

**S. E. INVESTMENTS LIMITED**

**Corporate Governance**

**Manual**



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## DEFINITIONS

### Corporate Governance

Corporate Governance is the system of internal controls and procedures by which organisation is managed. It provides a framework that defines the rights, roles and responsibilities of different groups – Management, Board, other stake holders within an organization. This system and framework is particularly important for widely held organisation.

At its core, Corporate Governance is the arrangement of checks, balances, and incentives a Company needs to minimize and manage the conflicting interests between insiders and external stakeholders.

#### **In general, good Corporate Governance practices seek to ensure that:**

- Board Members act in the best interests of Organisation;
- The Company acts in a lawful and ethical manner in their dealings with all stakeholders and their representatives;
- The Board and its committees are structured to act independently from management, individuals or entities that have control over management.
- Appropriate controls and procedures are in place covering management's activities in running the day-to-day operations of the Company; and
- The Company's operating and financial activities, as well as its governance activities, are consistently reported to Shareholders in a fair, accurate, timely, reliable, relevant, complete and verifiable manner.

Corporate Governance now forms the cornerstone of every organisation. It is more importantly a philosophy which forms an exclusive and intrinsic part of each corporate house. Corporate Governance reflects the Management outlook towards various stakeholders. Corporate Governance includes in its ambit not only the regulatory and legal requirements, but also the voluntary practices developed by the company to protect the best interests of all stakeholders. It is an optimum combination of policies, processes and practices which governs the affairs of a company in pursuit of its business goals. Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability, and commitment to values. Good governance practices stem from the culture and mindset of the organization. As stakeholders across the globe evince keen interest in the practices and performance of companies, Corporate Governance has emerged on the centre stage.

SEIL defines Corporate Governance as an integral part of its operations and endeavours to adopt elements of good Corporate Governance like transparency, accountability, and responsibility in all its operations and in ensuring fairness to all its stakeholders comprising of employees, customers, investors and the society at large.

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

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

- Constituting an effective Board of Directors, in terms of composition, size, varied expertise and commitment so as to enable them to skilfully discharge their responsibilities and duties.
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions efficiently.
- Establishment of sound system of Risk Management and Internal Control.
- Independent analysis and verification of Company's financial information, to safeguard the Integrity of same.
- Timely and balanced disclosure of all material information, concerning the Company, to all its stakeholders.
- Maintenance of Transparency and Accountability.
- Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors.
- Ensuring Compliance with all the rules and regulations.

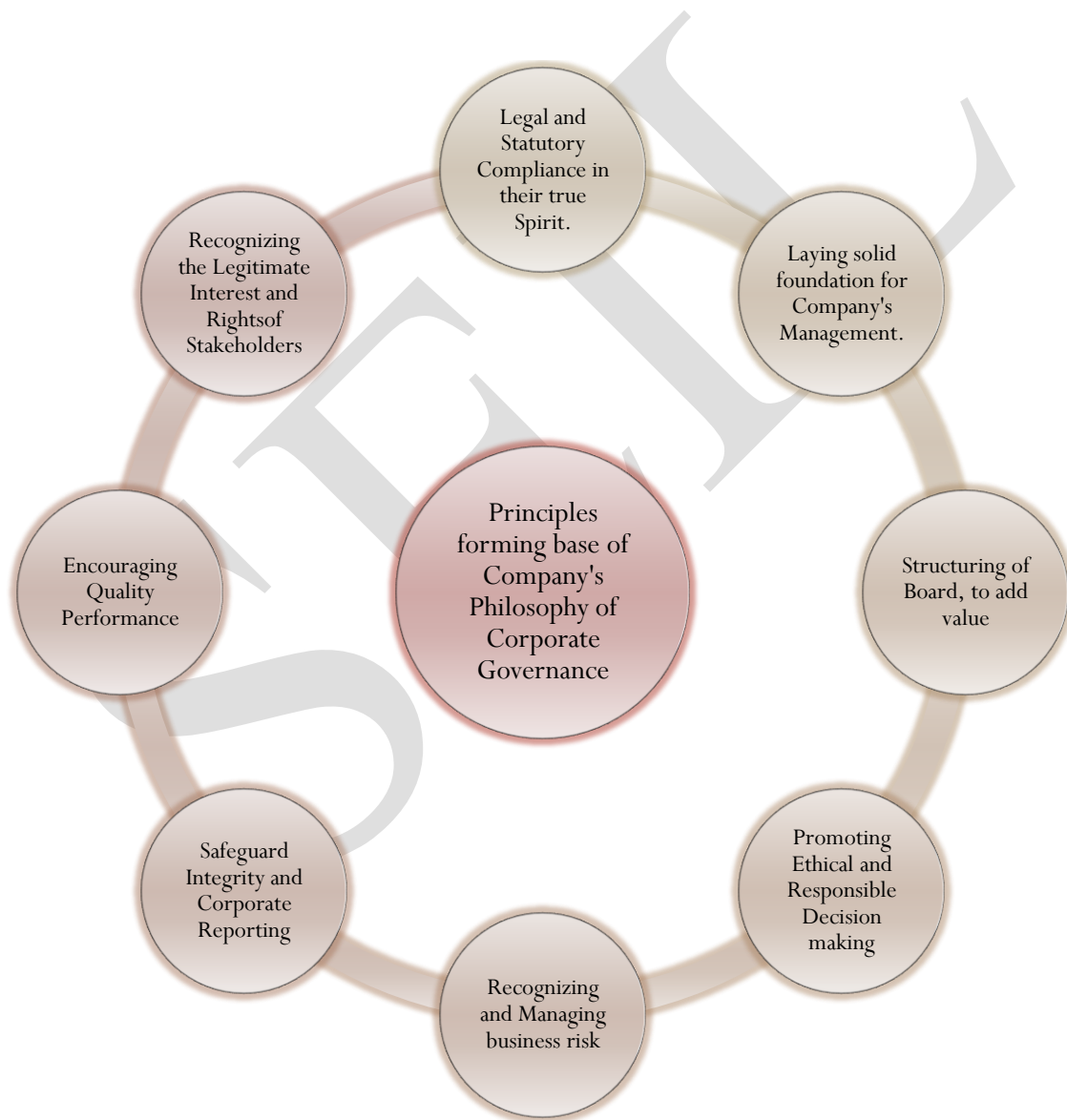
The Company recognizes that good Corporate Governance is a continuing exercise and is committed to follow the best practices in the overall interest of the stakeholders.

## COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE

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

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

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



## **BOARD OF DIRECTORS**

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

### **Executive Director**

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

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

### **Non-Executive Director**

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

All Independent directors should be Non Executive Directors but some sources states that non-executive directors are different from independent ones.

### **Independent Director**

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

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

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

- Apart from receiving director’s remuneration (sitting fees), does not have any material pecuniary relationships or transactions with the Company, its promoters, its senior management or its Holding Company, its subsidiaries and Associated Companies;
- Is not related to Promoters, Chairman, Managing Director, Whole Time Director, Secretary, CEO or CFO and of any person in the Management at one level below the Board;
- Is of not less than 21 years of age;
- Is not a material Supplier, Service Provider or Customer of the Company. This should include lessor-lessee type relationships also;
- Is not a Substantial Shareholder of the Company, i.e. owning two percent or more of the block of voting shares.;

- Is not a Partner or any Executive of the Statutory Audit Firm or the Internal Audit Firm that is associated with the Company, and has not been a Partner or an Executive of such firm for the last three year. This will also apply to Legal Firm(s) and Consulting Firm(s) that have a material association with the entity;
- Has not been an Executive of the Company in the immediately Preceding Three Financial Years.
- As per revised regulatory framework for NBFCs issued on 10<sup>th</sup> Novemebr, 2014 by Reserve Bank of Indiaan Independent/Non-Executive Directors nominated to the Board of NBFCs should be between 35 to 70 years of age.

### **Composition of Board of Company**

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

### **OUR BOARD AT GLANCE**

<b><u>Board of Directors</u></b>	<b><u>Designation</u></b>
Mr. Sunil Agarwal	Managing Director
Mr. Sachin Agarwal	Whole Time Director
Mr. Harish Singh	Whole Time Director
Mr. Arun Gopal Agarwal	Non-Executive Non-Independent Director
Mr. Naresh Kumar Jain	Non-Executive Independent Director
Mr. Dharam Vir Gupta	Non-Executive Independent Director
Mr. Brij Lal Goel	Non-Executive Independent Director
Mrs. Anshu Gupta	Non-Executive Independent Director

## BOARD PROCEDURE

The Board of Directors shall meet at least four times in a financial year to review the performance, financial health and matters as and when arise. The time interval between two consecutive Board Meetings shall not be exceed one hundred and twenty days. The Board Meetings shall schedule in advance and the notice of each Board Meeting shall be given in writing to each Director by hand delivery or by post or by electronic means. All the items on the agenda shall be accompanied by notes giving comprehensive information on the related subject.

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

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

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

### Agenda and Minutes

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

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

The draft minutes of the proceeding of each meeting duly initialled by the Chairman of the meeting are circulated to the members for their comments and thereafter, confirmed by the Board/Committee in its next meeting. The Board also takes note of the minutes of the Committee meetings duly approved by their respective Chairman. Minutes of Subsidiary Company shall be vigilantly placed periodically in the Board Meeting of the Company.

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

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

**Terms & Conditions of Appointment of Executive Director/Managing Director/Whole Time Director /Non Executive Director/Independent Director etc shall decided by the Board of Directors in consolation with Audit Committee and Nomination and Remuneration Committee according to rules and regulations framed under Companies Act, 2013, Listing Agreement and any other Laws as applicable and amended time to time.**



## GOVERNANCE BY COMMITTEES OF BOARD OF DIRECTORS

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



### 1. Audit Committee

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

#### **According to Companies Act, 2013:**

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;

- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

**According to Listing Agreement signed with National Wide Stock Exchanges:**

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- **Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:**
  - ✓ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - ✓ Changes, if any, in accounting policies and practices and reasons for the same
  - ✓ Major accounting entries involving estimates based on the exercise of judgment by management
  - ✓ Significant adjustments made in the financial statements arising out of audit findings
  - ✓ Compliance with listing and other legal requirements relating to financial statements
  - ✓ Disclosure of any related party transactions
  - ✓ Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Powers of Audit Committee:**

- The Audit Committee shall have powers, which should include the following:
- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.

