

# STERLING POWERGENSYS LTD

## Insider Trading - Code of Conduct

This Policy of Sterling Powergensys Ltd (SPL) , is only an internal code of conduct and one of the measures to avoid Insider Trading. It will be the responsibility of each person covered under the SEBI Insider Trading Regulation to ensure compliance of the SEBI Act, Guidelines and other related statutes.

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## Chapter 1- Preliminary and Restrictions on Insider Trading

### 1.1 Background

The Securities and Exchange Board (Prohibition of Insider Trading) Regulations, 2015 (Regulations) seek to govern the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

Insider Trading involves trading in the securities of a company listed or proposed to be listed, by connected or any persons in possession of or with access to unpublished price sensitive information not available to the general public, who can take advantage of or benefit from such unpublished price sensitive information. Trading in securities by an 'insider' is regarded unfair when it is predicated upon utilisation of 'inside' information to profit at the expense of other investors who do not have access to the same information.

Sterling Powergensys Limited insider Trading - Code of Conduct incorporates the amendments so as to align it with the new regulation i.e. The Securities and Exchange Board (Prohibition of Insider Trading) Regulations, 2015 ("**Regulations**") and has been approved by the Board of Directors at its meeting held on 9<sup>th</sup> May, 2015.

### 1.2 Objective of this Code of Conduct

This Code of Conduct has been prepared by adopting the standards set out in Schedule B of the Regulations in order to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with the regulations.

In order to fully understand the scope of restrictions on insider trading, it is useful to understand the following terms/definitions.

### 1.3 Definitions

(a) "**Company**" means Sterling Powergensys Limited ("**SPL**").

(b) "**Connected person**" means:

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.

(i) 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 authorised 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;

(c) “**Designated Persons**” means:

- (i) Members of the Board of Directors of SPL;
- (ii) Group Management Committee (GMC) Members;
- (ii) Members of the SPL Leadership Team;
- (iv) Chief Financial Officer and Company Secretary;
- (v) All employees of the Finance (CFO) and Secretarial Department of SPL;
- (vi) CFOs & CEOs of a holding company, subsidiary company and associate company\*;
- (vii) Head of Internal Audit Department, Legal Department;
- (viii) Secretaries/Executive Assistants reporting to the Chairman and/or the Managing Director/any Executive Director/CFO; and
- (ix) Such other persons as may be identified by the Compliance Officer.

\*Associate Company means a Company which has control of at least 20% of total paid up share capital of SPL, or of business decisions under an agreement.

- (d) "**Generally available information**" means information that is accessible to the public on a non-discriminatory basis.
- (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) “**Insider**” means any person who is:
  - (i) a connected person; or
  - (ii) in possession of or having access to unpublished price sensitive information.
- (g) "**Promoter**" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.
- (h) “**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.

- (i) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- (j) **“Trading day”** means a day on which the recognised stock exchanges are open for trading.
- (k) **“Unpublished price sensitive information” (“UPSI”)** 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 is not restricted to, information relating to: –
  - (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.

#### **1.4 Compliance Officer**

SPL has appointed the Company Secretary, as the Compliance Officer for the purposes of the Regulations, who shall work subject to guidance of the Chairman and the Board of Directors.

#### **1.5 Communication or procurement of UPSI**

- (1) No insider shall communicate, provide, or allow access to any UPSI relating to SPL or securities listed or proposed to be listed by SPL, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations
- (2) No person shall procure from or cause the communication by any insider of UPSI, relating to SPL or securities listed or proposed to be listed by SPL, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (3) Notwithstanding anything contained herein, UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:
  - (i) entail an obligation to make an open offer under the takeover regulations where the Board of Directors of SPL is of informed opinion that the proposed transaction is in the best interests of the Company;
  - (ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of SPL is of informed opinion that the proposed transaction is in the best interest of the Company and the information that constitutes UPSI is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the SPL Board of Directors may determine.

