

SPECTRUM ELECTRICAL INDUSTRIES LIMITED

CODE OF CONDUCT FOR REGULATING TRADING BY DESIGNATED PERSONS

(Adopted by the Board of Directors and has come into effect from

1stApril, 2019)

(This code is being adopted in satisfaction of Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015)

I. INTRODUCTION:

- a. The Code of Conduct (“the Code” or “the Insider Code”) is framed to regulate, monitor and report trading by Designated Persons and provide certain requirements for specified insiders further to the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”). The Code is to be implemented specifically with reference to the securities of Spectrum Electrical Industries Limited (“SEIL” or “the Company”).
- b. The Code shall generally be complied with by all Designated Persons (as defined herein). However, where specified, the respective person shall comply with the specified requirements.
- c. Attention is particularly drawn to the disciplinary, punitive and other consequences of any violation of this Code and/or of the Regulations under this Code and/or the Regulations generally, the SEBI Act, 1992 (“the Act”) and other relevant provisions of law.
- d. The Company may at its discretion and/or as mandated by law, make changes to this Code from time to time and shall notify the changes/revised Code to the persons to whom this Code is applicable by email and such changes shall take place with effect from issuance of the emails or from such date as specified in the notification.

II. OBJECTIVE OF THE CODE:

The Code for Fair Disclosure is aimed at defining the Company’s responsibility to follow principles of timely and adequate disclosure of unpublished price sensitive information which would impact the price of the Company’s securities, maintaining uniformity, transparency and fairness in dealings with all stakeholders and ensuring adherence to applicable laws and regulations. The Code also requires the Company to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information.

The Code for Trading is aimed to enable the Company to regulate, monitor and report trading by insiders towards achieving compliance with the Regulations, adopting the minimum standards set out in the Code without diluting the provisions of the Regulations in any manner.

III. DEFINITIONS:

1. **“Act”** means the Securities and Exchange Board of India Act, 1992.
2. **“Board”** means the board of directors of the Company.
3. **“Chief Investors Relations Officer”** means the Compliance Officer of the Company.
4. **“Companies Act”** means the Companies Act, 2013 together with the rules and regulations issued there under and any amendments thereto.
5. **“Compliance Officer”** means Company Secretary or such other senior officer of the Company, designated so and reporting to the Board, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the Regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of trades and the implementation of the Code under the overall supervision of the Board.
6. **“Connected Person”** means:
 - (i) any person who is or has during the 6 (six) months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an Employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to UPSI 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 sub-clause (i) above;or
- (b) a holding company or associate company or subsidiary company of the 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;
- (f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company or 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; or
- (h) an official or an employee of a self-regulatory organization recognized or authorized by SEBI;or
- (i) a banker of the Company;or
- (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his Immediate Relative or banker of the Company, has more than 10 (ten) per cent, of the holding or interest;or
- (k) 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.

7. **“Designated Person(s)”** shall cover the following:

- i. All directors whether executive, non-executive or independent;
- ii. Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Internal Auditor (CIA);
- iii. Chief Operation Officer (COO) and Company Secretary or any such equivalent position;
- iv. All Promoter
- v. Heads of departments,
- vi. President and Vice President
- vii. All employee up to two levels below the Chief Executive Officer (CEO)
- viii. Employee of Secretarial Department.
- ix. Associate of the Company designated to monitor SAP and
- x. Such other employees as may be determined by the Company from time to time.

The Designated Person shall include their respective Immediate Relatives.

8. “**Director**” means a member of the Board.

9. “**Employee**” means every employee of the Company including the Directors in the employment of the Company.

10. “**Generally Available**” means, in relation to any information, information that is accessible to the public on a non-discriminatory basis and information in public domain. Information published on the website of the stock exchange would ordinarily be considered generally available. The term “generally available information” shall be construed accordingly.

11. “**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.

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

- (i) a Designated Person;
- (ii) a Connected Person; or
- (iii) in possession of or having access to UPSI.

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

14. “**Promoter**” and “**Promoter Group**” shall have the respective meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

15. “**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.

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

17. "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly. "Trading" shall not be limited to buying, selling or subscribing of any Securities but shall also include pledging etc.

