



# **Code of Conduct For Regulating, Monitoring & Reporting of Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure**

[Pursuant to Regulation 8(1) and 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended]



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## CHAPTER I

### 1.1 Preliminary

This Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and For Fair Disclosure' of REC, is framed pursuant to **Regulation 8(1) & 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015**, as amended from time to time. This Code is being framed with an aim that the Designated Persons and their immediate relatives, as defined in the Code, do not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information (UPSI) about the Company which is not in the public domain and thus constitutes Insider information.

The objective of the Code is to regulate, monitor and report trading in securities of the Company by Designated Persons and their immediate relatives towards achieving compliance of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The Code also provides for Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information.

## CHAPTER II DEFINITIONS

In this Code, unless the context otherwise requires:

- (i) **“Act” or “SEBI Act”** means the Securities and Exchange Board of India Act, 1992.
- (ii) **“Board of Directors”** means the collective body of the Directors of the Company.
- (iii) **“Company”** means REC Limited (Formerly Rural Electrification Corporation Limited) (“REC”).
- (iv) **“Code”** means this Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives and For Fair Disclosure’.
- (v) **“Compliance officer”** means any senior officer, designated so and reporting to the Board of Directors or Head of the organization in case Board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board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 Listed company or the Head of an organization, as the case may be.
- (vi) **“Connected Person”** means-
  - (i) any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, 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, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established -
- (a) a relative of connected persons specified in clause (i); or
  - (b) a holding company or associate company or subsidiary company; or
  - (c) an intermediary as specified in section 12 of the Act or an employee or director thereof; or
  - (d) an investment company, trustee company, asset management company or an employee or director thereof; or
  - (e) an official of a stock exchange or of clearing house or corporation; or
  - (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; or
  - (g) a member of the Board of Directors or an employee, of a Public Financial Institution as defined in section 2(72) of the Companies Act, 2013; or
  - (h) an official or an employee of a self-regulatory organization recognised or authorized by SEBI; or
  - (i) a Banker of the company; or
  - (j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his relative or banker of the company, has more than ten per cent of the holding or interest;
  - (k) a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (vi) is also a partner; or
  - (l) a person sharing household or residence with a connected person specified in sub-clause (i) of clause (vi).
- (vii) **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities of the Company either as principal or agent.
- (viii) **“Designated Employees”** shall mean:
- a. All members of the Board of Directors of the Company, Key Managerial Personnel and Chief Vigilance Officer.
  - b. All regular employees of executive cadre working in Corporate Accounts, Taxation, Company Secretary Division, Business Development & Marketing, Resource Mobilisation, Loans and Recovery Division, offices of Chairman & Managing Director and Whole-time Directors of the Company and any other Division as may be notified by the Compliance Officer.
  - c. All other employees working, in the level of E-7 and above.
  - d. The Directors CEO and employees at level of E-7 & above of the subsidiary companies.
- (viii a) **“Designated Persons”**, with regard to the Company, means any of the following persons:
- (a) A Designated Employee of the Company.
  - (b) The Directors of the Holding company.

- (d) Promoters of the Company.
  - (e) Any support staff of the Company, or person, intermediary or fiduciary, whether permanent or contractual, who may have access to price sensitive information, as may be notified by the Compliance Officer from time to time.
- (ix) **“Director”** means a member of the Board of Directors of the Company.
- (x) **“Financially Literate”** shall mean a person who has the ability to read & understand basic financial statements i.e., Balance Sheet, Profit & Loss Account and Statement of Cash Flows.
- (xi) **“Free Period”** means any period other than **“Prohibited Period”**.
- (xii) **“Generally Available Information”** means information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media.
- (xiii) **“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.
- (xiv) **“Informant”** means an individual(s), who voluntarily submits to the Board a Voluntary Information Disclosure Form relating to an alleged violation of insider trading laws that has occurred, is occurring or has a reasonable belief that it is about to occur, in a manner provided under these regulations, regardless of whether such individual(s) satisfies the requirements, procedures and conditions to qualify for a reward or not;
- (xv) **“Insider”** means any person who is:
- i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
- Further, any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose”, as defined in **Annexure A** to this Code, shall be considered an “Insider” and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with the Code.
- (xvi) **“Insider Trading”** means when Insiders use Unpublished Price Sensitive Information to arrive at Securities trading (including buying as well as selling) decisions, the action is referred to as Insider Trading.
- (xvii) **“Key Managerial Personnel (KMP)”** shall mean the Key Managerial Personnel of the Company as defined under the Companies Act, 2013 and includes all Functional Directors, Compliance Officer and officers identified & designated as Key Managerial Personnel of the Company.
- (xviii) **“Officer”** means any person as defined in Section 2(59) of the Companies Act, 2013, i.e. including any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act and includes 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.

- (xix) **“Prohibited Period”** means the period during which the “Trading Window” is closed.
- (xx) **“Promoter” and “Promoter group”** 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.
- (xxi) **“Relative” shall mean the following:**
  - (a) spouse of the person;
  - (b) parent of the person and parent of its spouse;
  - (c) sibling of the person and sibling of its spouse;
  - (d) child of the person and child of its spouse;
  - (e) spouse of the person listed at sub-clause (c); and
  - (f) spouse of the person listed at sub-clause (d)
- (xxii) **“Regulations”** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.
- (xxiii) **“Securities”** includes the following securities issued by the Company to public from time to time and listed in any Stock Exchange :
  - (a) shares, scrip, bonds, debentures, debenture stock or other marketable securities of like nature;
  - (b) any kind of derivatives in the Securities of the Company; and
  - (c) such other instruments recognized as securities under the Securities Contracts (Regulation) Act, 1956 and issued by the Company from time-to-time except units of a mutual fund;
- (xxiv) **“Trading”** means and includes subscribing, redeeming, switching, buying, selling, dealing, or agreeing to subscribe, redeem, switch, buy, sell, deal in any securities, and “trade” shall be construed accordingly;
- (xxv) **“Trading Day”** means a day on which the recognized stock exchanges are open for trading where securities of the Company are listed;
- (xxvi) **“Trading Window”** means trading period for trading in the Company’s Securities. All days shall be the trading periods except when trading window is closed;
- (xxvii) **“Unpublished Price Sensitive Information” or “UPSI”** means any information, relating to the 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 including but not restricted to, information relating to the following:
  - I. Events specified under Paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015, (Listing Regulations) which shall be deemed to be UPSI:**
    - (i) Financial Results;
    - (ii) Dividends;