- (4) For purposes of point (3) above, the Board of Directors of SPL shall require the parties to execute agreements to contract confidentiality and nondisclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the purpose of the above point (3), and shall not otherwise trade in securities of SPL when in possession of UPSI.

#### 1.6 Trading when in possession of unpublished price sensitive information

No insider shall trade in securities of SPL that are listed or proposed to be listed on a stock exchange when in possession of UPSI.

#### 1.7 Chinese Wall

To prevent the misuse of confidential information, SPL has laid down Chinese Walls procedures which separate those areas of SPL that routinely have access to confidential information, considered "inside areas" from those which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".

- (i) The employees in the inside area shall not communicate any Unpublished Price Sensitive Information to anyone in public area.
- (ii) The Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.
- (iii) All the unpublished price sensitive information is to be handled on "need to know basis", i.e., Unpublished Price Sensitive Information should be disclosed only to those within SPL 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. All the non-public information directly received by any employee should immediately be reported to the head of the department. 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.

#### 1.8 Pre clearance of trades

- (i) All designated persons who intend to trade in the securities of SPL (either in their own name or in any immediate relative's name) i.e. buy or sell securities and if the value of the securities likely to be traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees, should pre-clear the transactions by making an application in the format set out in **Annexure A** to the Compliance Officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade, the details as to the depository with which (s)he has a security account, the details as to the securities in such depository mode and such other details as specified in the form and also declare that the applicant is not in possession of unpublished price sensitive information.

- (ii) 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.
- (iii) The Compliance Officer shall also determine whether any such declaration is reasonably capable of being rendered inaccurate.
- (iv) All designated persons of SPL and their immediate relatives shall execute their order in respect of securities of SPL within seven trading days after the approval of pre-clearance is given. If the order is not executed within seven trading days after the approval is given, the employee must obtain the pre-clearance for the transaction again.

### 1.9 No Trading Period

- (i) The trading period during which SPL's securities can be traded is called trading window. The trading window shall be closed during the time the price sensitive information is un-published.
- (ii) When the trading window is closed, the Designated Persons (including their immediate relatives) shall not trade in SPL's securities in such period.
- (iii) The trading window shall be, inter-alia closed at the time of:
  - (a) Declaration of Financial results
  - (b) Declaration of dividends (interim and final)
  - (c) Change in capital structure
  - (d) Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business
  - (e) Changes in key managerial personnel
  - (f) Material events in accordance with the listing agreement
  - (g) Such other time as the compliance officer determines that a designated person or class of designated person is reasonably expected to have possession of unpublished price sensitive information.
- (iv) The Compliance Officer shall also close the trading window when he 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.
- (v) The trading window shall be opened 48 hours after the unpublished price sensitive information becomes generally available.
- (vi) The trading window shall also be applicable to any person having contractual or fiduciary relation with SPL, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising SPL.

### 1.10 Holding Period

- (i) The designated persons who are permitted to trade as above shall not enter into a contra trade i.e. sell or buy any number of securities during the next six months

following the prior transaction. The designated persons shall also not take positions in derivative transactions in the securities of SPL at any time. The Compliance Officer may be empowered to grant relaxation from strict application of such restrictions for reasons to be recorded in writing provided that such relaxation does not violate the regulations.

- (ii) In case 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 applicable law.

## **Chapter 2 - Disclosures & Reporting**

Apart from the restrictions mentioned in Chapter 1, SPL is required to obtain certain disclosures and levy penalties as and when deemed fit.

The disclosures to be made by any person under this Chapter shall also include those relating to such person's immediate relatives and any other person for whom such person takes trading decisions.

The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Chapter:

Provided that trading in derivatives of securities is permitted by any law for the time being in force.

### **2.1 Initial Disclosure**

- (i) All the promoters, key managerial personnel and directors are required to send the details of their holdings in securities of SPL within 30 days of this Code becoming effective to the Compliance Officer in the format set out in **Annexure - B**.
- (ii) Every person on appointment as a key managerial personnel or a director of SPL or upon becoming a promoter shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter.

