

## **Code of Internal Procedures and Conduct for regulating, monitoring and reporting of Trading by Insiders**

### **Preliminary:**

This Code of Internal Procedures and Conduct to Regulate, Monitor and Report Trading by Insider, herein referred as "the Code", is framed pursuant to Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended by Notification dated December 31, 2018

This Code has been designed to enhance the standards of governance and to comply with the amended Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 made effective from April 01, 2019.

### **Definitions:**

- a) "Act" means the Securities and Exchange Board of India Act, 1992.
- b) "Board" means the Board of Directors of the Company.
- c) "Code" or "Code of Conduct" shall mean the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of Rajdarshan Industries Limited as amended from time to time.
- d) "Company" means Rajdarshan Industries Limited.
- e) "Compliance Officer" means Company Secretary or 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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.

f) “Connected Person” means:

- any person who is or has during the six months prior to the concerned act been associated with a company, retain, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
  - an immediate relative of connected persons specified in clause above; or
  - a holding company or associate company or subsidiary company; or
  - an intermediary as specified in Section 12 of the Act or an employee or director thereof; or
  - an 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; or
  - a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or vii. a member of the Board of directors or an employee, of a public financial institution as defined in Section 2 (72) of the Companies Act, 2013; or
  - an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
  - a banker of the Company; or

- 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 per cent, of the holding or interest.
- g) “Dealing in Securities” means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of the Company either as principal or agent.
- h) Designated Employee means –
  - All Directors whether executive, non-executive or independent;
  - Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS);
  - All employees of Finance, Accounts and Secretarial Department;
  - All employees of General Manager cadre and above in all other Departments of the Company;
  - Such other employees as may be determined by the Board from time-to-time.
- i) Designated Person  
Designated employees, connected persons and any other person designated on the basis of their functional role as may be specified by the Board of Directors in consultation with Compliance Officer shall be the designated person for the purpose of this Code.

The board of directors or such other analogous authority shall in consultation with the compliance officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:

- Employees of such listed company, intermediary or fiduciary designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body;
  - Employees of material subsidiaries of such listed companies designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors;
  - All promoters of listed companies and promoters who are individuals or investment companies for intermediaries or fiduciaries;
  - Chief Executive Officer and employees upto two levels below Chief Executive Officer of such listed company, intermediary, fiduciary and its material subsidiaries irrespective of their functional role in the company or ability to have access to unpublished price sensitive information;
  - Any support staff of listed company, intermediary or fiduciary such as IT staff or secretarial staffs who have access to unpublished price sensitive information.
- j) "Director" means a member of the Board of Directors of the Company.
- k) "Generally Available Information" means information that is accessible to the public on anon-discriminatory basis.
- l) "Immediate Relative" means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.
- m) "Insider" means any person who is,
- Designated persons and their Immediate Relatives; or
  - connected person; or
  - in possession of or having access to unpublished price sensitive information.

- n) "Legitimate purpose" includes sharing of Unpublished Price Sensitive Information in the ordinary course of business by an Insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibition of PIT regulations.
- o) "Key Managerial Personnel" means a person as defined in Section 2(51) of the Companies Act, 2013.
- p) "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.
- q) "Securities" shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund.
- r) "Takeover Regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- s) "Trading" means and includes subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- t) "Trading Day" means a day on which the recognized stock exchanges are open for trading.
- u) "Unpublished Price Sensitive Information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following:
- financial results;
  - dividends;
  - change in capital structure;

- mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
- Change in key managerial personnel.

All other words and phrases will have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules & regulations made there-under shall have the meanings respectively assigned to them in that legislation

### **Role of Compliance Officer**

- a) The Company Secretary of the Company shall be the Compliance Officer for the purpose of this Code and in his absence any other senior officer of the Company appointed by the Board of Directors from time to time for the purpose of this Code in pursuance of the Regulations.
- b) The Compliance Officer shall be responsible under the overall supervision of the Board of Directors of the Company, for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of UPSI, monitoring of Trades as per the Code and implementation of the Code, maintaining records of the Designated Persons and their Immediate Relatives and any changes made in the list of Designated Persons and their Immediate Relatives and providing guidance and clarifications sought by Designated Persons regarding the Regulations and the Code.
- c) The Compliance Officer 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 but not less than once in a year.
- d) The Compliance Officer shall assist all Designated Persons (or his / her Immediate Relatives) in addressing any clarifications regarding the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct.

### **Preservation of “Unpublished Price Sensitive Information”**

- a) All information shall be handled within the Company on a need-to-know basis and no insider shall communicate, provide or allow access to any unpublished price sensitive information, relating to Company or its securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of his legal obligations.
- b) No Person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to Company or securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- c) An Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails: -
  - an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company; or
  - not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

- d) Price Sensitive Information will be handled on a “Need to Know” basis. It 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 for the information.
- e) Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.

