

**RTS POWER CORPORATION LIMITED**  
**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 15th October,2011**

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

**The Policy and Obligations**

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. Every director, officer, designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No director, officer, designated employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, RTS Power Corporation Limited hereby notifies that this Code of conduct is to be followed by all Directors, officers, designated employees and connected persons.

**Part A - Definitions**

**A.1 'Insider Trading'** means when insiders use unpublished price sensitive information to arrive at securities trading (including buying as well as selling) decisions.;

**A.2 '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who is or was a "Connected Person" or a "Deemed Connected Person" and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a Company or who has received or has had access to such unpublished price sensitive information;

**A.3 'Company'** means RTS Power Corporation Limited;

**A.4 'Compliance Officer'** means any officer appointed by the Board of Directors of the Company for the purpose of these regulations from time to time.

**A.5 'Connected Persons'** means any person who

(i) is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 , of a company, or is deemed to be a director of that company by virtue of sub-clause (10) of section 307 of that Act; or

(ii) 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himself and the company [whether temporary or permanent] and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company.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;]

**A.6 'Deemed Connected Persons'** means and includes:

(a) Any group company, company under the same management or subsidiary of the Company;

(b) Relatives of the Connected Persons;

(c) Bankers of the Company;

(d) Merchant Banker, Share Transfer Agent, Registrar to an issue, Debenture Trustee, Broker, Portfolio Manager, Investment Advisor, Sub-broker or any employee thereof having a fiduciary relationship with the Company;

(e) is a Member of the Board of Directors or an employee of a public financial institution as defined in section 4A of the Companies Act 1956;

(f) is an official or an employee of a Self – regulatory Organisation recognized or authorized by the Board of a Regulatory body;

(g) is an intermediary as specified in section 12 of the 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;

(h) Trustees of any trust the beneficiaries of which include any of the Connected Persons;

(i) 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 ;

(j) Any person who was a connected person, whether temporary or permanent six months prior to an act of insider trading;

(k) 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;

(l) Any other person or category of persons mentioned in Regulation 2 of the SEBI (Prohibition of Insider trading) Regulations, 1992;

(m) is a concern, firm, trust, HUF, company or AOP wherein any of the connected persons or any of the persons mentioned above have more than 10 percent of the holding or interest.

**A.7 '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;

**A.8 'Officer'** means any person as defined in clause (30) of Section 2 of the Companies Act, 1956 including an Auditor of the Company;

**A.9 'Designated Employee'** shall include:

(a) officers comprising the top three tiers of the company management

(b) Employees designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.

(c) Heads of Department

**A.10 'Dependent Family Member'**, means, with reference to any person, anyone who is related to such person in any of the following manner

- Spouse
- Dependent Children
- Dependent Parents
- Dependent Brothers and Sisters
- Dependent In-laws

**A.11 'Relative'** means a person, as defined in Section 6 of the Companies Act, 1956

**A.12 '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 alias, 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.

**A.13 '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.

**A.14 'Free Period'** means any Period other than the Prohibited Period.

**A.15 'Unpublished'** 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.

**A.16 'Working Day'** means the working day when regular trading is permitted on the Stock Exchange where the securities of the Company are listed for time being.

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**

### **1. Compliance Officer**

The Company shall appoint the Compliance Officer who shall report to the Managing Director / Board of Directors of the Company.

#### **Duties of Compliance Officer**

(a) He shall maintain a record of designated employees and any changes made to the list of Connected Persons.

(b) 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.

(c) He shall maintain a record of Prohibited Period specified from time to time.

(d) He shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of 'Price-Sensitive Information', 'pre-clearing of Designated Employees' and their dependents' trades, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.

(e) 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.

(f) He shall place before the Managing Director / Board of Directors, on a monthly basis all the details of the dealing in the securities by Designated Employees, Directors, Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.

(g) He shall from time to time inform the Stock Exchanges of any price sensitive information on immediate basis.

(h) He shall intimate to all Stock Exchanges on which the securities of the Company are listed the relevant information received.

(l) He shall be responsible for overseeing and co-ordinating disclosure of price sensitive information to Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure and report to the Managing Director / Board of Directors.

(j) He shall inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 1992 within 7 days of knowledge of violation.