- (iii) Change in capital structure;
- (iv) Mergers, de-mergers, acquisitions, De-listings, disposals and expansion of business, award or termination of order/contracts not in the normal course of business and such other transactions;
- (v) Changes in Key Managerial Personnel other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;
- (vi) change in rating(s), other than ESG rating(s);
- (vii) fund raising proposed to be undertaken;
- (viii) agreements, by whatever name called, which may impact the management or control of the company;
- (ix) fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
- (x) resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
- (xi) admission of winding-up petition filed by any party/creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
- (xii) initiation of forensic audit, by whatever name called, by the company or any other entity for detecting mis-statement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
- (xiii) action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;

**II. Events specified under Paragraph B of Part A of Schedule III of Listing Regulations, which shall be deemed to be UPSI, if it cross materiality threshold given under Regulation 30(4) of Listing Regulations:**

- (i) outcome of any litigation(s) or dispute(s) which may have an impact on the company;
- (ii) giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
- (iii) granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**III. Any other matter/events, as may be declared/identified as UPSI by the Compliance Officer under this Code.**

*Explanation 1: For the purpose of sub-clause (ix):*

- a) 'Fraud' shall have the same meaning as referred to in Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- b) 'Default' shall have the same meaning as referred to in Clause 6 of paragraph A of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*Explanation 2: For identification of events enumerated in this clause as unpublished price sensitive information, the guidelines for materiality referred at paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be specified by the Board from time to time and materiality as referred at paragraph B of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable.”*

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 or 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 made thereunder, as the case may be.



## **CHAPTER III**

### **APPLICABILITY**

This Code shall be applicable to and binding on all Designated Persons and immediate relatives of Designated Persons as mentioned in this Code, for dealing in the securities of the Company with effect from **1<sup>st</sup> April, 2019**.

## **CHAPTER IV**

### **COMPLIANCE OFFICER**

#### **4.1 COMPLIANCE OFFICER**

The Company Secretary shall be the Compliance Officer for the purposes of this Code. In his absence, any other official not below the rank of Deputy Manager - CS Division, as the case may be, shall act as the Compliance Officer. The Compliance Officer shall report to the Board of Directors of the Company and shall provide reports to the Chairman of Audit Committee, if any, or Chairman of the Board of Directors atleast once a year.

The Audit Committee of Directors shall review compliance with the provisions of Regulations, at least once in a financial year, and shall verify that the systems for internal controls, to ensure compliance of the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, are adequate and are operating effectively.

The internal controls shall include the following:

- (a) all employees who have access to unpublished price sensitive information are identified as designated employee;
- (b) all the unpublished price sensitive information shall be identified and its confidentiality is maintained as per the requirements of these regulations;
- (c) adequate restrictions are placed on communication or procurement of unpublished price sensitive information as required by the Regulations;
- (d) lists of all employees and other persons with whom unpublished price sensitive information is shared shall be maintained and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- (e) all other relevant requirements specified under these regulations shall be complied with;
- (f) periodic process review to evaluate effectiveness of such internal controls.

In order to discharge his functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his functions. In the performance of his duties, the Compliance Officer shall have access to all information and documents relating to the Securities, Designated Persons and Price Sensitive Information of the Company.

The Compliance Officer shall maintain a Register (online/offline) of all Designated Persons and all changes taking place in the list from time to time shall be incorporated therein.

The Compliance Officer shall act as the focal point for dealing with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

#### **4.2 DUTIES OF THE COMPLIANCE OFFICER:**

- a. He shall maintain a record of Designated Persons and any changes made to the list of Designated Persons in the prescribed form (Form I) (online/offline).

Further, he shall ensure that a structured digital database, with adequate internal controls, is maintained containing the names of such persons or entities, with whom unpublished price sensitive information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.

- b. He may in consultation with the Chairman & Managing Director and shall as directed by the Board, specify Prohibited Period from time to time and immediately make an announcement thereof.
- c. He shall maintain a record of Prohibited Period specified from time to time in the prescribed format (Form II) (online/offline).
- d. He shall be responsible for setting forth policies, procedures, monitoring adherence to the Rules for the preservation of 'Unpublished Price Sensitive Information', 'Pre-clearing of trades of employees and connected persons, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of Directors of the Company.
- e. He shall maintain records of all the declarations/documents submitted under this Code for a minimum period of five years.
- f. He shall place before the Chairman & Managing Director, details of the dealing in the equity shares by the Designated Persons of the Company and the accompanying documents that such persons had executed under the pre-clearance approval, as and when occurred.
- g. Maintaining and implementation of the Code under the overall supervision of the Board of Directors of the Company.
- h. Assisting all the Designated Persons to whom this code is applicable in addressing any clarifications regarding the Regulations and this Code.

- i. Any other responsibilities as assigned under this Code or under SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **CHAPTER V**

### **PRESERVATION OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”**

- 5.1 All Designated persons and their immediate relatives shall maintain the confidentiality of Unpublished Price Sensitive Information coming into their possession or control. All information shall be handled within the organization on a need-to-know basis, i.e. the same shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their respective professional duties and whose possession of Unpublished Price Sensitive Information will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.
- 5.2 No Insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, to any person including other Insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

Further, to comply with this confidentiality obligation, no Insider shall, *inter alia*:

- (i) pass on 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, or
- (ii) disclose Price Sensitive Information to their family members, friends, business associates or any other individual, or
- (iii) discuss Price Sensitive Information in public places, or
- (iv) disclose Price Sensitive Information to any other employee who does not need to know the information for discharging his or her professional duties, or
- (v) recommend to anyone that they may undertake dealing in Securities of the Company while being in possession, control or knowledge of Price Sensitive Information, or
- (vi) be seen or perceived to be dealing in Securities of the Company on the basis of Unpublished Price Sensitive Information.

*Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or profession or employment or under any law.*

- 5.3 No person shall procure from or cause the communication by any Insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

For the purpose of the Code of Practices & Procedure For Fair Disclosure of Unpublished Price Sensitive Information of REC, an Insider may share unpublished price sensitive information in the ordinary course of business with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, regulatory authorities or any other agency as may be approved by the Board, for legitimate purposes, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

- 5.4 Notwithstanding anything contained in the Code, an unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:–
- (i) entail an obligation to make an open offer under the Takeover Regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the company;
  - (ii) not attract 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 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 atleast 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.
- 5.5 For the purpose of the Clause 5.4, the parties shall be required 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 purpose of Clause 5.4 and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information. Further, a structured digital database, with adequate internal controls, shall be maintained containing the names of such persons or entities, with whom unpublished price sensitive information is shared along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.
- 5.6 For the purpose of prompt public disclosure of UPSI, the Company also adopts the **Code of Practices & Procedure for Fair Disclosure of Unpublished Price Sensitive Information** set out at **Annexure-A**.
- 5.7 Limited access to confidential information - Files containing confidential information shall be kept secured. Computer files must have adequate security of log-in and password, etc.

## CHAPTER VI

### TRADING WHEN IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION

No insider shall trade in securities that are listed or proposed to be listed on a stock exchange when in possession of unpublished price sensitive information.

When a person who has traded in securities has been in possession of unpublished price sensitive information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.

Provided that the insider may prove his innocence by demonstrating the circumstances including the following: –

- (i) the transaction is an off-market *inter-se* transfer between insiders who were in possession of the same unpublished price sensitive information without being in breach of regulation 3 and

both parties had made a conscious and informed trade decision and the same is reported by the insiders to the Company within two working days. Provided that such unpublished price sensitive information was not obtained by either person under Regulation 3(3) of the Regulations.

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the unpublished price sensitive information without being in breach of regulation 3 and both parties had made a conscious and informed trade decision; provided that such unpublished price sensitive information was not obtained by either person under Regulation 3(3) of the Regulations.
- (iii) the transaction in question was carried out pursuant to a statutory or regulatory obligation to carry out a bona fide transaction.
- (iv) the transaction was undertaken pursuant to the exercise of stock options in respect of which the exercise price was pre-determined in compliance with applicable regulations. (v) in the case of non-individual insiders: –
  - (a) the individuals who were in possession of such unpublished price sensitive information were different from the individuals taking trading decisions and such decision-making individuals were not in possession of such unpublished price sensitive information when they took the decision to trade; and
  - (b) appropriate and adequate arrangements were in place to ensure that these regulations are not violated and no unpublished price sensitive information was communicated by the individuals possessing the information to the individuals taking trading decisions and there is no evidence of such arrangements having been breached;
- (vi) Trades were pursuant to a Trading Plan set up in accordance with this Code.

In the case of connected persons the onus of establishing, that they were not in possession of unpublished price sensitive information, shall be on such connected persons.

## **CHAPTER VII**

### **TRADING WINDOW**

#### **7. Trading Restriction:**

All Designated persons and their immediate relatives shall be subject to trading restrictions as enumerated below:-

##### **7.1 Trading Window**

All Designated persons and their immediate relatives shall not trade in securities of the Company when Trading Window is closed. Further, the Company shall specify Prohibited Period from time to time, i.e. the period when Trading Window in shares/securities of REC shall be closed.

**7.2** The trading window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI.

**7.3** The Trading Window for trading in REC Equity Shares and Listed Debt Securities (Tax Free Bonds etc.) shall remain closed from the end of every quarter till 48 hours after the declaration of financial results, unless otherwise notified by the Compliance Officer.

The gap between clearance of accounts by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

Further, in case of occurrence of any other event other than declaration of financial results, the period of closure of Trading window shall be effective from **5 days prior** to the date on which the meeting of the Board of Directors is proposed to be held/occurrence of events and extend **upto 48 hours** after the information is made public.

However, in exceptional circumstances, the period of closure of Trading Window prior to the Board meeting/ occurrence of events may be increased / decreased with prior approval of Chairman and Managing Director of the Company.

Further, for unpublished price sensitive information not emanating from within the Company, trading window may not be closed.

**7.4** All Designated persons and their immediate relatives shall conduct all their dealings in the securities of the Company only during the Valid Trading Window 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.

**7.5** In case of Employee Stock Option Plans (ESOPs), exercise of option and sale of shares allotted on exercise of ESOPs shall be governed as per SEBI (Prohibition of Insider Trading) Regulations, as prescribed by SEBI from time to time.

## CHAPTER-VIII

### PRE-CLEARANCE OF DEALINGS IN SECURITIES

#### 8.1 Applicability

All Designated Persons who intend to deal in the Securities either in own name or in the name of their immediate relatives beyond the minimum threshold limits mentioned below shall obtain Pre-clearance of the transactions as per the pre dealing procedure as described hereunder:

(i) Application for Pre-clearance shall be made for trades to be executed only during valid Trading Window period. Applications submitted for trade to be executed during a period when the Trading Window is closed shall be invalid and will be deemed to have been automatically rejected.

**(ii) Pre-clearance will not be necessary if the deal is for 5,000 or less Equity Shares in a single transaction and/or less than 20,000 Equity Shares to be traded in series of transactions within one week.** Further, Pre-clearance of trades shall not be required for a trade executed as per approved Trading plan.

#### 8.2 Pre-Clearance Procedure

An application for Pre-clearance of trade may be made in the prescribed form (Form III) (online/offline) to the Compliance Officer during valid Trading Window.

An undertaking shall be executed in favour of the Company by such Designated Persons incorporating, *inter-alia* the following clauses as may be applicable:

- (a) That he/she does not have any access or has not received “Unpublished Price Sensitive Information” up to the time of signing the Undertaking.
- (b) That in case he/she has access to or receives “Unpublished 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.
- (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.

#### 8.3 Approval

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 48 hours from the time of receiving the application.

For Pre-clearance of dealing in Securities by the Compliance Officer, approval of Chairman & Managing Director shall be required.

Every approval letter shall be issued in such format (Form IV) (online/offline). Every approval shall be dated and shall be valid for a period of seven trading days from the date of such approval. Trades that have been pre-cleared have to be executed within a period of **seven trading days** from the date of approval, failing which fresh pre-clearance would be needed for the trades to be executed.

However, such approval is automatically deemed to be withdrawn if such period is superseded by closure of Trading Window.

The Compliance Officer shall retain copies of all applications and acknowledgements and also maintain the Register of Pre-clearance of trade in prescribed format (Form V) (online/offline).

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.