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

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

- (i) Financial results;
- (ii) dividends;
- (iii) change in capital structure;
- (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- (v) changes in Key Managerial Personnel; and
- (vi) material events in accordance with the listing agreement.

IV. PRESERVATION OF "PRICE SENSITIVE INFORMATION":

Designated Persons, employees and Insiders generally shall maintain the confidentiality of all Unpublished Price Sensitive Information. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

V. PROHIBITION TO TRADE IN SECURITIES OF THE COMPANY BY DESIGNATED PERSON:

Designated Persons of the Company when in possession of any unpublished price sensitive information, as defined in the Regulations, pertaining to the Company, shall not:

- i. Trade in securities of the Company, either on their own behalf or on behalf of any other person, except provided otherwise.
- ii. Communicate, counsel, procure or allow access to any unpublished price sensitive information to/from any person, except in furtherance of a legitimate object or performance of duties.

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

VI. NEED TO KNOW:

i. All Price Sensitive Information shall be handled within the organization 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.

ii. All non-public information directly received by any person should immediately be reported through the head of the department to the Chief Compliance Officer.

VII. LIMITED ACCESS TO CONFIDENTIAL INFORMATION:

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

**VIII. PREVENTION OF MISUSE OF “PRICE SENSITIVE INFORMATION”
RESTRICTION & PROHIBITION OF TRADING BY DESIGNATED PERSONS:**

Designated Persons shall be subject to trading restrictions as enumerated below:-

Trading Window:

i. The company shall specify a trading period, to be called “Trading Window”, for trading in the company’s securities. The trading window shall be closed during the time the information referred here-under is unpublished.

ii. When the trading window is closed, Designated Persons shall not trade in the company’s securities in such period.

iii. The trading window shall be, inter alia, closed at the time of:-

- a. Declaration of Financial results (half-yearly and annual)
- b. Declaration of dividends (interim and final)
- c. Changes in capital structure including issue of securities by way of public/ rights/bonus, buyback of securities, etc.
- d. Any major expansion plans or execution of new projects

- e. Amalgamations, mergers, de-mergers, acquisitions / takeovers, delisting, disposals and expansion of business and such other transactions;
- f. changes in key managerial personnel; and
- g. Any material changes in policies, plans or operations of the company.

Commencement of closing of trading window shall be decided by the company and communicated by email and/or display on website of the Company and/or intimation to stock exchanges where the securities of the Company are listed.

- iv. The trading window shall be opened 48 hours after the information referred to in **para iii** is made public.
- v. 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.

IX. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES:

Designated Persons and any person who is a Promoter or member of the Promoter Group shall make the following disclosures of shares and other securities held in the Company by them to the Compliance Officer:

- i. Disclosure shall be made by Designated Persons of the number of shares and other securities held by Designated Persons and his dependents in the Form as specified in the Regulations. This disclosure shall be made within 7 working days of becoming a Designated Person.
- ii. Disclosure shall be made of the number of shares and other securities held, upon becoming a Designated Person or a Promoter or member of the Promoter Group, at any point of time in the Form as specified in the Regulations. This disclosure shall be made within 7 working days of becoming a Designated Person or Promoter or member of the Promoter Group.

X. PROCESS FOR SHARING/INVOLVING PERSONS ON SENSITIVE TRANSACTIONS:

The Company may from time to time generally and specifically engage in transactions, proposals, decisions, etc. which may generate price sensitive information. Designated Persons and any other employee of the Company who has access to, or receives, price sensitive information shall scrupulously adhere to the internal controls for dealing with such information as laid down by the Company. Generally, they shall also take all precautions. Such persons shall also intimate their senior/head of department when any transaction, proposal, decision, etc. is being made or has been made that may or has resulted in price sensitive information so that due care may be taken to ensure such information remains confidential. When involving any other person including any external advisor, consultant, banker, broker, etc. in any such transaction, proposal, decision etc., Designated Persons shall ensure that such persons are duly required to keep the information confidential and in particular are made aware of the legal and other implications and liabilities for any misuse or unwarranted use of such information. Where necessary, formal non-disclosure agreements may be entered into and such agreements shall specifically include obligations on such persons not to share, misuse or make unwarranted use of such information. Whenever any such external persons or any employee other than a Designated Person is sought to be involved in such decision, proposal, etc. that may result in any price sensitive information arising, the approval of the head of the department shall be taken. The head of department may, if the circumstances and materiality demand, take approval of the Managing Director and also intimate the Compliance Officer.