### **2.2 Continual Disclosure**

Every promoter, employee and director of SPL shall disclose to the company in the format set out in **Annexure C**, the number of such securities acquired or disposed of within two trading days of such transaction if the value of these securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified.

### **2.3 Disclosure by other connected persons**

The Compliance Officer at his discretion may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of SPL as and when he deems fit in order to monitor compliance with these regulations.

### **2.4 Reporting to the Board and Maintenance of Disclosures**

- (i) The Compliance Officer shall place before the Chairman of the Audit Committee on a quarterly basis, details of trading in SPL Securities by the Designated



Persons and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged under this code.

- (ii) The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of five years.
- (iii) The Secretarial Section shall acknowledge receipt of the declaration form received.

## **2.5 Amendment of this Code**

The Management Committee of the Board of Directors is authorised to change/amend this Code from time to time at its sole discretion and/or in pursuance of any amendments made in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## Chapter 3- Penalties

### 3.1 Penalty for non-compliance

Any insider who trades in securities in contravention of the provisions of this Code or the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 shall be guilty of insider trading and shall be *interalia* liable for punishment and penalty as mentioned in this Code and the Securities & Exchange Board of India Act, 1992, as mentioned below.

### 3.2 Penalty for non- compliance with the Code of Conduct

- (i) Any employee/ officer / Director 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 SPL .
- (ii) Employees / officers / Directors of SPL who violate the code of conduct shall also be subject to disciplinary action by SPL, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, if any, etc.
- (iii) The action by SPL shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.
- (iv) In case it is observed by the Compliance Officer that there has been a violation of the Regulations, SEBI shall be informed by SPL.

#### **(B) With the Securities & Exchange Board of India Act, 1992.**

Chapter VI A provides for various penalties, extracts of which are:

- 15A. *If any person, who is required under this Act or any rules or regulations made thereunder -*
- (a) *to furnish any document, return or report to the Board, fails to furnish the same, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;*
  - (b) *to file any return or furnish any information, books or other documents within the time specified therefore in the regulations ,fails to file return or furnish the same within the time specified therefore in the regulations, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less;*
  - (c) *to maintain books of accounts or records, fails to maintain the same, he shall be liable to a penalty of one lakh rupees for each day during which such failure continues or one crore rupees, whichever is less.*

15G. If any insider who -

- (i) either on his own behalf or on behalf of any other person, deals in securities of a body corporate listed on any stock exchange on the basis of any unpublished price sensitive information; or
- (ii) communicates any unpublished price sensitive information to any person, with or without his request for such information except as required in the ordinary course of business or under any law; or
- (iii) counsels, or procures for any other person to deal in any securities of any body corporate on the basis of unpublished price sensitive information, shall be liable to a penalty twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher.

24. (1) Without prejudice to any award of penalty by the adjudicating officer under this Act, if any person contravenes or attempts to contravene or abets the contravention of the provisions of this Act or of any rules or regulations made thereunder, he shall be punishable with imprisonment for a term which may extend to ten years, or with fine, which may extend to twenty-five crore rupees or with both.

- (2) If any person fails to pay the penalty imposed by the Adjudicating Officer or fails to comply with any of his directions or orders, he shall be punishable with imprisonment for a term which shall not be less than one month, but which may extend to ten years or with fine, which may extend to twenty-five crore rupees or with both. Without prejudice to the directions under regulation 11, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11 B, 11D, Chapter VIA and Section 24 of the Act.

## ANNEXURE A

**A. Application - Cum Undertaking for Pre Clearance of Trades**

The Compliance Officer  
Sterling Powergensys Ltd  
2/10, Meghal Service Indl.Estate,  
Devidayal Road, Mulund (west)  
Mumbai 400 080

Date:  
From:

With reference to the Code of Conduct of SPL for Prevention of Insider Trading, I hereby give notice that I propose to carry out the following transaction in SPL securities for Myself / As Joint Holder / My immediate relative.