## **8.4. Trading Plans**

8.4.1 An Insider shall be entitled to formulate a trading plan 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.

8.4.2 Such trading plan shall:

- (i) not entail commencement of trading on behalf of the insider earlier than one hundred and twenty calendar days from the public disclosure of the plan;
- (ii)
- (iii)
- (iv) not entail overlap of any period for which another trading plan is already in existence;
- (v) set out following parameters for each trade to be executed:

- (i) either the value of trade to be effected or the number of securities to be traded;
- (ii) nature of the trade;
- (iii) either specific date or time period not exceeding five consecutive trading days;
- (iv) price limit, that is an upper price limit for a buy trade and a lower price limit for a sell trade, subject to the range as specified below:

a. for a buy trade: the upper price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent higher than such closing price;

b. for a sell trade: the lower price limit shall be between the closing price on the day before submission of the trading plan and upto twenty per cent lower than such closing price.

- (vi) not entail trading in securities for market abuse.

Explanation:



- (i) While the parameters in sub-clauses (i), (ii) and (iii) shall be mandatorily mentioned for each trade, the parameter in sub-clause (iv) shall be optional.
- (ii) The price limit in sub-clause (iv) shall be rounded off to the nearest numeral.
- (iii) Insider may make adjustments, with the approval of the compliance officer, in the number of securities and price limit in the event of corporate actions related to bonus issue and stock split occurring after the approval of trading plan and the same shall be notified on the stock exchanges on which securities are listed.

8.4.3 The Compliance Officer shall review the Trading Plan to assess whether the plan would have any potential for violation of the Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan. The Pre-clearance of trades shall not be required for a trade executed as per approved Trading plan. The Trading Window restrictions shall not be applicable for trades carried out in accordance with an approved Trading plan.

8.4.4 The Trading Plan once approved shall be irrevocable and the insider shall mandatorily have to implement the plan, without being entitled to either execute any trade in the securities outside the scope of the trading plan or to deviate from it except due to permanent incapacity or bankruptcy or operation of law.

Provided that the implementation of the trading plan shall not be commenced if any unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the Compliance Officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information.

If the insider has set a price limit for a trade under sub-clause (iv) of clause (v) of para 8.4.2, the insider shall execute the trade only if the execution price of the security is within such limit. If price of the security is outside the price limit set by the insider, the trade shall not be executed.

Explanation: In case of non-implementation (full/partial) of trading plan due to either reasons enumerated in first para of 8.4.4 or failure of execution of trade due to inadequate liquidity in the scrip, the following procedure shall be adopted:

(i) The insider shall intimate non-implementation (full/partial) of trading plan to the compliance officer within two trading days of end of tenure of the trading plan with reasons thereof and supporting documents, if any.

(ii) Upon receipt of information from the insider, the compliance officer, shall place such information along with his recommendation to accept or reject the submissions of the insider, before the Audit Committee in the immediate next meeting. The Audit Committee shall decide whether such non-implementation (full/partial) was bona fide or not.

(iii) The decision of the Audit Committee shall be notified by the compliance officer on the same day to the stock exchanges on which the securities are listed.

(iv) In case the Audit Committee does not accept the submissions made by the insider, then the compliance officer shall take action as per the Code of Conduct.

8.4.5 The compliance officer shall approve or reject the trading plan within two trading days of receipt of the trading plan and notify the approved plan to the stock exchanges on which the securities are listed, on the day of approval.

## **8.5 Other Restrictions**

8.5.1 All Designated Persons and their immediate relatives shall execute their order in respect of Securities of the Company within seven trading days from date of approval of pre-clearance. If the order is not executed within seven trading days from the date of approval, such designated persons must obtain fresh pre-clearance in respect of the same.

8.5.2 Further, all Designated Persons and their immediate relatives who buy or sell any number of shares of the Company shall not execute a contra trade i.e. sell or buy any number of shares during the next six months following the prior transaction.

The Compliance Officer, with the approval of Chairman and Managing Director, may grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations.

In case a 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 Investor Protection and Education Fund administered by SEBI under the Act. However, this shall not be applicable for trades pursuant to exercise of trade options.

In the case of subscription in the primary market (Initial public offer / Further Public Offer), the above mentioned entities shall hold their investments for a minimum period of 30 days. Their holding period would commence when the securities are actually allotted.

8.5.3 In cases where of 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 who shall maintain a Register of 'Waiver of restriction on holding investment in the Securities' for a minimum period of Six Months (30 days in case of IPO / FPO Allotment) in the prescribed form (Form VI) (online/offline).

## **8.6. Completion of Pre-cleared Dealing**

(a) Designated Persons shall file within seven days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form. In the event of executing the transaction or not executing the transaction, a report to that effect shall be filed with the Compliance Officer (Form VII) (online/offline)).

(b) If a deal is not executed pursuant to the approval granted by the Compliance Officer within seven trading days, then such person shall apply once again to the Compliance Officer for Pre-clearance of the transaction covered under the said approval.

## CHAPTER IX

### DISCLOSURES

#### 9.1 Initial Disclosures

(i) Every person on appointment as a Key Managerial Personnel or a Director of the Company or upon becoming a Promoter or member of the Promoter Group, shall disclose his holding of securities of the company as on the date of appointment or becoming a Promoter in Form B (online/offline), to the Compliance Officer within seven days of such appointment or becoming a Promoter.

(ii) The designated persons shall be required to disclose Names and PAN or any other identifier authorized by law, to the Company within 30 days of coming into force of this Code or becoming a Designated Person in Form IX (online/offline), for the following persons:

- (a) immediate relatives;
- (b) persons with whom such designated person(s) shares a material financial relationship;
- (c) Phone, mobile and cell numbers used by them.

In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

#### 9.2 Continual Disclosures

(a) Every Promoter, member of the Promoter Group, Director and designated person of the Company 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 Rupees Ten lakh or such other value as may be specified**, in Form C (online/offline).

(b). The Company shall notify the particulars of such trading to the Stock Exchange on which the securities are listed, **within two trading days of receipt of the disclosure or from becoming aware of such information**.

Explanation. — It is clarified for the avoidance of doubts that the disclosure of the incremental transactions after any disclosure under this sub-clause, shall be made when the transactions effected after the prior disclosure cross the threshold specified in Clause 9(2)(a). Further, disclosures to be made by any person under Clause 9.1 and 9.2 shall include those relating to trading by such person’s immediate relatives, and by any other person for whom such person takes trading decisions.

