of Insider Trading framed by the Company and undertake to abide by the same.

In light of the above application-cum-undertaking, kindly grant pre-clearance of trade.

Place:
Date: (Signature of applicant)

Notes:

1. The present threshold limit is trading of Rs.10,00,000/- per calendar quarter.
 2. 'Designated Person' means Directors, KMP, Promoter and specified employees.
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2. Authorisation to Deal

The above transaction has been authorised. Your dealing must be completed within days from today / (insert date).

Please confirm the transaction by completing Section 3 below and returning this form to us.

Date:
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(Signature of Compliance Officer)

3. CONFIRMATION OF DEALING

I confirm that the share dealing was completed on (insert date)

Place:
Date: (Signature of applicant)