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## **CODE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND CONDUCT FOR REGULATING OF TRADING BY INSIDERS**

### **INTRODUCTION**

The Securities and Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, has formulated the SEBI (Prohibition of Insider Trading) Regulations, 2015 under the powers conferred on it under the SEBI Act, 1992. These regulations were notified on 15<sup>th</sup> January, 2015 and shall come into force with effect from 120<sup>th</sup> Day from the date of its notification i.e. w.e.f. from 15<sup>th</sup> May, 2015. These regulations shall be applicable to all companies whose shares were listed on Indian stock exchanges.

It is mandatory in terms of the Regulations for every listed company/entity to formulate a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

### **PURPOSE**

In order to comply with the mandatory requirement of the Regulations, it was necessary to formulate a specific Code for Fair Disclosure and Procedures for RIR Power Electronics Ltd. (hereinafter referred to as 'the Company') for use by its Promoters, Directors, Officers, Employees and Connected Persons.

This document embodies the Code for Fair Disclosure of Unpublished Price Sensitive Information and Conduct for Regulating of Trading by Insiders to be adopted by the Company and followed by its Directors, Officers, Employees and Connected Persons. The Code seeks to ensure timely, fair and adequate disclosure of price sensitive information to the investor community by the Company to enable them to take informed investment decisions with regard to the Company's securities.

Subsequent modification(s) / amendment(s) to SEBI (Prevention of Insider Trading) Regulations, 2015 shall automatically apply to this code.

The Company Secretary of the Company shall be responsible for compliance with all matters relating to SEBI (Prohibition of Insider Trading) Regulations, 2015. For the purpose of said regulations, he shall be designated as Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information. The Company Secretary shall report to the Board and to the Chairman of the Audit Committee with respect to any matters regulating, monitoring and reporting of trading by Insiders.

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

Directors/Officers/Designated Employees shall maintain the confidentiality of all price Sensitive Information. Director / Officers/Designated Employees shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

Unpublished Price Sensitive Information is to be handled on a "need to know" basis, i.e. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their duties. Files containing confidential information shall be kept secure. Computer/Electronic Data files must have adequate security to prevent leakage of information etc.

## **PREVENTION OF MISUSE OF “UNPUBLISHED PRICE SENSITIVE INFORMATION”**

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

### Trading window

I) All Directors/Officers/designated employees of the Company shall conduct all their dealings in securities of the Company only during the availability of valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the period when trading window is closed.

### II) No Trading Period

When the trading window is closed, the employees/directors and their dependent family members shall not trade in the company's securities during such period. The trading window shall be closed during the time the following information is unpublished :

- a. Declaration of Financial results (quarterly, half-yearly and annual)
- b. Declaration of dividends (interim and final)
- c. Issue of securities by way of public/rights/bonus etc.
- d. Any major expansion plans or execution of new projects
- e. Amalgamation, mergers, takeovers and buy-back
- f. Disposal of whole or substantially the whole of the undertaking
- g. Any changes in policies, plans or operations of the Company.

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The above are deemed to be Price Sensitive Information, besides, such other information, having any impact on share prices, would also be considered Price Sensitive Information.

- III) Trading window shall be closed during the time the Price Sensitive Information is unpublished and/or such period as is notified by the Compliance Officer from time to time. No trading shall, however, be done during one week prior to the consideration of any matter pertaining to price sensitive information by the Board of Directors. Trading windows shall open one day after the price information referred to above is made public.

### **REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES/SHARES**

All directors/officers/designated employees shall make initial disclosure in the prescribed format giving therein the details of their securities/shares including the statement of dependent family members to the Compliance Officer.

All directors/officers/designated employees shall make subsequent disclosure in the specified format regarding any change in the number of shares or voting rights held in the Company from the last disclosure made to the Company in the event such change due to single transaction or series of transaction over the calendar year aggregates to a traded value in excess of Rs. 10,00,000 (Rupees Ten Lakhs only) or such other sum as may be modified by SEBI from time to time .

The subsequent disclosure is required to be made within 2 working days of the change in shareholding or voting rights.

All directors/officers/designated employees shall file an Annual Statement in the specified format of all the holdings in the Company's Securities along with the statement of Dependent Family Members as on 31st March Every year.

Kindly note that in terms of the Regulations, on receipt of the disclosures as above, the Company is required to disclose to the Stock Exchanges within 2 days of receipt where its securities are listed.

### **PRE-CLEARANCE OF TRADES**

While reiterating that the dealing can be only during a valid Trading Window, Directors/Officers/Designated Employee would have to seek pre-clearance if it is intended to deal in the securities of the Company exceeding 25000 shares or Rs. 5 Lacs market value or 1% of the total shareholding of the Company, whichever is less, as per the pre-dealing procedure given below.

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- a) An application shall be made in the prescribed format to the Compliance Officer indicating the estimated number of securities that the designated employee/officer/director 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 by any rule made by the company in this behalf.
- b) An undertaking in the prescribed format shall be executed in favour of the Company by such designated employee/director/officer.
- c) The Company shall communicate the pre-clearance in the prescribed format.

### **PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT**

Any director/officer/designated employee who trades in securities or communicates any information for trading in contravention of Code of Conduct may be penalized and appropriate action may be taken against him by the Company. He shall also be subject to disciplinary action, which may include wage freeze, suspension, non-eligibility for future participation in ESOP etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of these Regulations.

### **MISCLELLANEOUS**

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

Employees / directors shall not use Price Sensitive Information to buy or sell securities of any sort, whether for their own account, their relative's account, organisation/firm's account or a client's account.

To ensure timely and adequate disclosure of Price Sensitive Information, the following norms must be followed by the company :-

- (a) Prompt disclosure of Price Sensitive Information,
- (b) Overseeing and coordinating disclosure,
- (c) Timely clarification on market rumours,
- (c) Timely/reporting of share-holdings/ownership and changes in ownership,

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- (e) Disclosure/dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors, etc in the following matter:
  - (i) Only public information to be provided to Analysts and to Institutional Investors,
  - (ii) It will be desirable that at least two company representatives be present at meetings with Analysts, Brokers or Institutional Investors and the discussions should preferably be recorded.
- (f) Disclosure of information may be done through various media so as to achieve maximum reach and quick dissemination. The company should ensure that disclosure to Stock Exchanges is made promptly. Disclosure may be made through the use of dedicated internet website of the Company.

This Code and any amendment thereof will be published on the Company's official website (www.rirpowersemi.com) and shall be promptly intimated to the Stock Exchange(s) where the securities of the Company are listed.