



RTS Power Corporation Limited

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CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF RTS

POWER CORPORATION LIMITED

(As approved by the Board of Directors of the Company in its

Meeting held on 30th May 2015

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Policy and Obligations

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 have been formulated to put in place a framework for prohibition of insider trading in securities and to strengthen legal framework to safeguard interests of common investors.

This Code of Conduct has been framed by the Board of Directors of the Company with a view to prevent its employees and other specified persons, who are reasonably expected to have access to unpublished price sensitive information, from trading in the securities of the Company to the disadvantage of the common investors.

Part A – Short Title and Commencement

- A.1 This Code of Conduct has been made pursuant to Regulation 9 of SEBI (Prohibition of Insider Trading) Regulations, 2015, and may be modified by the Board of Directors of the Company from time to time.
- A.2 This Code of Conduct will come into force on the date on which SEBI (Prohibition of Insider Trading) Regulations, 2015 comes into force and replace the existing Code of Conduct framed pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992. Any amendment to this Code shall come into force on the date the same is intimated to the persons to whom these Regulations apply.

Part B – Applicability

B.1 This Code shall be applicable to the following persons:

- a. Directors

- b. Designated Persons
- c. Concerned Advisors/Consultants/Retainers of the Company

B.2 This Code will also apply in respect of trading in securities of the Company by the immediate relatives of the Directors, Designated Persons and Concerned Advisors/Consultants/Retainers of the Company.

B.3 Compliance with this Code of Conduct is in addition to (and not in lieu / replacement of) any other regulations for prevention and prohibition of insider trading regulations including the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Part C - Definitions

C.1 'Act' means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

C.2 'Companies Act' means the Companies Act, 2013;

C.3 'Company' means RTS Power Corporation Limited;

C.4 'Compliance Officer' means Company Secretary and in case the Company does not have Company Secretary, such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations designated so and reporting to the Board of Directors and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.

C.5 'Concerned Advisors/Consultants/Retainers' of the Company means such Advisors/Consultants/Retainers/Professionals who in the opinion of the Company, may have access to price sensitive information.

C.6 'Connected Person' includes:

- i. A director of the Company;
- ii. A Key Managerial Personnel of the Company;
- iii. An Officer of the Company;

- iv. Any person who is or has been in a contractual or fiduciary or employment relationship at any time in the six month period prior to the date of determining whether that person, as a result of such relationship, was, directly or indirectly, allowed access to UPSI or reasonably expected to be allowed access to UPSI;
- v. Any person who is or has been in frequent communication with an Officer of the Company at any time in the six month period prior to the date of determining whether that person, as a result of such frequent communication, was, directly or indirectly, allowed access to UPSI or reasonably expected to be allowed access to UPSI;
- vi. An employee of the Company who has access to UPSI or is reasonably expected to have access to UPSI;
- vii. Any person who has a professional or business relationship and relationship that, directly or indirectly, allows access to UPSI or is reasonably expected to allow access to UPSI;

The persons enumerated below shall be deemed to be Connected Persons if such person has access to UPSI or is reasonably expected to have access to UPSI –

- a. An Immediate Relative of Connected Persons;
- b. A holding company or associate company or subsidiary company;
- c. An intermediary as specified in section 12 of the SEBI Act or an employee or director thereof;
- d. An investment company, trustee company, asset management company or an employee or director thereof;
- 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 of a mutual fund or is an employee thereof;
- g. A member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013;
- h. An official or an employee of a self-regulatory organization recognised or authorized by the SEBI;
- i. A banker of the Company;
- 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 ten percent of the holding or interest.

C.7 'Designated Persons' shall consist of Connected Persons who are:

- (i) Promoter of the Company
- (ii) Directors of the Company and its subsidiaries

- (iii) Executive officers of the Company
- (iv) Executive Vice Presidents of the Company
- (v) Employees named in the Corporate Organization Chart of the Company from time to time;
- (vi) All the employees in the Finance, Accounts, Secretarial and Legal Department of the rank of Deputy General Manager and above;
- (vii) All other employees who are functional heads; and
- (viii) Such other employees who may be so designated from time to time by the Company for the purpose of this Code of Conduct.
- (ix) Immediate relatives of (i) to (viii) above

C.8 'Immediate Relative' of a person means a spouse, or the parent, sibling or child of that person or his or her spouse, if they are either dependent financially on such person or consult such person in taking decisions relating to Trading in securities.

C.9 'Insider' An insider means any person who is:

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

C.10 'Regulations' means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

C.11 'Specified Persons' means and includes the Directors, Designated Person, Concerned Advisors/ Consultants/ Retainers of the Company and their immediate relatives.