- To secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Review of Information by Audit Committee**

**The Audit Committee shall mandatorily review the following information:**

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### **Composition**

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

Company Secretary shall act as Secretary to the Committee.

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.

Committee

## **2. Nomination & Remuneration Committee**

**The Nomination & Remuneration Committee has been constituted in accordance with Clause 49 of the Listing Agreement read with Sections of the Companies Act, 2013. The role of the Nomination & Remuneration Committee shall, inter alia, include the following:**

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### **Composition**

The Nomination & Remuneration Committee shall consist of at least 3 Members (including Chairman of the Committee). All the Members shall be Non-Executive Directors and majority of Committee Members shall be Independent Directors. Chairman of the Committee shall be Independent Director. Two members shall form the quorum for the meeting of the committee.

The Company Secretary shall acts as secretary to the Committee.

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

### **3. Stakeholders Relationship Committee**

The Stakeholder Relationship Committee, inter-alia, oversee and review all matters connected with the grievances of the security holders or investor services in connection with non - receipt of Balance Sheet, non - receipt of declared dividend, conversion of partly paid shares into fully paid shares, re-materialization and de-materialization of shares and transfer of shares or any other grievances as reported by the security holders..

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

### **Composition**

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

This Committee shall consist 3 Members (including Chairman of the Committee), Chairman of the Committee shall be Non-Executive Director. Two members present shall form the quorum for the meeting of the Committee.

The Company Secretary shall acts as secretary to the Committee.

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

### **4. Risk Management Committee**

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

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

## **Composition**

Risk Management Committee shall be appointed at the discretion of the Board. Risk Management Committee shall consist of at least 3 Members (including Chairman of Committee).

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

The Company Secretary shall acts as secretary to the Committee.

## **Committee responsibility and authority**

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

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

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

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

The Board shall review the performance of Risk Management Committee annually.

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

## **5. Asset Liability Management Committee (ALCO)**

Based on RBI Guidelines, the Company has constituted Asset Liability Management Committee. The committee primarily performs the role of Risk Management in pursuance of the Risk Management guidelines issued periodically by RBI and the Board. The Committee addresses the issues related to interest rate and liquidity risks. The business of the Company is periodically monitored by the Committee and the members also suggest ways and means to improve the working and profitability of the Company from time to time.

## **Composition**

ALCO shall consist of at least 3 Members (including Chairman of Committee).

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

The Company Secretary shall acts as secretary to the Committee.

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## RELATED PARTY TRANSACTION POLICY

1. Transactions with related parties are periodically brought to the notice of Audit Committee.
2. The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).
3. The Audit Committee shall review and approve all Related Party Transactions based on this Policy. All proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre - approval / omnibus approval, details whereof are given in a separate section of this Policy.

In exceptional cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee may ratify the transactions in accordance with this Policy.

4. **The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:**
  - a) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
  - b) The indicative base price / current contracted price; and
  - c) Such other conditions as the Audit Committee may deem fit.
5. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which the aforesaid details are not available up to a value of Rs. 1 crore per transaction.
6. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

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

All material related party transactions, other than those with Exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company. Shareholders' approval needs for all related party transaction as described under Companies Act, 2013 and Listing Agreement thereto.



## CORPORATE ETHICS

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

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

- Code of conduct for directors, senior management personnel and independent directors
- Code of conduct for prevention of Insider Trading;
- Fair Practice Code;
- Whistle Blower Policy/Vigil Mechanism

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## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

### **Purpose**

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

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

### **Compliance with Laws, Rules, Regulations**

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

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

### **Ethical Conduct**

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

### **Conflict of Interest**

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

### **Confidentiality**

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

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

### **Insider Trading**

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

### **Fair dealing**

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

### **Gift/ Favours**

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

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

### **Protecting Company Assets**

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

### **False or misleading statements**

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

### **Maintenance of accurate books and records**

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

### Non-Compliance

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

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## CODE FOR INDEPENDENT DIRECTORS

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

### Who is Independent Director

**An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director:**

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b)
  - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) **who, neither himself nor any of his relatives:**
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) **is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:**
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

- (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;  
or
- (f) who possesses such other qualifications as may be prescribed; or
- (h) who should be between 35 to 70 years of age,

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

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

### **Guidelines of Professional Conduct**

#### **An Independent Director shall:**

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

### **Role and Functions**

#### **The Independent Directors shall:**

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management resources, key appointments and standards of conduct;

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

#### **Duties**

##### **The Independent Directors shall:**

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 2) seek appropriate clarification or amplification of information and, where necessary take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the Company;
- 6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the Company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- 10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

**Manner of appointment:**

- 1) Appointment process of Independent Directors shall be independent of the Company Management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of Independent Director(s) of the Company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed Director is Independent of the Management.
- 4) **The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:**
  - a) the term of appointment;
  - b) the expectation of the Board from the appointed Director; the Board-level committee(s) in which the Director is expected to serve and its tasks;
  - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d) provision for Directors and Officers [D and O) insurance, if any;
  - e) the Code of Business Ethics that the Company expects its Directors and Employees to follow;



- f) the list of actions that a Director should not do while functioning as such in the Company; and
  - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the Company's website.