XI. DISCLOSURES OF TRADING:

The disclosures made by a person under this Code shall also include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions. The intention of this Code is to prevent use by trading when in possession of unpublished price sensitive information. Disclosures are classified as Initial and Continual disclosures.

XII. ACTION FOR CONTRAVENTION OF CODE OF CONDUCT:

- i. Any Designated Person, employee or Insider generally to whom this Code is applicable and who trades in securities or communicates any information for trading in securities in contravention of this Code or otherwise violates the Code in any manner shall face, without prejudice to any action that SEBI may initiate, such disciplinary action (which may include, without limitation, fine, reprimand, suspension, dismissal, wage/salary freeze, ineligible for future participation in employee stock option plans, disgorgement of profits made, recovery, callback, etc.) and such other appropriate action as may be deemed fit by the Company.

- ii. The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.

XIII. INFORMATION TO SEBI IN CASE OF VIOLATION OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

- i. In case it is observed by the Company / Compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI shall be promptly informed by the Company.
- ii. The Code replaces with immediate effect the Code of Conduct formulated pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 on 15th May, 2015 (the 2015 Code). Notwithstanding this replacement, the previous operation of the 2015 Code or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the replaced Code, any action liable in respect of any violation of the said Code committed against the repealed regulations, or any investigation, proceedings or remedy in respect of any such violation as aforesaid, shall remain unaffected as if the 2015 Code had never been replaced; and
- iii. anything done or any action taken or purported to have been done or taken including any enquiry or investigation commenced or action ordered under the replaced 2015 Code prior to such replacement, shall be deemed to have been done or taken under the corresponding provisions of this Code.

XIV. AUTHORITY TO MAKE ALTERATIONS:

The Board of Directors are authorized to make such alterations to this Code as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The alterations shall come into effect from such date as stated in the Code/amendments thereto and Designated Persons and employees generally are advised to keep themselves updated on the amendments made. The Code shall be published on the website of the company.

CODE OF PRACTICES FOR FAIR DISCLOSURE OF UNPUBLISHED
PRICE SENSITIVE INFORMATION

1. This Code of Practices (hereinafter referred to as “the Code”) has been formulated for the purposes of laying down a set of guidelines, practices and procedures for fair disclosure of Unpublished Price Sensitive Information in accordance with and as required by sub-regulation (1) of Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulation, 2015 (“the Regulations”).
2. This Code has been approved and adopted by the Board of Directors (“the Board”) of Spectrum Electrical Industries Limited (“the Company”) upon recommendation by the Audit Committee of the Company.
3. The Company in general and the Chief Investor Relations Officer, Managing Director, other Key Managerial Personnel, and senior officers in particular shall ensure due compliance of this Code in respect of the matters stated herein.
4. Terms used herein (particularly those initialised with a capital letter(s)), unless defined herein, shall have their meanings assigned to them under the Regulations and if the Regulations do not provide such definitions, under the SEBI Act, 1992.
5. There shall be prompt public disclosure of Unpublished Price Sensitive Information (“UPSI”) that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
6. There shall be uniform and universal dissemination of unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.
7. The company shall designate a senior officer as a Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI. Such Officer shall generally ensure due compliance of this Code.
8. The Company shall ensure prompt dissemination of Unpublished Price Sensitive Information that gets disclosed selectively, inadvertently or otherwise to make such information generally available. For this purpose, it may adopt such suitable measures such as press releases/intimation to stock exchanges, disclosure on its website, etc.

9. The Company shall ensure appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
10. The Company shall ensure that information shared with analysts and research personnel is not Unpublished Price Sensitive Information. In case the Company seeks to share any UPSI, it shall ensure due and simultaneous public disclosure and availability of such information to the general public/investors.
11. The Company shall adopt best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences and shall display such transcripts/records on its website to ensure official confirmation and documentation of disclosures made.
12. The Company shall ensure that all Unpublished Price Sensitive Information is handled on a need-to-know basis.