### **Trade in securities when in possession of Unpublished Price Sensitive Information (UPSI)**

No insider shall trade in securities of the Company when in possession of UPSI provided that the Insider may prove his innocence by giving valid reasons of the circumstances like:

- a) In case of non –individual insiders, the individuals who were in possession of the UPSI were different from the individuals who took the decision for trade and there are such appropriate and adequate arrangements in place that the information of the UPSI is not transferred from the individuals who were in possession of the UPSI to the individuals who took the decision for trade.
- b) Trading is done pursuant to the trading plan as per this Policy.
- c) Trade by connected person, the onus of establishing that they were not in possession of UPSI shall be on such connected person.
- d) The transaction is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of regulation 3 of PIT regulations and both parties had made a conscious and informed trade decision.
- e) The transaction was carried out through block deal window mechanism between insiders without being in breach of regulation 3 and both parties had made a conscious and informed trade decision.
- f) The transaction was carried out pursuant to the exercise of stock options, where the exercise price was pre-determined as per applicable regulations.
- g) In any other case, the onus would be on the Board.

### **Trading Plan**

- a) An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.



- b) Trading Plan shall:
- not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
  - not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
  - entail trading for a period of not less than twelve months;
  - not entail overlap of any period for which another trading plan is already in existence;
  - set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
  - not entail trading in securities for market abuse.
- c) The Compliance Officer shall consider the Trading Plan made as above and shall approve it. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the Regulations.
- d) The Trading Plan once approved shall be irrevocable and the Insider 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 Insider is in possession of any Unpublished Price Sensitive Information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such Unpublished Price Sensitive Information becomes Generally Available Information. Further pre-clearance of trades shall not be required for a trade executed as per an approved

- e) Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

### **Trading Window**

- a) The Company shall specify a trading period for trading in the Securities (“**Trading Window**”).

- b) All Designated Persons or their Immediate Relatives shall conduct all their trading in the Securities only when the Trading Window is open and no Designated Person or their Immediate Relatives shall trade in the Securities during the period when the Trading Window is closed or during any other period as may be specified by the Compliance Officer from time to time.
- c) 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) The trading window shall be closed from the first day immediately following the relevant calendar quarter till the conclusion of 48 hours after disclosure of such quarterly/ annual financial results of the company to stock exchanges.
- e) Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer.
- f) The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.
- g) The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

#### **Pre-clearance of trades**

- a) When the trading window is open, any Designated Person shall trade in Securities of the Company subject to pre-clearance by the Compliance Officer if the value of the proposed trades is above a minimum threshold limit of Rs. 10,00,000/- (Rupees Ten Lakh) in value in any calendar quarter or such other limits as the Board may stipulate.

However, no Designated Person shall be entitled for pre-clearance of any proposed trade if such Designated Person is in possession of UPSI even if the trading window is not closed.

- b) The pre-dealing procedure shall be as under:
  - i. An application may be made in the prescribed Form to the Compliance Officer indicating the estimated number and value of Securities that the Designated Persons (or his / her Immediate Relatives) intends to deal in, the details as to the depository with which he has a security account, the details as to the Securities in such depository mode and such other details as may be required in this behalf.

- ii. An undertaking shall be executed in favour of the Company by such Designated Persons (or his / her Immediate Relatives) incorporating, inter alia, the following clauses, as may be applicable:
  - That the Designated Persons (or his / her Immediate Relatives) does not have any access or has not received “Unpublished Price Sensitive Information” up to the time of signing the undertaking.
  - That in case the Designated Persons (or his / her Immediate Relatives) has access to or receives “Unpublished Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his / her position and that he/she would completely refrain from dealing in the Securities of the Company till the time such information becomes public.
  - That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - That he/she has made a full and true disclosure in the matter.
- c) The Compliance Officer shall process the Pre-clearance applications and if Pre-clearance application is in accordance and in compliance with the provisions of this Code, the Compliance Officer shall endeavor to communicate the Pre-clearance immediately but not later than four trading days from the date of receiving the application.
- d) Designated Person shall execute pre-cleared trade within seven trading days from approval and shall report his trade details to Compliance Officer within 2 trading days from the trade. In case non-trading, Designated Person shall report his decision of non-trading along with reasons to Compliance Officer.
- e) In case of failure in executing trade within seven trading days, Designated Person shall be required to take fresh pre-clearance for the trades to be executed.
- f) Designated Person who is permitted to trade shall not execute a contra trade within next six months from previous transaction. The Compliance Officer is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing without violating the Regulations. If contra trade is executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India for credit to the Investor Protection and Education Fund.
- g) The Compliance Officer may grant relaxation from strict application of such restriction on an application made in this behalf by the concerned Designated Person and after recording in writing the reasons in this regard; provided that such relaxation does not violate the Regulations.

## **Reporting Requirements for transactions in Securities**

### **➤ Initial Disclosure**

- a) Every Promoter, Key Managerial Personnel and Director of the Company, within thirty days of these regulations taking effect, shall forward to the Company the details of all holdings in securities of the Company presently held by them in the prescribed form.
- b) Every Designated Person shall disclose his / her and their Immediate Relatives' 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.