C.12 'Trading' means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.

C.13 'Trading Day' means a day on which the recognized stock exchanges are open for trading.

C.14 'Trading Window', means a period for trading in Company's Securities by the Specified Persons.

C.15 Unpublished Price Sensitive Information ("UPSI") means any information, which relates directly or indirectly, to the Company or its securities, that is not generally

available which upon becoming generally available, is likely to materially affect the price of the securities of the Company.

“Generally available” information means information that is accessible to the public on a non-discriminatory basis.

UPSI includes, without limitation, information relating to the following:

- i. Financial results, financial condition, projections or forecasts of the Company;
- ii. Dividends (both interim and final);
- iii. Change in capital structure;
- iv. Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
- v. Changes in the Board of Directors or Key Managerial Personnel; and
- vi. Material events in accordance with the listing agreement.

C.16 Singular will include plural and Masculine gender will include Feminine gender wherever applicable.

Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (regulations) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations, made there under shall have the meanings respectively assigned to them in those regulations.

Part D – Code of Conduct

D.1 Duties of Compliance Officer

(a) The Compliance Officer of the Company shall, under the overall supervision of the Board of Directors, be responsible for monitoring adherence to this Code, pre-clearing and monitoring of trades covered by this Code, implementation of this Code and for maintenance of list of Directors, the Designated Employees and Concerned Advisers/Consultants/Retainers.

(b) The Compliance Officer of the Company shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.

(c) The Compliance Officer of the Company shall assist all the persons, to whom this Code applies in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and this Code.

D.2 Preservation of "Price Sensitive Information"

The Directors, Designated Persons and Concerned Advisors/ Consultants/ Retainers of the Company shall maintain the confidentiality of all price sensitive information and shall not communicate any unpublished price sensitive information to any person except on 'need to know' basis i.e. means that Unpublished Price Sensitive Information should be disclosed only to those persons within the Company or persons connected with the Company who need the information to discharge their duty or legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

D.3 The Directors, Designated Persons and Concerned Advisors/ Consultants/ retainers of the Company shall not pass on any price sensitive information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company.

D.4 Limited access to confidential information

The Directors, Designated Persons and Concerned Advisors/ Consultants/ Retainers of the Company shall keep the files containing confidential price sensitive information duly secured. Computer files must be kept with adequate security of log-in and password, etc.

D.5 Trading in securities

- (a) The Specified Persons shall be subject to the trading restrictions enumerated below in relation to the Company's Securities.
- (b) The Specified Persons shall not take position in derivative transactions in the shares of the Company at any time
- (c) The Specified Persons shall not trade in the Company's securities while in possession of unpublished price sensitive information.
- (d) The trading window shall be closed during any period as may be specified by the Company and shall be closed 7 days before the happening of UPSI events and shall remain closed up to 24 hours after the publication of the concerned

price sensitive information.

- (e) No Specified Persons shall conduct any trading in the securities of the Company during the closure of trading window.
- (f) All Specified Persons shall conduct all their trading in the securities of the Company only in a valid trading window and shall not trade in Company's securities during the periods when the trading window is closed.
- (g) 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 is closed.

D.6 The Specified Persons who buy or sell any shares of the Company shall not enter into an opposite transactions i.e. sell or buy any shares of the company during the next six months following the prior transactions.

D.7 Trading Plan

- a. A Designated Person shall be entitled to formulate a Trading Plan that complies with the SEBI Regulations (a "Trading Plan") and present it to the Compliance Officer for approval and public disclosure pursuant to which Trades may be carried out in his behalf in accordance with such plan.
- b. The Compliance Officer shall review and approve the Trading Plan if it complies with the SEBI Regulations and shall disclose the Trading Plan to the stock exchanges.
- c. The Trading Plan once approved shall be irrevocable and the Designated Person shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the Trading Plan. However, the implementation of the Trading Plan shall not be commenced, if at the time of formulation of the plan, the Designated Person is in possession of UPSI and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Trading Plan shall be deferred until such UPSI becomes generally available information. Further, the Designated Person shall also not be allowed to Trade in securities of the Company, if the date of Trading in securities of the Company, as per the approved Trading Plan, coincides with the date of closure of Trading Window announced by the Compliance Officer.