### **Re-appointment**

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

### **Resignation or removal:**

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

### **Separate meetings:**

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

**Evaluation mechanism:**

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

SEEL

## SEIL's CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

### Introduction

With a view to govern the conduct of insiders on matters relating to insider trading, the Securities and Exchange Board of India (SEBI) had formulated and issued Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time (Hereinafter referred to as "Regulations"). For this purpose the Company is committed to transparency and fairness with all stakeholders and in ensuring adherence to all laws and regulations. Every Director, Officer and designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his work at the Company. No Director, Officer and designated employee of the Company may use his position or knowledge of the Company to gain personal benefit or to provide benefit to third party.

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

### **Part-A**

#### Applicability

This Code shall apply to all Directors/Executive Directors/General Managers/ Concerned persons, Deemed concerned persons, and other designated employees of the company.

#### Definitions

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

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

**'Company'** means S. E. Investments Limited;

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

**'Connected Persons'** means:

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

[**Explanation** – the words “connected person” shall mean any person who is a connected person six months prior to an act of insider trading;];

**'Deemed Connected Persons' means and includes:**

- a) Any group company, company under the same management or subsidiary of the Company;
- b) Bankers of the Company;
- c) Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker,
- d) Portfolio Manager, Investment Advisor, Sub-broker or any employee thereof having a fiduciary relationship with the Company;
- e) is an intermediary as specified in section 12 of the Securities and Exchange Board of India Act, Investment company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation;
- f) Trustees of any trust the beneficiaries of which include any of the Connected Persons;
- g) Trustees of any trust who are conferred with the Power of Attorney to act on behalf of beneficiaries in respect of securities of the Company, wherein any of the connected persons holding interest ;
- h) Any person who was a connected person, whether temporary or permanent six months prior to an act of insider trading;
- i) Persons having professional or business relationship between themselves and the Company whether temporary or permanent and by virtue of such relationship are expected to be in possession of price-sensitive information;
- j) Relatives of the Connected Persons;
- k) Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992;

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

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

**'Designated Employee' shall include:**

- a) Executive Director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Marketing Officer or any such other equivalent position;
- b) President, Vice President or any other such equivalent position;
- c) General Manager/ Deputy General Manager/Assistant General Manager /Divisional Manager or any such equivalent position;
- d) Officer in finance & account department and secretarial department;

- e) Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable;

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

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

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

- (a) periodical financial results of the Company;
- (b) intended declaration of dividends (both interim and final);
- (c) issue of securities or buy-back of securities;
- (d) any major expansion plans or execution of new projects;
- (e) amalgamation, mergers or takeovers;
- (f) disposal of the whole or substantial part of the undertaking;
- (g) any significant changes in policies, plans or operations of the Company.
- (h) disruption of operations due to natural calamities;
- (i) commencement of any new commercial production or commercial operations where the contribution there from is likely to exceed 10% of the total turnover of the Company during that financial year;
- (j) developments with respect to changes in pricing / realization on goods and services arising out of changes in government policy;
- (k) Litigation/ dispute with a material impact;
- (l) Revision of credit ratings assigned to any debt or equity instrument of the Company;
- (m) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company;

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

**'Free Period'** means any Period other than the Prohibited Period.

**'Unpublished Information'** means information which is not published by the company or its agents and is not specific in nature.

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

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

## **Part-B**

### **Compliance Officer**

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

**The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of Price Sensitive Information, Pre clearing of all Directors'/ Employees'/ Officers' trades, addressing any clarifications/ difficulties regarding the Code and the implementation of the Code, under the overall supervision of the Chairman and Managing Director:**

- Compliance Officer shall maintain a record of the designated employees/connect persons and any change made in the list of designated employees/connected persons.
- He may in consultation with the Managing Director / Board of Directors and shall as directed by the Board, specify prohibited period from time to time and immediately make an announcement thereof to all concerned.
- He shall maintain a record of prohibited period specified from time to time.
- He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.
- He shall intimate to all Stock Exchanges on which the securities of the Company are listed the relevant information received.
- He shall inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 within 7 days of knowledge of violation.

### **Preservation of "Price Sensitive Information"**

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

Directors, Officers and Designated Employees shall not advise, communicate, counsel, inform or pass on such information to any person, directly or indirectly, other than communication required to be made in the ordinary course of business or under any law.

Unpublished Price Sensitive Information shall be handled on a "need to know" basis. It should be disclosed only to those who need the information to discharge their duty and/ or functions.