### **➤ Continual Disclosure**

- a) Every Designated Persons shall disclose 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 or such other value as may be specified

The disclosure shall be made within 2 working days of:

- i. the receipt of intimation of allotment of Securities, or
  - ii. the acquisition or sale of Securities or voting rights, as the case may be.
- b) The Company shall within a period of two (2) trading days from the date of receipt of such disclosures, inform the Stock Exchange(s) particulars of such trading.
  - c) Every Designated Persons shall forward to the Compliance Officer an Annual statement of holdings in the Securities of the Company within 30 (thirty) days of the close of financial year.
  - d) The Compliance officer shall maintain records of all the declarations in the appropriate form given by the Designated Persons and their Immediate Relatives for a minimum period of five years.

### **Penalty for contravention of Code of conduct**

- a) Any Designated person who trades in securities or communicates any information for trading in securities in contravention of this Code may be penalized by the Board of Directors as they may deem fit and appropriate action would be taken.
- b) Designated persons of the Company who violate this Code shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension etc.
- c) The Company shall promptly inform Securities and Exchange Board of India regarding any violation of the Code of Conduct.
- d) The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **Applicability of the Code to certain persons**

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to unpublished price sensitive information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

### **Amendments**

- a) This Code and any subsequent amendment(s) thereto, shall be carried out with the approval of the Board.
- b) Any or all provisions of this Code would be subject to revision/ amendment in accordance with the rules, regulations, notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.
- c) In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Code shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

**ANNEXURE 1**  
**APPLICATION cum UNDERTAKING for Pre-Clearance**

Date:

To,  
**The Compliance Officer,**  
**Rajdarshan Industries Limited,**  
**Udaipur**

Dear Sir/Madam,

**Application for Pre-dealing in securities of the Company**

With reference to Code of Practices Procedure and Conduct to Regulate, Monitor and Report Trading by Insiders, I \_\_\_\_\_, \_\_\_\_\_ (Designation & Dept.) of the Company, would like to purchase / sale \_\_\_\_\_ equity shares of the Company as per details given below:

<b>Sr. No.</b>	<b>Particulars</b>	
1	Number of securities held as on date	
2	Folio No. / DP ID / Client ID No.	
3	No./Value of Securities to be purchased / sold	
4	Name of person who propose to trade	

I hereby declare that I am not in possession of any UPSI.

In the event that I have access to or received any UPSI, after the signing of this application but before executing trade for which approval is sought, I shall inform the Compliance Officer about the same and shall completely refrain from dealing in the Securities until such UPSI becomes publicly available. Thereafter I will submit fresh application for executing a trade.

I also hereby declare that I have not contravened any provision of the Code of Conduct.

Further I undertake to submit report on trade within 2 days from date of execution of trade or submit a 'Nil' report if no trade was executed.

After approval, I shall execute a trade within 7 trading days from of the receipt of approval trade failing which I shall seek pre-clearance again.

Yours faithfully,

\_\_\_\_\_  
(Signature)

**ANNEXURE 2**  
**APPROVAL /REJECTION OF PRE- CLEARANCE**

To,

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

With reference to your Application cum Undertaking for Pre-clearance dated \_\_\_\_\_, we would like to inform you that your application to purchase / sale \_\_\_\_\_ equity shares of the Company is hereby approved / rejected. Now, you can execute your trade within 7 trading days i.e. \_\_\_\_\_. Further, you are required to submit a report your trade details within two trading days from trade. Or In case, no trade was executed, you are required to submit a 'Nil' report.

In case, you do not execute a trade before \_\_\_\_\_, you shall submit a fresh pre-clearance application before executing any transaction in the Securities of the Company.

Thanking you,  
For **Rajdarshan Industries Limited**

**Compliance Officer**

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

**ANNEXURE 3**

**Reporting of Trade/Transaction**

To,  
The Compliance Officer,  
**Rajdarshan Industries Limited,**  
Udaipur

Dear Sir/Madam

According to approval of pre-clearance dated \_\_\_\_\_, I have executed a trade / transaction on \_\_\_\_\_ (date). The detail of said trade / transaction is as under:

Name of holder	No. of securities dealt with	Bought/sold/ subscribed	DP ID/ Client ID / Folio No	Price (Rs.)

Further I enclose herewith copy of Contract Note for your ready reference.

I declare that the above information is correct and that no provision of the Code of Conduct has been violated while executing aforesaid trade / transaction.

I also declare that I have complied with the requirements of minimum period of 6 months for entering into an opposite transactions in respect of said Securities.

Or

According to approval of pre-clearance dated \_\_\_\_\_, I have not executed a trade /transaction due to \_\_\_\_\_ (reason of non-trading).

I will take fresh pre-clearance for trades as and when I propose to trade in Securities of the Company.

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

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_