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

Directors, Designated Employees, Officers shall maintain the confidentiality of all Price Sensitive Information. Employees/ directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities. Following practices should be followed in this regard.

### **2.1 Need to know**

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of information.

### **2.2 Limited access to confidential information**

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

## **3. Prohibition on Dealing, Communicating or Counseling on Matters Relating to Insider Trading**

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) communicate, counsel or procure, 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.

## 4. Trading Restrictions

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

### 4.1 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.

4.2 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;

4.3. 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 in respect of above matter, up to 24 hours after the Price sensitive information is submitted to the Stock Exchange.

4.4 The trading window shall be opened 24 hours after the information referred in 4.2 is made public.

4.5 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.

4.6 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.

## **5. 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 in excess of Rupees Two lakhs in Value shall pre-clear the transactions as per the pre-dealing procedure as described hereunder. The Compliance Officer is authorised to change the minimum value from time to time.

### **5.1 Pre-dealing Procedure**

5.1.1 An application for pre-clearance of trade may be furnished in Form 'A' to the Compliance Officer alongwith an undertaking (UT) and details of their shareholding and of their dependent relative in Form 'A-1' in favor of the Company by such Designated Employee, Director, Officer incorporating, inter alia, the following clauses, as may be applicable:

(a) That the employee/ director/officer does not have any access or has not received "Price Sensitive Information" up to the time of signing the undertaking.

(b) That in case the Designated Employee, Director, Officer has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he or she shall inform the Compliance officer of the change in his position and that he or she would completely refrain from dealing in the securities of the company till the time such information becomes public in the securities of the Company till the time such information becomes public.



(c) That he or she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.

(d) That he or she has made a full and true disclosure in the matter.

5.1.2 The Compliance Officer shall on receiving an application provide the Director, Officer, and Designated Employee with an acknowledgement on the duplicate of the application.

5.1.3 The Compliance Officer shall grant approval within 2 days from the date of acknowledgement.

5.1.4 The Compliance Officer shall retain copies of all applications and acknowledgements.

5.1.5 In exceptional circumstances consent may not be given if the Compliance officer is of the opinion that the proposed deal is on the basis of possession of any unpublished Price sensitive information. There shall be no obligation to give reasons for any withholding of consent.

## **5.2 Other Restrictions**

5.2.1 All Directors, Officers, Designated Employees shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the Directors, Officers, and Designated Employees must pre clear the transaction again. All Directors, Officers, Designated Employees shall hold their investments in securities for a minimum period of 30 days irrespective of mode of acquisition in order to be considered as being held for investment purposes.

5.2.2 The holding period shall also apply to subscription in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

5.2.3 In case the sale of securities is necessitated by personal emergency, the compliance officer may waive the holding period after recording in writing his or her reasons in this regard. An application for waiver of holding period shall be made to the Compliance Officer in Form 'B'.

## **6. Reporting Requirements for transactions in securities**

### 6.1 Initial Disclosures

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, in Form 'C' , 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.

### 6.2 Continual Disclosures

(a) Every Director, Officer and Designated Employee of the Company shall disclose to the Company, in Form 'D', 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 6.1, 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.

(b) The aforesaid disclosure has to be made within 2 working 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

(c) The disclosures under this Clause shall be sent to the Compliance Officer / Company Secretary of the Company.

### 6.3 Quarterly / Annual Disclosures

All Directors, Officers, Designated Employees dealing in the Securities of the Company shall be required to forward following details of their Securities transactions including the holdings of dependent family members to the Compliance officer:

(a) All holdings in securities of the Company by Directors, Officers, Designated Employees at the time of joining the Company;

(b) In respect of existing Directors, Officers, Designated Employees, all holdings in securities of the Company as on the date specified by the Compliance Officer.

And

(d) Annual statement of all holdings in securities of the Company in Form 'E' as on 31<sup>st</sup> December of each year, before 15<sup>th</sup> January of the next year.

#### 6.4. Disclosure by the Company to Stock Exchanges

Within 2 working days of the receipt of the information under Clause 6.2 of the Regulations, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.

#### 6.5 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 Managing Director / 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.