(c) **Annual Disclosure** - Annual statements of all holdings of Directors, Key Managerial Personnel and Employees and their immediate relatives in Securities of the Company as on 31<sup>st</sup> March of each year shall be furnished to the Compliance Officer **within 30 days of the end of the financial year** in Form VIII (online/offline).

If trading in derivatives of the Company's securities is permitted by any law for the time being in force, the disclosures of trading in securities shall also include trading in derivatives of securities of the Company and the traded value of the derivatives shall be taken into account for purposes of this Clause.

(d) The designated persons shall be required to disclose names and PAN or any other identifier authorized by law, to the Company on an annual basis within 30 days of the end of financial year in Form IX (online/offline), or as and when the information changes, for the following persons:

- (i) immediate relatives;
- (ii) persons with whom such designated person(s) shares a material financial relationship;
- (iii) Phone, mobile and cell numbers used by them.

Explanation – The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

### **9.3 Disclosures by other connected persons**

Any other connected person or class of connected persons, as may be specified by the Compliance Officer, with the approval of CMD, shall make disclosures of holdings and trading in securities of the Company in Form D (online/offline).

## CHAPTER X

### PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

Designated Person who trades in Securities or communicates any information for trading in Securities, in contravention of the Code of conduct, may be penalized and appropriate action may be taken by the Company.

In case any employee suspects any leak of UPSI, he may immediately blow the whistle and address the instance to the appropriate Authority of REC, by an e-mail or sealed envelope.

In case of leak of UPSI or suspected leak of UPSI, policies/ procedures for reporting/inquiries as mentioned in Whistle Blower Policy of the Company shall be followed.

Further, any contravention of SEBI (Prohibition of Insider Trading) Regulations, 2015 shall be dealt by SEBI in accordance with the Act. Further, Designated Person of the Company who violate the Code of Conduct shall also be subject to sanctions and disciplinary action by the Competent Authority, including wage freeze, suspension, recover, clawback etc. in line with Employees (Conduct, Discipline and Appeal) Rules of the Company for the contravention of the Code of Conduct. The Chairman and Managing Director is the Competent Authority to review the violation of Code and issue/take necessary direction/decision thereupon. Further, if there is any conflict of interest, Audit Committee will be the Competent Authority. However, the Competent Authority may grant relaxation from the strict applicability of the provisions of this Code provided that such relaxation do not violate the Regulations.

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, 2015.

Under Section 15G of the SEBI Act, any insider who indulges in Insider Trading in contravention of Regulation 3 is liable to **penalty which shall not be less than ten lakh rupees but which may extend to 25 crore rupees or three times of the amount of profits made out of Insider Trading, whichever is higher.**

Under Section 24 of the SEBI Act, anyone who contravenes the Regulations is punishable with imprisonment for a **maximum period of ten years or with fine which may extend to 25 crores rupees or with both.**

Without prejudice to its rights under Section 24 of the SEBI Act, SEBI can also pass any or all of the following order to an Insider:

- Directing him/her not to deal in the Company's Securities in any particular manner.
- Prohibiting him/her from disposing of any of the Securities acquired in violation of the Regulations.
- Restraining him/her from communicating or counseling any of the person to deal in Company's Securities.
- Declaring the transactions in Securities as null and void.
- Directing the person who acquired Securities in violation of the Regulations, to deliver the Securities back to the seller or alternatively pay the seller the price as provided.

- Directing him/ her to transfer specified amount to Investor Protection Fund of a recognized Stock Exchange.

### **Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015**

In case, it is observed by the Competent Authority that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, Stock Exchanges shall be informed promptly in such form and such manner as may be specified by the SEBI from time to time.

## **CHAPTER XI AMENDMENT**

Any statutory amendment in SEBI (Prohibition of Insider Trading) Regulations, 2015/other applicable Regulations, if any, shall be deemed to be included in this Code and Designated Persons shall be governed by it. Pursuant to such an amendment, the Compliance Officer of the Company is authorized to carry out the necessary changes to this Code, as may be required.

Further, the Compliance Officer is also authorized to make minor modification/corrections in the Code and to finalize/amend the format of the Forms under this Code, as may be required from time to time.

Further, apart from above, the Chairman & Managing Director of the Company is duly authorized to amend this Code, as per the requirement of the Company, from time to time.

## **CHAPTER XII MISCELLANEOUS**

### **12.1 Disclosure of the Code to the Stock Exchanges**

This Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure' and every amendment thereto shall be promptly intimated to the stock exchanges where the securities are listed.

Further, the said Code shall also be uploaded on the website of the Company.

- 12.2** Further, the Company shall endeavour to deals with only such market intermediary / every other person, who is required to handle UPSI, who have formulated a code of conduct as per the requirements of the Regulations.

### **12.3 Protection of Informant against Retaliation and Victimization:**

An employee who during employment becomes privy to information relating to violation of Insider Trading laws and files a Voluntary Information Disclosure Form (VIDF) as per Schedule D of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and/or testifies in and/or participates in and/or otherwise assists or aids the SEBI in any investigation, inquiry, audit, examination or proceeding instituted or amount to be instituted for an

alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the SEBI or breaches any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the SEBI in any manner and is a director, partner, regular or contractual employee but does not include an advocate shall be subject to suitable protection under this Code against any discharge termination, demotion, suspension, threats, harassment directly or indirectly or discrimination against any such employee.

However, this will not protect an employee or group of employees of the Company to actions against him/her in case if there is violation of any law or the rules of conduct or ethic policy applicable to the employee, including , but not limited to, corruption, malfeasance, bribery, theft, conversion or misuse of the Company's property, fraudulent claim, or willful omission to perform the duty, or that is economically wasteful or involving gross misconduct, incompetence or gross inefficiency.

#### **12.4 Clarification**

For any clarification concerning this Code, the Designated Persons may please contact the Compliance Officer.

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**REC LIMITED**  
**(Formerly Rural Electrification Corporation Limited)**  
**CODE OF PRACTICES & PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED**  
**PRICE SENSITIVE INFORMATION**

[Pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]

**1. Overseeing and Coordinating disclosure**

The Company Secretary and in his absence any Executive not below the rank of General Manager as may be nominated by the Chairman & Managing Director, shall be the Chief Investor Relations Officer (CIRO) for prompt public disclosure of Unpublished Price Sensitive Information that would impact price discovery, as soon as credible and concrete information come into being in order to make such information generally available.