“POLICY FOR DETERMINATION OF “LEGITIMATE PURPOSE”

“Legitimate Purpose” of sharing of unpublished price sensitive information shall include sharing of in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

The Chief Executive Officer, the Chief Financial Officer and the Company Secretary of the Company have been designated as the persons, any two of whom shall, after taking into account the nature of the information to be shared, the requirement of law and/or business that makes it necessary to share such information and such other factors as are relevant and as they may deem fit in accordance with the Regulations, specify a particular purpose as Legitimate Purpose and the specific persons with whom unpublished price sensitive information may be accordingly shared. Thereafter, such information can be shared with such persons in accordance with this Code and the Regulations.

Any person in receipt of unpublished price sensitive information pursuant to a “Legitimate Purpose” shall be considered an “insider” for purposes of this Code and the Regulations and due notice shall be given to such persons by the Compliance Officer and/or the person sharing such information to maintain confidentiality of such unpublished price sensitive information in compliance with this Code and the regulations.

The Company shall maintain a structured database containing the names of such persons or entities as the case may be with whom information is shared for Legitimate Purposes along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Adequate internal controls and checks to ensure non-tampering of the database.

**INTERNAL CONTROLS TO PREVENT INSIDER TRADING AND FOR
RELATED MATTERS**

These internal controls (“Controls”) have been formulated by the Managing Director of Spectrum Electrical Industries Limited (“the Company”) in consultation with the Compliance Officer of the Company. They provide for controls, checks and procedures to be followed while dealing with any price sensitive information generally and also in the course of considering or implementing any proposal, transaction, decision, etc. that may give rise to price sensitive information and also for compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“the Regulations”) generally. These internal controls have been approved by the Board of Directors of the Company.

The terms used in these Controls shall have the meaning as defined in the Code of Conduct for Regulating Trading by Insiders (“the Code”) as laid down by the Company or under the Regulations. The copy of the Code has been made available to all Designated Persons generally and is also available on the website of the Company (www.spectrum-india.com).

All Designated Persons and any employee or any person otherwise having any connection with the company (“the Insiders”) who has access to or receives any price sensitive information shall study these Controls in detail and ensure scrupulous compliance. Non-compliance may result in disciplinary and other action by the Company and penal action (including prosecution) by the Securities and Exchange Board of India (“SEBI”) under the Securities and Exchange Board of India Act, 1992 and/or the Regulations.

These Controls are in addition to the procedures laid down in the Code of the Company.

Without affecting the generality of the foregoing, the Insiders shall comply with the following:

(a) the Insiders shall identify all price sensitive information that they have access to or otherwise receive them or is expected to arise in the course of their duties. They shall take all due steps to ensure their confidentiality in due compliance of the Code, the Regulations and generally in the interests of the Company. These steps shall include keeping such information under physical security where the information is in analog form and proper system of strong password in case where the information is in digital form.

(b) The Insiders are strictly prohibited any price sensitive information with any person except in accordance with the Regulations/Code generally. The Insiders should particularly take due care while sharing information through emails, pen drives, photo copies or prints, etc. containing such information.

(c) The Compliance Officer shall maintain a list of all employees and other persons who have access to or otherwise receive unpublished price sensitive information. Employment contracts generally and/or confidentiality agreements shall be signed with such persons and notices shall be served to all such employees and persons to ensure that the confidentiality of such information is maintained.

(d) Access to unpublished price sensitive information by any person shall only be on a need-to-know basis and after executing due agreements for confidentiality and/or serving due notice in this regard.

These Controls shall be periodically reviewed by the Managing Director in consultation with the Compliance Officer with regard to their adequacy and compliance and, where necessary, shall be revised after due approval of the Board of Directors of the Company.

The Managing Director/Compliance Officer shall appraise the Board/Audit Committee, at least once a year, of any inadequacy or violations of the Controls and action taken or proposed in this regard. The Audit Committee shall review compliance with these Controls and the Regulations generally at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively. For this purpose, it may seek such reports from the Managing Director, the Compliance Officer, the Secretarial Auditor, the CFO and such other person as it may deem fit.