### **7. Penalty for contravention of Code of Conduct**

Any Director, Officer, Designated Employee who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by the Company.

Directors, Officers, Designated Employees of the Company who violate this Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage salary freeze, suspension, withholding of promotions, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

## **8. 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.

## **9. Forms**

Forms mentioned in the code for various disclosures under the regulation are appended at the end.

**Forms relating to reporting under Prevention of Insider Trading are as follows:**

**Form A - Application for pre-clearance of trade**

**Form A-1 – Details of Shareholding at the time of Pre-Clearance Application**

**Form B - Application for waiver of minimum holding period**

**Form C - Form for initial disclosure**

**Form D – Disclosure of change in holding**

**Form E - Annual Disclosure**

**For RTS Power Corporation Limited**

**Sd/- J Biswas  
Compliance Officer**

**Form A**  
**APPLICATION FOR PRE- CLEARANCE**

Date: \_\_\_\_\_

The Compliance Officer  
RTS Power Corporation Limited  
56, Netaji Subhas Road,  
Kolkata – 700 001

Through Division/ Department Head

With reference to the RTS Power Corporation Limited Code of Conduct for Prevention of Insider Trading. I seek your approval for me/my dependent family member i.e Mr/Mrs/Miss \_\_\_\_\_ to subscribe to purchase/sell/deal in as an agent/principal \_\_\_\_\_ (nos.) equity shares of the Company.

I or any of my dependent family members shall not enter into an opposite transaction i.e. buy/sell any shares of the company during the next six months of purchase/sell pursuant to this application.

I declare that I or any of my dependent family members have /has not taken any position in derivative transactions in the shares of the Company at any time.

The statement of shareholding in Form 'A-1, as on \_\_\_\_\_ in the prescribed format are enclosed for your perusal in this connection.

Signature:  
Name:  
Designation:  
Department:

**Form A**  
(to be submitted in duplicate)

**Application for Pre-clearance of Trade under  
SEBI (Prohibition of Insider Trading)  
Regulations, 1992**

The Compliance Officer  
RTS Power Corporation Limited  
56, Netaji Subhas Road,  
Kolkata – 700 001

1	Name of the applicant	:	
2	Designation	:	
3	Employee Pay Roll	:	
4	Number and value of securities in the Company held as on date (with folio/DP ID/Client ID No.)	:	
5	Nature of securities held	:	*Equit Shares/Debentures/Other Securities
6	Mode in which the securities are held	:	
7	The Proposal is for	:	(a) Acquisition in the open market (b) Subscription to the securities (c) Sale of securities
8	Proposed date of dealing in securities	:	
9	Nature of proposed dealing	:	Purchase / Sale of Securities
10	Estimated number of securities Proposed to be acquired/subscribed/sold	:	
11	Price at which the transaction is proposed	:	
12	Current market price (as on the date of application)	:	
13	Whether the proposed transaction will be through stock exchange or off market deal	:	
14	Proposed mode of dealing in securities	:	Physical / Dematerialised
15	If securities are held/proposed to be dealt in dematerialised form	:	
	Name of the Depository DP ID Number Client ID number	:	

In relation to the above Dealing, I undertake that:

- a. I have no access to nor do I have any information that could be construed as "Price Sensitive Information" as defined in the Code upto the time of signing this undertaking;
- b. In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after signing the undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public;

c. I have not contravened the provisions of the Code of conduct for prevention of insider trading as notified by the Company from time to time;

d. I have made full and true disclosure in the matter;

e. I hereby declare that I shall execute my order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, I undertake to obtain pre-clearance for the transaction again.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Signature:

Name:

Designation:

Department:

*\*strike whichever is not applicable*

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**For Office Use Only**

This is to inform you that your request dated ..... for dealing in ..... (Nos.) shares of the Company as mentioned in your above – mentioned application is approved. Please note that the said transaction must be completed within 7 days from today.