He shall also be responsible for prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise, to make such information generally available.

CIRO, with the approval of the Chairman & Managing Director shall be responsible for uniform and universal dissemination of Unpublished Price Sensitive Information to avoid selective disclosure, overseeing and coordinating disclosure of Unpublished Price Sensitive Information to the Stock Exchanges, analysts, shareholders, media and educating staff.

**2. Responding to market rumours**

The Employees/Directors of the Company shall promptly direct any queries or requests for verification of market rumours received from Stock Exchanges or from the Press or Media or from any other source to CIRO.

CIRO shall on receipt of requests as aforesaid, consult the Chairman & Managing Director as the case may be and respond to the same without delay.

CIRO shall be also responsible for deciding, in consultation with the Chairman and Managing Director of the Company, appropriate and fair response to queries on news reports and necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

All the requests/ queries received shall be documented and so far as practicable, CIRO shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the CIRO unless the Chairman and Managing Director approves the same.

**3. Timely reporting of shareholdings/ownership and changes in ownership**

The Compliance Officer shall be responsible for ensuring that disclosures of shareholdings/ownerships of major shareholders and disclosure of changes in ownership, as required under the Listing Regulations and/or any rules, regulations made under the Securities and Exchange Board of India Act, 1992, are made timely and in adequate manner.

Any such shareholding/ownership reporting by the Compliance Officer shall also be reported to the Chairman and Managing Director from time to time.



#### **4. Disclosure/ dissemination of Price Sensitive Information to Analysts, Institutional Investors and Research Personnel**

Other than Directors, no person, except those authorized by CIRO shall disclose any information relating to the Company's Securities to Analysts, Institutional Investors and Research Personnel. CIRO shall be invited to meetings/conferences organized by the Company with the Analysts/Institutional Investors.

Further, all Directors, KMP and Employees of the Company should follow the guidelines given hereunder while dealing with Analysts and Institutional Investors.

##### **(i) Sharing of Non Public Information**

The Directors, Officers and Employees shall provide only published information to the Analysts /Research Persons/Institutional Investors. In case, unpublished price sensitive information is proposed to be provided, the person proposing to so provide information shall consult CIRO and in such cases shall ensure that the information provided to the Analyst/Research Person /Investor as above is made public simultaneously with such disclosure.

The Company shall take extreme care and caution when dealing with Analyst's questions that raises issues outside the intended scope of discussion.

##### **(ii) Handling of unanticipated Questions**

CIRO should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later in consultation with the Chairman & Managing Director. If the answer to any question requires dissemination of Price Sensitive Information, the Public Spokesperson shall report the same to the Chairman & Managing Director and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement of such price Sensitive Information aforesaid and respond to such unanticipated questions.

##### **(iii) Recording of discussion**

All the meetings with Analysts, Broker or Institutional Investor shall be attended by CIRO who may make transcripts and arrange for recording of proceedings of the meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures.

##### **(iv) Simultaneous release of information**

Whenever the Company proposes to organize meetings with Investment Analysts/Institutional Investors, the Company shall make a Press Release or post relevant information on its website after every such meeting. The Company may also consider live web casting of analyst meets.

CIRO shall be responsible for drafting of the Press Release or the text of the information to be posted on the Company's website, in consultation with the Chairman & Managing Director.

## **5. Medium of disclosure/dissemination**

CIRO, in consultation with the Compliance Officer and with the approval of Chairman & Managing Director shall disseminate all Price Sensitive Information on a continuous and in a timely manner to Stock Exchanges where its Securities are listed and thereafter to the Press.

As a good corporate practice, the Price Sensitive Information disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's website CIRO. The Company may also consider other modes of public disclosure of Price Sensitive Information so as to improve investor access to the same.

The Information filed by the Company with the Stock Exchanges under the Stock Exchange Listing Agreement shall also be posted on the Company's website.

## **6. Handling of all unpublished price sensitive information on a need-to-know basis**

All information shall be handled within the organization on a need-to-know basis, i.e. the same shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their respective professional duties and whose possession of Unpublished Price Sensitive Information will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

Further, it shall be ensured that all unpublished price sensitive information shall be handled within the Company on a 'need-to-know' basis and shall not be communicated, provided or allowed access to, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

For the purpose of this Code, 'legitimate purpose shall mean sharing of unpublished price sensitive information in the ordinary course of business with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, regulatory authorities or any other agency as may be approved by the Board, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.

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**FORM-I**

**REGISTER OF DESIGNATED EMPLOYEES**

<b>SL NO.</b>	<b>NAME</b>	<b>DESIGNATION</b>	<b>DEPARTMENT</b>	<b>PLACE OF WORK</b>	<b>EMP.NO.</b>	<b>DATE OF JOINING</b>
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<b>DATE OF BECOMING DESIGNATED EMPLOYEE</b>	<b>DATE OF CESSATION AS DESIGNATED EMPLOYEE</b>	<b>DP ID OR FOLIO NO.</b>	<b>REMARKS</b>
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**FORM – II**

**REGISTER OF PERIODS OF CLOSURE OF TRADING  
WINDOW/PROHIBITED PERIOD**

<b>SL NO.</b>	<b>PURPOSE FOR WHICH TRADING WINDOW CLOSED</b>	<b>START DATE OF CLOSURE OF TRADING WINDOW</b>	<b>DATE OF NOTIFYING CLOSURE OF TRADING WINDOW, IF ANY</b>	<b>DATE OF OPENING OF TRADING WINDOW</b>	<b>DATE OF NOTIFYING OPENING OF TRADING WINDOW</b>	<b>REMARKS</b>
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### FORM-III

#### APPLICATION FOR PRE-CLEARANCE OF TRADES IN SECURITIES

To

**The Compliance Officer**

Dear Sir,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code for Prevention of Insider Trading in REC Equity shares / securities, I seek approval for purchase/sale/ subscription of the Securities (give description) of the Company as per the details given below:

Name & Designation:

Department:

Date of Joining / becoming Director/Officer/  
Designated Employee

SL NO.	No. Of Securities held (including the dependent members) as on the date of application	Folio No. /DP ID & Client ID	Nature of new transaction for which approval is sought	Estimated number of securities to be dealt
--------	----------------------------------------------------------------------------------------	------------------------------	--------------------------------------------------------	--------------------------------------------