### **Limited Access to Unpublished Price Sensitive**

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

### **Prevention of Misuse Of Unpublished Price Sensitive**

#### **No Insider shall:**

- (a) either on his own behalf, or on behalf of any other person, deals in securities of the Company when in the possession of any unpublished price sensitive information;
- (b) communicates, counsel or procures, directly or indirectly any unpublished price sensitive information to any person. However these restrictions shall not be applicable to any communication required in the ordinary course of business or under any law.

### **Trading Restrictions**

All directors/ officers and designated employees of the Company shall be subject to trading restrictions as enumerated below:-

#### **Trading Window**

The period prior to declaration of price sensitive information is particularly sensitive for transactions in the Company's securities. This sensitivity is due to the fact that the Directors, Officers and Designated Employees will, during that period, often possess unpublished price sensitive information. During such sensitive times, the Directors, Officers and Designated Employees will have to forego the opportunity of trading in the Company's securities. The Directors, Officers and Designated Employees of the Company shall not deal in the securities of the Company when the trading window is closed. The period during which the trading window is closed shall be termed as prohibited period.

#### **The trading window shall be, inter alias, closed at the time of:**

- (a) Declaration of Financial results (quarterly, half-yearly and annual);
- (b) Declaration of dividends (interim and final);
- (c) Issue of securities by way of public/ rights/bonus, etc.;
- (d) Any major expansion plans or execution of new projects;
- (e) Amalgamation, mergers, takeovers and buy-back;
- (f) Disposal of whole or substantially whole of the undertaking ;
- (g) Any changes in policies, plans or operations of the Company disruption of operations due to natural calamities;
- (h) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.

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

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

All Directors, Officers, Designated Employees of the Company shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company's securities during the prohibited periods or during any other period as may be specified by the Company from time to time.

In case of ESOPs, exercise of option may be allowed in the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when trading window is closed.

### **Pre-Clearance of Trades**

All Directors, Officers, Designated Employees of the Company who intend to deal in the securities of the Company during free period shall pre-clear the transactions as per the pre-dealing procedure as described under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.

### **Reporting Requirement for Transaction in Securities**

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

#### **A. Initial Disclosure**

Every existing Director, Officer and Designated Employee of the Company and newly joined Director, Officer and Designated Employee of the Company on being appointed as such shall disclose to the Company the number of Securities or voting rights in the Company held by him and their dependent family members. The existing Director, Officer and Designated Employee of the Company have to make disclosure on or before date specified by the Compliance Officer and newly appointed Director, Officer and Designated Employee have to make disclosure within 2 working days of becoming a Director or Officer or Designated Employee of the Company.

#### **B. Continual Disclosures**

- (i) Every Director, Officer and Designated Employee of the Company shall disclose to the Company, the number of shares or voting rights in the Company held by him and change in his shareholding or voting rights from the last disclosure made under this Clause or under Clause 'A' above, if such change exceeds Rupees Five lakh in value or 25,000 shares or 1% of the total shareholding or voting rights, whichever is lower or any revised limits notified by SEBI from time to time. "Change" means a net change arrived at after taking netting off purchases and sale of securities.



- (ii) The aforesaid disclosure has to be made within 2 working days of:-
  - (a) the receipt of intimation of allotment of shares; or
  - (b) the acquisition or sale of shares or voting rights as the case may be
- (iii) The disclosures under this Clause shall be sent to the Compliance Officer / Company Secretary of the Company.

**C. Annual Disclosures**

Annual statement of all holdings in securities of the Company as on March 31 of each year, before April 15 of that year.

**D. Records of disclosures received by the Company**

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

**INFORMATION TO SEBI IN CASE OF VIOLATION OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 1992**

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

### Preface

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

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

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

### Policy

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

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

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

- Any unlawful act whether criminal/civil.

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

### Definitions

"**This Policy**" or "**Policies**" means Whistle-Blower Policy/Vigil Mechanism.

"**Vigil Mechanism or Whistle-Blower**" means someone who makes a protected disclosure under this Policy.

"**Company/SEIL**" means S. E. Investments Limited.

"**Code**" means the SEIL Code of Conduct.

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

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

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

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

"**Whistle Officer or Whistle Committee or Vigilance Officer or Vigilance Committee or Committee**" means an officer or Committee of persons who is/are nominated/appointed to conducted detailed investigation of the disclosure received from the Whistle Blower and recommend disciplinary action. Currently, Mr. Anurag Sinha is nominated as Whistle Officer. The Committee, if appointed, should include Senior Level Officer of Personnel & Admin, Internal Audit and a representative of the Division/Department where the alleged malpractice has occurred.

### Scope

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

- Employee of the Company,
- Employee of the other agencies deployed for the Company's work, whether working at the Company's office or any other location,

- Client of the Company.
- Any other person having an association with the Company.