Transaction (Sale/Purchase)	Type of Security	Number of Security

I hereby declare that:

- I do not have any access nor have I received or possess "Unpublished Price Sensitive Information" upto the time of signing the undertaking.
- That in case I have access to or receive "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction. I shall inform the Compliance Officer of the change in my position and that I would completely refrain from trading in the securities of SPL till the time such information becomes public.
- That I have not contravened the code of conduct for prevention of insider trading as notified by SPL from time to time.
- That I have made a full and true disclosure in the matter.

Signature of the Employee/Director \_\_\_\_\_

**B. Authorization to Trade**

The above transaction has been authorised. Your trading must be completed within 7 trading days from \_\_\_\_\_.

Please confirm this by completing the section below and returning this Form to us within 7 days of completion of transaction.

Date:

Compliance Officer

**C. Confirmation of Trades**

The Compliance Officer  
Sterling Powergensys Ltd.

I confirm the trading in the aforesaid securities was completed on \_\_\_\_\_.

Date: Signature of the Employee/Director

### ANNEXURE B

#### INITIAL REPORTING ON HOLDING OF SPL SECURITIES PURSUANT TO SPL INSIDER TRADING CODE

Date:

The Compliance Officer,  
Sterling Powergensys Ltd  
2/10, Meghal Service Indl. Estate,  
Devidayal Road, Mulund (west)  
Mumbai 400 080

Dear Sir,

#### DISCLOSURE UNDER PARA 2.1 OF THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SPL SECURITIES

With reference to the abovementioned Code of Conduct, I hereby furnish the requisite information relating to my holdings in SPL securities.

Name of the Director/ Employee/ Promoter	
PAN number	
Date of Birth	
Designation of the Director / Employee	
Department, if applicable	
Name of the Dependent & relation with the Director/Employee, in case this declaration is made for dependent	
Type & Number of units of Securities held as first holder	
Folio No. / DP ID No. & Client ID No.	
Type & Number of units of Securities held as second/third holder	
Folio No. / DP ID No. & Client ID No.	

\_\_\_\_\_  
Signature of the Director / Employee

#### Notes:

1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling, and child of such person or

their spouse, any of whom is either dependent financially on them, or consults them in taking decisions relating to trading in securities.

2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.

### ANNEXURE C

#### HALF YEARLY REPORTING OF HOLDINGS OF GIL SECURITIES PURSUANT TO SPL INSIDER TRADING CODE OF CONDUCT

[THIS DISCLOSURE IS REQUIRED TO BE GIVEN WITHIN 7 DAYS FROM THE CLOSE OF THE HALF YEAR(Mar or Sep), IN CASE THERE IS ANY CHANGE IN HOLDINGS SINCE PREVIOUS HALF YEAR]

Date:

The Compliance Officer,  
Sterling Powergensys Ltd  
2/10, Meghal Service Indl.Estate,  
Devidayal Road, Mulund (west)  
Mumbai 400 080

Dear Sir,

#### **DISCLOSURE UNDER PARA 2.2 OF THE INSIDER TRADING CODE OF CONDUCT**

With reference to the Code of Conduct in GIL for Prevention of Insider Trading, I hereby furnish therequisite information relating to my holdings in SPL securities.

Name	
I TAX PAN	
Designation	
Company/Department	

Type of security	Held in (First name/ joint name/ Immediate Relative's name)	Folio / DP ID & Client ID	No. of Securities as at beginning of the Half Year (Indicate month & year)	Securities* acquired (+) / sold (-) during the Half year ended	No. of Securities as at end of the Half Year ended	Date of Approval obtained, if applicable

\* including shares acquired / sold under exercise of stock options.

\_\_\_\_\_  
Signature of the Director / Employee

**Notes:**

1. Disclosures to include trading by immediate relatives also. Immediate relatives may include a person's spouse, parent, sibling, or child or any such relative of their spouse, who is either dependent financially on them, or consults them in taking decisions relating to trading in securities.
2. This declaration to include separate details of shares held in first name, joint names or as guardian.