Estimated consideration value	Whether proposed transaction is in the self name or in the name of dependent family member	Name of the dependent, if the transaction is in the name(s) of the dependent(s)	Date of Purchase /allotment	Previous approval no. and date of Purchase/allotment
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#### UNDERTAKING

In this connection I solemnly confirm and declare:

- THAT** I do not have access and /or have not received any “Unpublished Price Sensitive Information” up to the time of signing the undertaking.
- THAT** in case I have access to or receive “Unpublished Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of any change in my position and **THAT** I shall refrain from dealing in the securities of the Company till the time such information becomes public.
- THAT** I have not contravened the Code for Prevention of Insider Trading in REC Equity shares / securities, as notified by the Company from time to time.
- THAT** I have not entered into any sale transaction of the shares of the Company in the last six months prior to the proposed date of purchase/ **THAT** I have not entered into any

purchase transaction of the shares of the Company in the last six months (30 days in case of IPO allotment) prior to the proposed date of sale.

- e) I undertake to submit the necessary report within seven days of execution of the transaction/or Nil report if the transaction is not undertaken.
- f) I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.
- g) I hereby solemnly declare that I have made a full and true disclosure in this regard to the best of my knowledge and belief.
- h) I hereby undertake not to transact in securities in the sanctioned period in case trading window is declared closed subsequently.

Pre-clearance may kindly be accorded in terms of provisions of the Code for Prevention of Insider Trading in REC equity shares / securities and Code of practices & procedure for fair disclosure of unpublished price sensitive information of REC.

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Date.....

Place.....

Signature.....

Name & Designation.....

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#### FOR OFFICE USE

Serial number of the application received \_\_\_\_\_

Date & time of receipt of the Application \_\_\_\_\_

Date & time of communication of the pre-clearance or otherwise \_\_\_\_\_

Reasons for not giving pre-clearance \_\_\_\_\_

Signature of the Compliance Officer /  
Authorised Officer

## **FORM-IV**

### **Letter of intimation of Pre-clearance**

**Director/Officer/Designated employees**

**Employee No.....**

**Designation.....**

**Dear Sir,**

With reference to your above application seeking approval for undertaking certain transactions in Securities of the Company detailed therein, please be informed that you are hereby authorized /not authorized to undertake the transaction(s) as detailed in your said application.

Kindly note that in terms of the Code for Prevention of Insider Trading in REC equity shares / securities, the above-mentioned transaction is to be completed within ..... i.e. within seven trading days from the date of such pre-clearance.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till ..... (i.e. for 7 trading days from the date of this approval). If you do not execute the approved transaction/deal on or before this date you would have to seek fresh pre-dealing approval before executing any transaction/deal in the Securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within seven {7} trading days from the date of transaction/deal. In case the transaction is not undertaken a “Nil” report shall be necessary.

Kindly also note that in terms of the Code for Prevention of Insider Trading in REC equity shares / securities and Code of practices & procedure for fair disclosure of unpublished price sensitive information of REC, you shall not enter into an opposite transaction i.e. sell or buy any number of shares of the Company for a period of six months following this transaction of purchase or sale.

The above sanction automatically stands withdrawn if subsequently the trading window is declared closed involving the period of sanction therein.

**For & on behalf of REC Limited**

**Compliance Officer/Authorised Officer**

**FORM-V**

**REGISTER OF PRE-CLEARANCE FOR TRADING IN SECURITIES**

Sl No.	Name	Designation	Department	Date & time of Receipt of pre-clearance application	Nature of Transaction (purchase or Sale)	Estimated number Of securities Indicated in the Application
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Estimated Consideration Value indicated In the Application	Name of the Dependent if the Transaction is in the name of the Dependent	Date of Communication of the Clearance by The Compliance Officer	Reasons for Non Clearance , if Not cleared	Date of Placement Before Grievance Committee	Number of Securities Actually Traded, if Intimated	Remarks
------------------------------------------------------------	--------------------------------------------------------------------------	------------------------------------------------------------------	--------------------------------------------	----------------------------------------------	----------------------------------------------------	---------



**FORM-VI**

**REGISTER OF WAIVER OF RESTRICTION FOR DISPOSAL OF SECURITIES  
WITHIN 6 MONTHS (30 DAYS IN CASE OF IPO/FPO ALLOTMENT) OF  
ACQUISITION**

<b>Sl No.</b>	<b>Name</b>	<b>Designation</b>	<b>Department</b>	<b>Name of the dependent, if the Shares held in the name of Dependent</b>	<b>Number of Shares</b>

<b>Consideration Value</b>	<b>Reasons for waiver</b>	<b>Date of Communication of Waiver</b>	<b>Remarks</b>

**FORM-VII**  
**FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS**  
(To be submitted within 7 days of transaction /Dealing in Securities of the Company)

Date

To,  
The Compliance Officer  
REC Limited

Dear Sir,

**DETAILS OF PRE-APPROVED TRANSACTION**

**Ref: Your Approval letter No. .... dated.....**

I hereby inform you that I

- have not bought /sold / subscribed any securities
- have bought/sold/subscribed to the .....Securities (give description) as mentioned below on .....(insert date)

Name of the holder	First or joint holder **	No. of Securities dealt with	Bought /Sold/ Subscribed	DP ID/Client ID (electronic form) where the securities will be debited or credited or Folio no. for physical securities	Price (₹)
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\*\* "F" first holder "J" joint holder

In connection with the aforesaid transaction (s), I hereby undertake to preserve, for a period of 3 (Three) Years and produce to the Compliance Officer/SEBI any of the following documents:

1. Broker's contract note
2. Proof of Payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions.)
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

I declare that the above information is correct and that no provisions of the Company's Insider Trading Code and /or applicable laws /regulations have been contravened for effecting the above said transaction(s).

I declare that I have not entered and would not enter into an opposite transaction i.e. Purchase or Sale in the shares of the Company for a period of 6 Months (30 days in case of IPO/FPO allotment) from the date of this transaction. In case there are any urgent need to sale the securities within said period, I shall approach the Company (Compliance Officer) for necessary approval (applicable in case of purchase/ subscription).

Yours truly,

Signature:.....

Name :.....

Emp No:.....