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

### **Guiding Principles**

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

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

### **Roles, Rights and Responsibilities of Whistle-Blowers:**

- Whistle-Blowers provide initial information based on a reasonable belief that an alleged wrongful conduct has occurred. The motivation of a whistle-blower is irrelevant to the consideration of the validity of the allegations. However, the intentional filing of a false report, whether orally or in writing, is itself considered an improper activity, which the Designated Committee has the right to act upon.
- Whistle-Blowers shall refrain from obtaining evidence for which they do not have a right of access. Such improper access may itself be considered an improper activity.
- Whistle-Blowers have a responsibility to be candid with the members of the Designated Committee or others to whom they make a report of alleged improper activities and shall set forth all known information regarding any reported allegations.
- Anonymous whistle-blowers must provide sufficient corroborating evidence to justify the commencement of an investigation. An investigation of unspecified wrongdoing or broad allegations would not be undertaken without verifiable evidence. Because investigators are unable to interview anonymous whistleblowers, it may be more difficult to evaluate the credibility of the allegations and, therefore, less likely to cause an investigation to be initiated.
- Whistle-Blowers are “reporting parties,” not investigators. They are not required to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the investigating authority.

- The identity of the whistle-blower will not be disclosed except where required under the law or for the purpose of the investigation. Should, however, the whistle-blower self-disclose his or her identity, there will no longer be an obligation not to disclose the whistle-blower's identity.
- A whistle-blower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation or any other misconduct or wrong doing.
- This policy may not be used as a defence by an employee against whom an adverse personnel action has been taken for legitimate reasons or cause under Company rules and policies. It shall not be a violation of this policy to take adverse personnel action against an employee, whose conduct or performance warrants that action, separate and apart from that employee making a disclosure.
- While it will be ensured that genuine Whistle-Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a whistle-blower knowing it to be false or bogus or with a mala fide intention.
- Whistle-Blowers, who make any Disclosures, which have been subsequently found to be mala fide or malicious or whistle-blowers who makes three or more Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Disclosures under this Policy. This itself will be considered as an improper activity which the Designated Committee members have the right to act upon.

### **Rights of a Subject**

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

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

### **Procedures**

#### **A. For Making a Disclosure:**

- Any employee who observes or has knowledge of an alleged wrongful conduct shall make a disclosure to any of the members of the Delegation Whistle-Blowers Committee or the Company Whistle-Blowers Committee as soon as possible but not later than 60 consecutive calendar days after becoming aware of the same. The disclosure may be made in writing (by e-mail or on paper) or orally (a personal meeting or over the telephone).

- The Committee to which the disclosure has been made shall appropriately and expeditiously investigate all whistle-blower reports received. In this regard, the Committee, if the circumstances so suggest, may appoint a senior officer or a committee of managerial personnel to investigate into the matter.
- The Committee shall have the right to outline a detailed procedure for an investigation.

**B. For Filing a Complaint by Whistle-Blower:**

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

**Details of Whistle Blower Officer**

**Details of Whistle Blower Officer are as follows:**

Name	:	Anuag Sihna
Designation	:	Vice President
Mobile No.	:	+91-9837727603
Email address	:	anurag.sinha@seil.in

**Retention of Documents**

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

**Access to Reports and Documents**

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

**Notification**

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

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

## FAIR PRACTICE CODE

### Introduction

This is a compulsory Code which sets minimum standards of business practices for the NBFC's to follow when they are dealing with customers. It provides protection to the customers and explains how NBFC's are expected to deal in their business operations.

The Code does not replace or supersede regulatory or supervisory instructions of the Reserve Bank of India (RBI) and we will comply with such instructions/directions issued by RBI from time to time. Provisions of the Code may set higher standards than what is indicated in the regulatory instructions and such higher standards will prevail as the Code represents best practices voluntarily agreed to by us as our commitment to the customers.

### Background

Reserve Bank of India (RBI) vide Circular issued dated September 28, 2006, Circular Letter No. RBI/2006-07/138- DNBS(PD) CC No. : 80/03.10.042/2005-06 (including Residuary Non-Banking Financial Companies) has issued guidelines on Fair Practices Code for Non-Banking Financial Companies, prescribing broad guidelines on fair practices that are to be adopted and disseminated on the website of the Company for information of the public. In accordance with the broad guidelines prescribed by RBI, S.E Investments Limited has framed its Fair Practices Code, the same has now been reviewed pursuant to the conversion from Deposit Accepting (Category A) to Non Deposit Accepting (Category B) NBFC on 8<sup>th</sup> day January' 2014.

## **1. Objective**

### **1.1 Objectives of Fair Practices Code:**

- To ensure transparency in the Company's dealings with its Customers
- To ensure compliance with legal norms in matters relating to recovery of advances
- To strengthen mechanisms for Resolving the customer grievances.