D.8 Pre- clearance of trades:

- a. Specified Persons intending to deal, or whose immediate relative intends to deal, in the securities of the Company exceeding the threshold limit of securities having market value of `200000 or more shall have to make an application in **Annexure 1** to the compliance officer for pre-clearance of the transaction. It shall be accompanied by **Annexure 2**
- b. However, no person shall be entitled to apply for pre-clearance of any proposed trade if such person is in possession of unpublished price sensitive information even if the trading window is not closed and hence he/ she shall not be allowed to trade.
- c. Only after receiving the Pre-clearance Order, the trading in the securities shall be carried out.
- d. The execution of the order in respect of securities of the Company shall have to be completed within one week of approval of pre-clearance, failing which application shall have to be made again in **Annexure 1**.
- e. The Specified Person shall, within two working days of the execution of the Trade, submit the details of such Trade to the Compliance Officer as per **Annexure 3**. In case the transaction is not undertaken, a report to that effect shall be filed in the said form.
- f. A Specified Person who Trades in securities without complying with the pre-clearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.

Part-E Disclosure policy

E.1 The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.

E.2 Initial Disclosure:

- a. Every Promoter, Key Managerial Personnel, directors of the Company and such other person mentioned in E.1 above shall disclose his holding of securities of the

Company within thirty days of these Rules taking effect as per **Form A** set out in **Annexure 4**.

b. Every person on appointment as a Key Managerial Personnel or a director of the Company or upon becoming a Promoter and such other person mentioned in E.1 above shall disclose his / her holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter, as per **Form B** set out in **Annexure 5**.

E.2 Continual Disclosure:

a. Every Promoter, employee, director of the Company and such other person mentioned in E.1 above shall disclose as per **Form C** set out in **Annexure 6** to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten lakhs.

b. The disclosure shall be made within two trading days of:

- I. the receipt of intimation of allotment of shares, or
- II. the acquisition or sale of shares or voting rights, as the case may be.

E.3 Disclosure to the Stock Exchange:

The Compliance Officer shall notify the stock exchanges, particulars of the Trades, within two trading days of the receipt of the Continual Disclosure or from becoming aware of such information.

E.4 Disclosures by other Connected Persons.

The Compliance Officer may, require any other Connected Person to disclose the holdings and trading in securities of the Company as per **Form D** set out in **Annexure 7** at such frequency as he may determine.

Part-F Penalties

(Penalty for contravention of the code of conduct)

F.1 Specified Persons who trades in securities or communicates any confidential information for trading in securities in contravention of this Code will be penalized and appropriate action can be taken against him by the Company after giving him a reasonable opportunity of being heard. The person who violates this Code in any

manner whatsoever may also be subjected to the disciplinary action including wage freeze, suspension, in- eligibility for future participation in Employees Stock Option Scheme (ESOP), etc.

F.2 If any contra trade is executed by any person in violation of Clause D.6, the profits from such trade shall be liable to be transferred to SEBI for credit to Investor Protection and Education Fund.

F.3 The action taken by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition Of Insider Trading) Regulations, 2015.

G. Miscellaneous

G.1 The Board of Directors shall be empowered to amend, modify, interpret these Rules and such Rules shall be effective from such date that the Board may notify in this behalf.

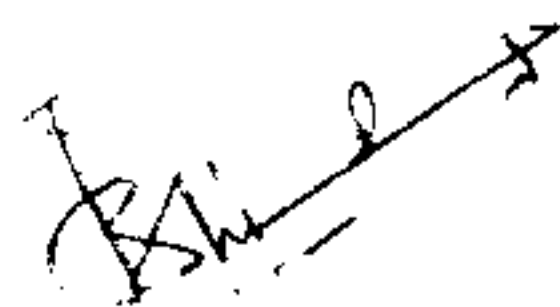
G.2 The Compliance Officer shall provide the Audit Committee of the Board, on a quarterly basis, all the details of Trading in securities by the Designated Persons including any violations of the Rules.

G.3 The Compliance Officer shall maintain (a) updated list of Specified Persons, (b) records of disclosures and pre-clearance applications and undertakings for a period of five years and (c) a confidential list of any 'restricted securities' to which the Compliance Officer may require Designated Persons to seek pre-clearance before Trading in such 'restricted securities'.

G.4 The Company shall require all other Persons apart from the Company to formulate and adhere to a code of conduct to achieve compliance with these Rules. In case such persons observe that there has been a violation of these Rules, then they shall inform the Board of Directors of the Company promptly.

G.5 The Company has adopted the new Code of practices and procedures for fair disclosures of UPSI available at [www....](http://www.sebi.gov.in) to regulate the Company's practices and procedures for fair disclosure of UPSI and comply with the SEBI's Regulation of Fair Disclosure.

For RTS Power Corporation Limited



(Compliance Officer)