Dept/Div.....

**FORM-VIII**  
**PROFORMA FOR CONTINUOUS DISCLOSURE OF SECURITIES HOLDING TO BE**  
**SUBMITTED BY DIRECTORS AND EMPLOYEES.**

Dear Sir,

I ..... Director/ Employee of REC, furnish below the details of transaction(s) in the securities of REC, during the financial year..... as well as shareholding as on 31<sup>st</sup> March.....

Name & Designation of the Director/Officer/Employee :

Department of Designated Employee :

Date of Joining /becoming Director/Officer/

Designated employee :

**I. Details of transaction /shareholding in own name**

No. of securities held as on..... (date of previous disclosure)	Date of transaction	Details of securities purchased during the year		Details of securities Sold during the year		No. of securities as on....(date of present disclosure)	Folio No./DP ID & Client ID
		No.	Consideration	No.	Consideration		

**II. Details of transaction /shareholdings of dependent family members.**

Name of the dependent	Relationship	No. of securities held as on..... (date of previous disclosure)	Date of transaction	Details of securities Purchased		Details of securities sold		No. of securities Held as on..... (date of present disclosure)	Folio No./ DP ID & Client ID
				No.	Value	No.	Value		

I declare that I will comply/ have complied with the requirements of not entering into an opposite transaction in the shares of the Company for a minimum period of 6 Months (30 days in case of IPO/FPO allotment) following a prior transaction.

Date:

Place:

Signature

E-mail ID:

Mobile No.:

PAN:

**FORM-IX**  
**PROFORMA FOR DISCLOSURE BY DESIGNATED PERSONS.**

Dear Sir,

Pursuant to Clause 9 (Initial Disclosure/~~Continual Disclosure~~-strikethrough which is not applicable), please find the requisite information for your record:

<b>1. Name &amp; PAN or any other identifier authorized by law of the following persons:</b>			
Sl. No.	Names of Designated employee and Immediate Relatives* OR Persons with whom the designated person shares a material financial relationship*	PAN	Phone, mobile & cell numbers which are used by the person

<b>2. Names of educational institutions from which the designated person has graduated#</b>	
<b>3. Names of past employers#</b>	

**Note:-**

a. For the purpose of this form:-

- "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.
- "Material Financial Relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer's annual income but shall exclude relationships in which the payment is based on arm's length transactions.

b. Information for Points 2 & 3 have to be provided only at the time of Initial Disclosure I hereby declare that the particulars given above are true and in case of any change the same shall be disclosed to the Company as required.

Date:

Place:

Signature

Name:

PAN:

Designation:

Department:

Company:

Email ID:

Mobile No.

**RURAL ELECTRIFICATION CORPORATION LIMITED**  
**CIN : L40101DL1969GOI005095                      ISIN: INE020B01018**

**FORM A - Deleted**

**REC LIMITED**  
**(Formerly RURAL ELECTRIFICATION CORPORATION LIMITED)**  
**CIN : L40101DL1969GOI005095      ISIN: INE020B01018**

**FORM B - SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (1) (b) read with Regulation 6 (2) - Disclosure on becoming a Key Managerial Personnel**  
**/Director/Promoter/Member of the promoter group]**

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/DIN & address with contact nos.	Category of Person( KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/ Director/ OR Date of becoming Promoter/ member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements, etc.)	No.	
1	2	3	4	5	6

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of Open Interest (OI) in derivatives on the securities of the company held on appointment of KMP or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).**

Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract Specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

**Note:** In case of options, notional value shall be calculated based on premium plus strike price of options.

**Date:**  
**Place:**

**Name & Signature:**  
**Designation:**

**REC LIMITED**  
**(Formerly RURAL ELECTRIFICATION CORPORATION LIMITED)**  
**CIN : L40101DL1969GOI005095**                      **ISIN: INE020B01018**

**FORM C - SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7(2) read with Regulation 6(2) - Continual disclosure]**

**Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Name, PAN, CIN/ DIN & address with contact nos.	Category of Person (Promoter /member of the promoter group/designated person/ Director s/immediate relative to/others etc.)	Securities held prior to acquisition/disposal		Securities acquired/Disposed				Securities held post acquisition/disposal		Date of allotment advice/ acquisition of shares/ disposal of shares-specify		Date of intimation to Company	Mode of acquisition/disposal (on market/ public/ rights/ preferential offer/ off market/ inter-se transfer, ESOPs etc.)	Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No.	Value	Transaction Type (Purchase/sale Pledge / Revocation / Invocation/ Others-please specify))	Type of security (For eg. – Shares, Warrants Convertible Debentures, Rights entitlements etc.)	No. and % of shareholding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

**Note:** “Securities” shall have the meaning as defined under Regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of trading in derivatives on the securities of the company by Promoter, member of the promoter group, designated person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).**

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

**Date:**

**Place:**

**Name & Signature:**

**Designation:**



**REC LIMITED**  
**(Formerly RURAL ELECTRIFICATION CORPORATION LIMITED)**  
**CIN : L40101DL1969GOI005095** **ISIN: INE020B01018**

**FORM D - SEBI (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7(3) – Transactions by Other connected persons as identified by the Company]**

**Details of trading in securities by other connected persons as identified by the Company**

Name, PAN, CIN/ DIN & addresses with contact nos. of other connected persons as identified by the Company	Connection with the Company	Securities held prior to acquisition/ disposal		Securities acquired /Disposed				Securities held post acquisition/ disposal		Date of allotment advice/ acquisition of shares/ sale of shares - specify		Date of intimation to Company	Mode of acquisition/ disposal (on market/ public/ rights/ preferential offer/ market/ Inter-se transfer, ESOPs etc.	Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures, Rights Entitlement etc.)	No. and % of shareholding	Type of security (For eg. – Shares, Warrants, Convertible Debentures, Rights Entitlement etc.)	No.	Value	Transaction Type (Purchase/Sale/ Pledge/ Revocation / Invocation/ Others-please specify)	Type of security (For eg. – Shares, Warrants, Convertible Debentures, Rights Entitlement etc.)	No. and % of shareholding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

**Note:** “Securities” shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of trading in derivatives by other connected persons as identified by the Company**

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

**Note:** In case of Options, notional value shall be calculated based on Premium plus strike price of options.

**Date:**

**Place:**

**Name & Signature:**

**Designation:**