### **1.2 Application of the Code:**

#### **This Code applies to:**

1. Loan facility provided by our branches and HO. ii. Safe Deposit Lockers (Vaults' Facility) (Facility (ii) is provided at our Head Office only)

## **2. Key Commitments**

### **2.1 Key Commitments to the customers:**

- Meeting the commitments and standards provided in this Code for the services and products offered, and in the procedures and practices we follow;

- Sincere endeavor to ensure the services and products offered meet relevant laws and regulations in letter and spirit;
- Ensuring our dealings are based on ethical principles of integrity, honesty and transparency

## **2.2 Information to Customer:**

- Giving all the information in vernacular language
- Ensuring that customers are given clear information about the products and services offered, the terms and conditions, interest rates/service charges
- Prompt resolution of customer's queries

## **3. Transparency**

The interest rates, fees and other charges, other legal and technical compliances to be undertaken while giving the loan and thereafter can be easily get from the Branch offices and also from H.O.

### **3.1 General Information**

**Prior to establishment of a customer relationship, we will:**

- a) Give clear information explaining the key features of the services and products best suited to the individual needs of the borrower, including applicable interest rates and other necessary terms and condition, by way of giving in-principal approval
- b) Take documents required to prove customer's identity and address (KYC) to comply with legal, regulatory and internal policy requirements.
- c) Give information on customer's rights and responsibilities, especially, regarding availing of nomination facility offered on safe deposit vaults and other prerogatives.

### **3.2 Terms and Conditions:**

- a) We will advise the relevant terms and conditions for the services asked
- b) All terms and conditions will be fair, and we will set out respective rights, especially with regard to nomination facility, and liabilities and obligations clearly, as far as possible in plain and simple language.

### **3.3 Changes in Fees and Other Charges, and other Terms and Conditions:**

- a) Any change in interest rates and other charges will be notified to the customer before exposing the running facility to the revised rates.



- b) Any changes to terms and conditions will be informed through appropriate channels.
- c) Changes will be made with prospective effect after giving due notice.

#### **4. Loan processing**

##### **4.1 Applications for loans and their processing:**

- 4.1.1 At the time of issuing application form for a loan proposal we will provide clear information about the interest rates applicable, whether floating rate or fixed rate, the fees/charges payable for processing, part of processing fees refundable if loan amount is not sanctioned/disbursed, pre-payment options and charges, penal interest for delayed repayments, and any other matter which affects the interests of the borrower, so that a meaningful comparison with those of other institutions can be made and informed decision can be taken by the customer. The loan application form shall indicate the documents required to be submitted with the application form.
- 4.1.2 Acknowledgement receipt of all facility applications to be issued instantly on receipt of duly authenticated applications.
- 4.1.3 Loan applications will be disposed of within a reasonable period from the date of issuing acknowledgement of receipt of application.

##### **4.2 Loan Appraisal and Terms/Conditions:**

- a) Loan proposal will be appraised in accordance with company's prescribed risk assessment procedures, suitable securities condition will be stipulated accordingly based on such risk assessment and company's extant guidelines, without compromising on due diligence.
- b) Sanction letter detailing particulars of amount sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof will be given on sanctioning the proposal and keep the acceptance of these terms and conditions by the borrower on its record.
- c) Rejection of the proposal will be communicated with reasons within a reasonable time of login.
- d) The penal interest chargeable on delayed payments (for late payment) shall be communicated to the borrower by way of BOLD letters in the loan agreement.

##### **4.3 Disbursement Of Loans, Including Changes In Terms And Conditions:**

- a) Disbursement of loans sanctioned is to be made immediately on execution of loan documents governing such sanction.
- b) Any change in the terms and conditions, including disbursement schedule, prepayment charges, interest rate and service charges etc shall be effected only prospectively and such changes will be informed individually to the borrowers in

case of account specific changes and in case of others by Public Notice//through Print and or other Media from time to time.

- c) Consequent upon such changes any supplemental deeds documents or writings are required to be executed, the same shall also be advised.
- d) We will supply authenticated copies of all the loan documents executed by you along with a copy each of all enclosures quoted in the loan document.
- e) We will give written receipt for all documents to title taken as security/ collateral for any loan received from you.

#### **4.4 Post Disbursement Supervision:**

- a) Decision to recall/ accelerate payment or performance under the agreement should be in consonance with the loan agreement and Before taking such decision or seeking additional securities the company would give reasonable notice to the customer.
- b) All securities pertaining to the loan would be released on receipt of full and final payment of the loans, subject to any legitimate right or lien and set off for any other claim that the company may have against the borrowers. If such right is to be exercised, borrowers would be given due and proper notice with requisite details along with the conditions under which the company is entitled to retain the securities till the relevant claim is settled/paid.

#### **4.5 Closing of Account:**

- a) We will return all unrealised cheques received from customer after receiving outstanding balances from the borrower.
- b) We will return all the securities / documents/title deeds to mortgaged property within 15 days of the repayment of all dues agreed to or contracted. If any right to set off is to be exercised for any other claim, we will give due notice with full particulars about the claims and retain the securities/ documents/title to mortgaged property till the relevant claim is settled/paid.

### **5. General**

- a) The company would refrain from interference in the affairs of the borrower except for what is provided in the terms and conditions of loan sanction documents (unless new information, not earlier disclosed by the borrower, has come to the notice of the company as lender). However, this does not imply that company's right of recovery and enforcement of security under Law is affected by this commitment.
- b) No discriminate on the grounds of gender, caste or religion in its lending policy and activity.
- c) In the case of recovery, company would resort to the usual measures as per laid down guidelines and extant provisions, and would operate within the legal framework.

- d) Clarifications required by the borrowers are given on e-mail.
- e) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the NBFC, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- f) In the matter of recovery of loans, the company should not resort to undue harassment viz; persistently bothering the borrowers at odd hours, use muscle power for recovery of loans etc.
- g) The Company's staff are adequately trained (including not to behave rudely with the customers) to deal with the customers in a polite and professional manner.

## 6. Complaints, Grievances and Feedback

### Grievance Redressal Mechanism:

- a) The Company has laid down the appropriate grievance Reddressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism ensures that all disputes arising out of the decisions of the functionaries are heard and disposed of at least at the next higher level.
- b) The Board shall periodically review the compliance of the Fair Practices Code and the functioning of the grievances Reddressal mechanism at various levels of management
- c) Response to a complaint would be given within a maximum period of one month from the date of complaint, unless the nature of complaint requires verification of voluminous facts and figures.
- d) **Complete details of Branch Heads, Grievance Redressal Officer (GRO) at Corporate Office and Officer-in-Charge of the Regional Office of DNBS of RBI are given hereunder :-**

Branches	Name of Branch Head	Mob. No.	Ph. No.	Fax No.	Email Id
Jaipur	Mr. Satya Prakash Sharma	9314142990	01414068888	1414068810	<a href="mailto:jaipur@seil.in">jaipur@seil.in</a>
Jodhpur	Mr. Shailendra Singh Bhadouriya	9929074758	02912638926	2912638926	<a href="mailto:jodhpur@seil.in">jodhpur@seil.in</a>
Mathura	Mr. Pankaj Parashar	9319069056	05652424310	–	<a href="mailto:mathura@seil.in">mathura@seil.in</a>
Ahmedabad	Mr. Pradeep Chahar	9998123238	07927544830	–	<a href="mailto:ahmedabad@seil.in">ahmedabad@seil.in</a>
Mumbai	Mr. Gaurav Chaubey	7738386151	02242288888	0224228882	<a href="mailto:mumbai@seil.in">mumbai@seil.in</a>

Aligarh	Mr. Anupam	9837000392	05712421866	–	<a href="mailto:aligarh@seil.in">aligarh@seil.in</a>
Bareilly	Mr. Pradeep Sharma	9286340886	05812510755	–	<a href="mailto:bareilly@seil.in">bareilly@seil.in</a>
Thiruvananthpuram	Mr. Gaurav Chaubey	7738386151	04713258014	–	<a href="mailto:thiruvananthpuram@seil.in">thiruvananthpuram@seil.in</a>
Agra	Mr Rahul Chaturvedi	9897342315	05624028839	05624028888	<a href="mailto:agra@seil.in">agra@seil.in</a>
Delhi	Mr Anup Kumar	8802121540	0114351889	01143518888	<a href="mailto:delhi@seil.in">delhi@seil.in</a>

**f) Grievance Redressal Officer (GRO):**

Designation	Name	Address	Mob. No.	Ph. No.	Fax No.	Email Id
Grievance Redressal Officer (GRO)	Mr. Anurag Sinha	M-7, Ist Floor, M Block Market, G.K.- II, New Delhi	9837727603	01143518888	01143518816	anurag.sinha@seil.in

- g) The Company shall display at all its branches / places where business is transacted the above details of Grievance Redressal Officer viz. contact details (Telephone / Mobile nos. as also email address) who can be approached by the public for resolution of complaints against the company.

**If the complaint/dispute is not redressed within a period of one month, the customer may appeal to the Officer- in Charge as per the below mentioned contact details :**

**Officer-in-Charge of the Regional Office of DNBS of RBI**

Officer & Designation	Address	Phone No.	Fax No.	Telex No.
The Manager, (Department of Non Banking Supervision), Reserve Bank of India	6, Sansad Marg, RBI Building, P.B. No. 123, New Delhi-110001	011-23714456	011-23713672	031-66361

**7. Regulation of Interest to be charged from the borrower:**

- a) The Company has laid out appropriate internal principles and procedures in determining interest rates and processing and other charges.
- b) The Company has adopted an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc and determined the rate of interest to be charged for facilities and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers shall also be disclosed to the borrower or customer in the loan application form and shall also communicated explicitly in the sanction letter. It shall

also be made available on the web-site of the company or published in the relevant newspapers. The information published in the website or otherwise published should be regularly updated whenever there is a change in the rates of interest.

- c) Internal Credit Rating Model has been adopted for gradation of risks which is considered to determine the rates of interest.
  - d) The rate of interest to be charged to the account will also be mentioned in annualized form.
8. Clarification regarding repossession of vehicles financed by NBFC's (issued vide CC No. 139 dated April 24, 2009) .

Presently the company is not engaged into financing of vehicles hence these guidelines are not applicable.

This Code will be reviewed by Board of Directors from time to time, review will be undertaken and updated in a transparent manner.