For RTS POWER CORPORATION LIMITED

Date:

Compliance Officer

**Form A - 1**

Date: \_\_\_\_\_

The Compliance Officer  
RTS Power Corporation Limited  
56, Netaji Subhas Road,  
Kolkata – 700 001

From : Name:  
Designation:  
Department:

**STATEMENT OF HOLDINGS AT THE TIME OF PRE-CLEARANCE**

**I. Statement of Shareholdings of Director<sup>1</sup> / Officer<sup>1</sup> / Designated Employee<sup>1</sup> / Connected Person<sup>1&2</sup>**

Name	Designation	Department	No. of Shares Held (with Folio/DP/ID/Client ID)	Nature of Transaction for which approval is sought	No. of Shares to be dealt with

**II. Details of Shares held by Relatives<sup>3</sup> / Dependent / Dependent Family Members<sup>4</sup> (as applicable)**

Name	Relationship	No. of Shares Held (with Folio/DP/ID/Client ID)	Nature of Transaction for which approval is sought	No. of Shares to be dealt with

I/We hereby declare that the shares to be sold have been held by me/my dependent family members for a minimum period of 6 months (30 days in case of acquisition through subscription in the primary market).

1. *Delete whichever is not applicable.*
2. *Connected person should mention the nature of the association.*
3. *Applicable to Director.*
4. *Applicable to Officer / Designated Employee and Connected Person*

Signature:  
Name:  
Designation:  
Department:



**Form B**  
Application for waiver of minimum holding period

Date: \_\_\_\_\_

The Compliance Officer  
RTS Power Corporation Limited  
56, Netaji Subhas Road,  
Kolkata – 700 001

Dear Sir,

I request you to grant me waiver of the minimum holding period of 30 days as required under clause 5.2.

of the Code of Conduct for prevention of insider trading with respect to

\_\_\_\_\_ shares of the Company held by me /

\_\_\_\_\_ (name of relative) singly / jointly acquired by me on \_\_\_\_\_ (Date). I desire to deal in the said \_\_\_\_\_ shares on \_\_\_\_\_ account of \_\_\_\_\_

\_\_\_\_\_  
(give reasons).  
Thanking  
You,

Yours faithfully,

**(Name)**

**(Designation)**

**(Department)**

**FORM C**  
(Form for Initial Disclosure)

Date: \_\_\_\_\_

To  
The Compliance Officer  
RTS Power Corporation Limited  
56, Netaji Subhas Road,  
Kolkata – 700 001

**I. Statement of Shareholdings of Director<sup>1</sup> / Officer<sup>1</sup> / Designated Employee<sup>1</sup> / Connected Person<sup>1&2</sup>**

Name	Designation	Department	No. of Shares held Date of Joining	Folio No. / DP ID / CL ID

**II. Details of Shares held by Relatives<sup>3</sup> / Dependent / Dependent Family Members<sup>4</sup> (as applicable)**

Name of Relative	Relationship	No. of Shares held	Folio No. / DP ID / CL ID


1. *Delete whichever is not applicable.*
2. *Connected person should mention the nature of the association.*
3. *Applicable to Director.*
4. *Applicable to Officer / Designated Employee and Connected Person.*

Signature:  
Name:  
Designation:  
Department:





**FORM E**  
(Annual Disclosure)

Date: \_\_\_\_\_

To  
The Compliance Officer  
RTS Power Corporation Limited  
56, Netaji Subhas Road,  
Kolkata – 700 001

**I. Statement of Shareholdings of Director<sup>1</sup> / Officer<sup>1</sup> / Designated Employee<sup>1</sup> / Connected Person<sup>1&2</sup>**

Name	Designation Department	No. of shares held on January 1, _____	No. of shares bought during the year	No. of shares sold during the year	No. of shares held as on December 31, _____	Folio No. / DP ID/ Client ID

**II. Details of Shares held by Relatives<sup>3</sup> / Dependent Family Members<sup>4</sup> (as applicable)**

Name of Relative	Relationship	No. of shares held on January 1, _____	No. of shares bought during the year	No. of shares sold during the year	No. of shares held as on December 31, _____	Folio No. / DP ID/ Client ID

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I/We hereby declare that the shares to be sold have been held by me/my dependent family members for a minimum period of 6 months (30 days in case of acquisition through subscription in the primary market). – (yes/ no / NA)

1. Delete whichever is not applicable.
2. Connected person should mention the nature of the association.
3. Applicable to Director.
4. Applicable to Officer / Designated Employee and Connected Person.

Signature:  
Name:  
Designation:  
Department: