

# ***INTERNAL CODE OF PRACTICES AND PROCEDURES FOR PREVENTION OF INSIDER TRADING IN DEALING IN SECURITIES OF RSD FINANCE LIMITED***

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***(PURSUANT TO THE REQUIREMENTS OF THE SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015)***

**RSD Finance Limited** (hereinafter referred to as “the Company”) has framed a Code of Conduct for prohibition of Insider Trading pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations 2015. The said code shall be called Internal Code of Practices and Procedures for Prevention of Insider Trading in dealing in securities of RSD Finance Limited and are being framed with an aim that insiders of the Company shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the Company which is not in the public domain and thus constitutes insider information.

The “Existing Code” for dealing in securities of RSD Finance Limited shall be repelled with this new called Internal Code of Practices and Procedures for Prevention of Insider Trading in dealing in securities of RSD Finance Limited, (hereinafter referred to as “the Code”) coming into effect. It has been adopted by the Board of Directors of the Company on the meeting held on May 30, 2016.

Further, SEBI (Prohibition of Insider Trading) (Amendment) Regulation 2018 notified on December 31, 2018 and subsequent amendment to PIT Regulations notified on January 21, 2019 requires every listed Company, inter alia, to formulate a policy for determination of ‘Legitimate purpose’ as a part of this code formulated under Regulation 8 of SEBI PIT Regulation.

## **1. PURPOSE**

The Company endeavors to preserve the confidentiality and prevent the misuse of unpublished price sensitive information (UPSI). The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations. Directors, officers and Designated Person of the Company should not use their position to gain personal benefit.

## **2. DEFINITIONS**

For the purposes of this code, the words and expressions given below shall carry the meaning as stated hereinafter.

- i. **“Act”** means the Securities and Exchange Board of India Act, 1992 (15 of 1992) as amended.
- ii. **“Board”** means the Securities and Exchange Board of India.
- iii. **“Calendar Quarter”** means a period of 3 consecutive calendar months, ending with the last day of March, June, September or December.
- iv. **“Company”** means RSD Finance Limited.
- v. **“Compliance Officer”** means the Company Secretary or in absence of the Company Secretary, any senior officer, designated so and reporting to the board of directors, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under the 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 this Code of Practices and Procedures and the Compliance officer shall function and carry out his responsibilities under the overall supervision of the Board of Directors of the Company.

Explanation – for the purpose of this regulation “financial literate” shall mean a person, who has ability to read and understand basic financial statement like Balance Sheet, Statement of Profit and Loss, Cash Flow statement etc.

- vi. **"Concerned Adviser / Consultants / Retainers"** of the Company means such Advisers or Consultants or Retainers or Professionals who in the opinion of the Company may have access to unpublished price sensitive information.
- vii. **"Connected person"** means,-
  - a. any person who is or has during the six months prior to the concerned act been associated with a company, 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.
  - b. 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 -
    - 1) an immediate relative of connected persons specified in clause (i) above; or
    - 2) a holding company or associate company or subsidiary company; or

- 3) intermediary as specified in Section 12 of the Act or an employee or director thereof; or
- 4) an investment company, trustee company, asset management company or an employee or director thereof; or
- 5) an official of a stock exchange or of clearing house or corporation; or
- 6) 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
- 7) 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
- 8) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- 9) a banker of the company; or
- 10) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent of the holding or interest;

**viii. “Designated Employee (s)” shall include all employees:—**

Directors of the Company and its subsidiaries;

- a. Executive Officers of the Company;
- b. Key Managerial Personnel;
- c. All other employees of the Company and its material subsidiaries, irrespective of their cadre working in accounts, finance, taxation departments, secretarial, legal and compliance departments, internal audit department, business / investor’s relations and corporate communications department;
- d. such other persons as may be notified by the Compliance Officer as per direction of the Board.

**ix. “Designated Person(s)” shall include :**

- a. Connected Person
- b. Designated Employees
- c. Promoters and members of the Promoter group

**x. “Director(s)” means a Director appointed on the board of the Company**

**xi. “Employee(s)” mean employee(s) of the Company.**

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

***NOTE:** Information published on the website of a stock exchanges, would ordinarily be considered generally available.*

**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. “Insider”** means any person who is

- a. a connected person; or
- b. in possession of or having access to unpublished price sensitive information;
- c. any person who is in receipt of unpublished information for legitimate purpose.

*It is clarified that any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” for the purpose of this code.*

**NOTE:** *Since “generally available information” is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an “insider” regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances.*

**xv. “Key Managerial Personnel” (KMP)** means person as defined in Section 2(51) of the Companies Act, 2013.

**xvi. “Legitimate purpose”** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partner(s), collaborator(s), lender(s), customer(s), supplier(s), merchant banker(s), legal adviser(s), auditors, insolvency professional(s) or other adviser(s) or consultant(s), provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Code.

**xvii. “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.

**xviii. “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.

- xix. “Promoter Group”** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof
- xx. “Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.
- xxi. “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.
- xxii. “Stock Exchanges”** shall mean any recognized stock exchange on which Company’s securities are listed.
- xxiii. “Takeover regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- xxiv. “Trading”** means and includes an act of subscribing, buying, selling, dealing, or agreeing to subscribe, 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.
- xxvi. “Unpublished price sensitive information” (UPSI)** 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 including but not restricted to, information relating to the following: –
- a) Financial results;
  - b) Dividends;
  - c) Change in capital structure;
  - d) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
  - e) Changes in key managerial personnel; and
  - f) Any other matter as prescribed under the listing regulations and/or corporate law to be price sensitive from time to time.
- xxvii. “Working Day”** shall mean the working day when the regular trading is permitted on the concerned stock exchange where the securities of the company are listed.

Words and phrases used in the Code and not defined hereinabove shall have the same meaning as defined under the SEBI (Prohibition of Insider Trading) Regulations, 2015, The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, Securities and

Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made there under shall have the meanings respectively assigned to them in those legislation.

Words denoting the singular shall include the plural and vice versa and words denoting masculine gender shall include reference to feminine or neuter gender.

### **3. RESTRICTION ON COMMUNICATIONS AND TRADING BY INSIDERS**

#### **3.1 Communication or procurement of unpublished price sensitive information**

- a. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to securities listed or proposed to be listed by RSD Finance Limited, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- b. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to securities listed or proposed to be listed by RSD Finance Limited, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

#### **Provided the restriction shall not apply to:**

- (a) A transaction that is an off-market inter-se transfer between insiders who were in possession of the same UPSI without being in breach of these Rules and both parties had made a conscious and informed trade decision;  
Provided that such unpublished price sensitive information was not obtained under sub-clause 3.2 of this Code.

Provided further that such off-market trades shall be reported by the insiders to the company within two working days and the company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

- (b) 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 of the SEBI (PIT) Regulations, 2015 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 sub-clause 3.2 of this Code.

- (c) the transaction in question was carried out pursuant to a statutory or a regulatory obligation to carry out a bona fide transaction.
- (d) the transaction in question was undertaken pursuant to the exercise of stock options in respect of which the exercise price was predetermined in compliance with the applicable regulations.
- (e) in the case of non-individual insiders: –
  - (i) 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
  - (ii) 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;
- (f) Trades pursuant to a Trading Plan set up in accordance with these Rules.

### **3.2 Trading when in possession of Unpublished Price Sensitive Information**

- a. Notwithstanding anything contained in this 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 listed 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 listed 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 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

#### **4. COMPLIANCE OFFICER AND HIS DUTIES**

- i. The Compliance officer 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 code under the overall supervision of the Board of Directors of the Company.
- ii. The Compliance officer shall be responsible for putting up a report to the Board of Directors and to the Audit Committee regarding the compliance of the Code at such frequency as may be stipulated by the Board of Directors.
- iii. The Compliance officer shall maintain a record of designated persons and any changes made therein.
- iv. The Compliance officer shall be responsible for maintaining records of all the declarations submitted in the appropriate form given by the Directors and Designated persons for a minimum period of five years.
- v. The Compliance officer shall grant pre-trading approvals to the Designated Persons for trading in the Company's Securities by them / their Immediate Relatives and monitoring of such trading.
- vi. The Compliance officer shall inform the Stock Exchanges of any price sensitive information on immediate basis.
- vii. The Compliance officer shall Inform SEBI of any violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 within 7 days of knowledge of any such violation.

#### **5. "PRESERVATION OF "PRICE SENSITIVE INFORMATION"**

Directors and Designated employees shall maintain the confidentiality of all Price - Sensitive Information. Directors / Designated employees shall not pass on such information to any person directly or indirectly by way of making a re- commendation for the purchase or sale of securities of the Company.

Following practices should be followed in this regard :-

##### **5.1 Need to know**

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



## **5.2 Limited access to confidential information**

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word, etc. Files containing confidential information should be deleted / destroyed after its use.

## **5.3 Trading Plan**

SEBI Regulation entitles the Insider to formulate a trading plan. If any insider / Designated persons wish to formulate a trading plan for trading in securities of the Company, he may do so and present it to the Compliance officer. Trading Plan is optional, however, if any insider opts for Trading Plan, the same need to be as per strict provisions of the Regulation 5 of SEBI PIT Regulation. Trading Plan need to be approved by the Compliance Officer and disclosed to the Stock Exchange. Once Trading Plan is approved, it becomes irrevocable.

Such trading plan shall –

- i. not entail commencement of trading on behalf of the insiders earlier than six months from the public disclosure of the plan;
- ii. 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 Company and the second trading day after the disclosure of such financial results;
- iii. Entail trading for a period of not less than 12 months;
- iv. Not entail overlap of any period for which another trading plan is already in existence;
- v. 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
- vi. Not entail trading in securities of the Company for market abuse.

**5.3.1.** The compliance officer shall review the trading plan to assess whether the plan would have any potential for violation of these 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.

**5.3.2.** 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.

- 5.3.3. However the insider shall not commence trading under trading plan if any Unpublished Price Sensitive Information in his possession at the time of formulation of the plan has not become generally available information at the time of commencement of the plan. In such cases, the Compliance Officer will confirm its commencement ought to be deferred.
- 5.3.4. Further, Pre-clearance of trades shall not be required from the Compliance Officer nor restrictions of trading window norms and contra trade shall be applicable for a trade executed as per an approved trading plan.
- 5.3.5. Upon approval of the trading plan, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

## 6. **PRE CLEARANCE OF DEALING**

- 6.1. Every Designated Person is required to obtain pre-clearance from the Compliance Officer by making an application in **Form - C** before he/she and/or any of their immediate relatives, deals in securities (either buy/acquire or sell/dispose), if the market value of securities involved in the deal, in aggregate, exceeds Rs. 10 Lakhs (Rupees ten lakhs only).

It is hereby clarified that the value of securities traded will include the aggregate of purchases as well as sale of securities.

- 6.2. The application shall be made together with an undertaking to the Company in **Form - D** The undertakings shall state that the Designated Person is not in possession of Unpublished Price Sensitive Information relating to securities at the time of signing of the undertaking and that should he receive any such Unpublished Price Sensitive Information after signing but before execution of the applied for transaction, he will refrain from executing transaction. The Company shall give order for approval of pre- clearance in **Form - E**.
- 6.3. Designated Person and/or any of his immediate relatives shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. The Designated Person and /or any of his immediate relatives shall file within 2 days of the execution of the deal, the details of such deal with the Compliance Officer in **Form - F** and **Form - B** (as and when applicable).
- 6.4. The application for pre-clearance if granted shall be valid for 7 days starting from the date of pre-clearance. In other words, the pre cleared transaction is required to be executed within 7 days starting from the date of pre-clearance, failing which pre- clearance would be required to be sought afresh. Any violation of this declaration and undertaking is liable to attract the serious consequences of default specified in Clause 11 of this Code.

- 6.5. The Designated Persons shall not, within six months of buying or selling any number of Securities of the Company, enter into an opposite transaction or **contra trade** i.e. sell or buy, as the case may be, any number of the Securities of the Company. A person may however apply to the Compliance Officer for waiver of the restriction on contra trade, if there is a need to sell the said securities due to personal emergency. The format for the same is annexed as **Form – G**.

If a contra trade is executed inadvertently or otherwise, in violation of the restrictions, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Protection and Education Fund administered by the Board under the Act or as per any other method as may be prescribed by SEBI from time to time.

- 6.6. The Compliance Officer shall maintain a register of trading plan of securities by the Insiders and notification to Stock (Annexed **REG – I**).

## 7. **TRADING WINDOW**

- 7.1. The Company shall specify a trading period, to be called “trading window”, for trading in the Company’s Securities. The trading window shall be closed during the time the information referred to in clause 7.3 is unpublished.

- 7.2. When the trading window is closed, the Designated Person shall not trade in the Company’s Securities in such period.

- 7.3. The trading window shall be, inter alia, closed at the time of:—

- a) Declaration of financial results;
- b) Declaration of dividends;
- c) Change in capital structure by way of public/rights/preferential issue;
- d) Mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions;
- e) Changes in Key Managerial Personnel

- 7.4. The time for commencement of closing of trading window and re-opening of trading window shall be decided by the Company. However, in any case:

- a) the trading window shall be, inter alia, closed 7 days prior to and during the time the unpublished price sensitive information is submitted to the Stock Exchange
- b) the re-opening of trading window shall not be earlier than 48 hours after the information referred to in clause 7.3 becomes public.

Provided that without prejudice to clause 7.3 and 7.4 the Trading Window shall be closed from end of each quarter until 48 hours after the declaration of financial result of such quarter by the Board.

**7.5.** The remaining days of a year other than the days mentioned under para 7.4 above Shall be called “**Valid Trading Window**”.

**7.6.** All Designated person(s) and their immediate relatives of the Company shall conduct all their dealings in the Securities of the Company only in a valid trading window.

**7.7.** The Compliance Officer shall maintain a register of period of closer of Trading Window.(Annexed **REG – II**)

## **8. DISCLOSURE OF TRADING BY INSIDERS**

The disclosure to be made by any person under this code shall include those relating to trading by immediate relative(s) of such person and by any other person for whom such person takes trading decisions. This disclosure of trading in securities shall also include trading in derivatives and traded value of the derivatives shall be taken into account for the purpose of this code.

### **8.1. Initial Disclosures**

- a) 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/member of the promoter group, to the company within seven days of such appointment or becoming a promoter in the prescribed **Form A**.

### **8.2. Continual Disclosures**

- a) Every Promoter, member of the Promoter Group, Director and Designated Person(s) of the Company or their immediate relatives 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. 10 lacs. (as per “**Form B**”)
- 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.

### **8.3. Annual Disclosures**

Every Director, KMP and Promoter (including the promoter group) shall on annual basis, disclose in **Form - H** to the Company, the details of all holdings in Securities of the Company held by him including statement of holding of their immediate relatives on or before April 30 (for year ended March 31).

Further Designated persons shall disclose names and PAN or other identifier authorized by law, of the following persons in the format annexed as “**Form No H**” on annual basis and as and when the information changes;

- a) Designated person him/herself
- b) Immediate relatives of designated person
- c) Persons with whom such designated person(s) has a material financial relationship
- d) Phone/cell numbers which are used by them
- e) Educations institutions from which they have studied and
- f) Name of past employers shall be disclosed on a one time basis.

## **9. CODE OF FAIR DISCLOSURE AND CONDUCT**

The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (“PIT Amendment Regulations”) mandates every listed company to formulate a policy for determination of ‘Legitimate purpose’ as a part of ‘Code of fair Disclosures and Conduct’ formulated under Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

Accordingly, the Board of Directors has amended the earlier Code of Practices and Procedure for fair disclosure of Unpublished Price Sensitive Information incorporating the policy for determination of ‘Legitimate purpose’.

### **9.1. PRINCIPLES OF FAIR DISCLOSURE FOR PURPOSES OF CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION:-**

- a. The Company shall make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- b. The Company shall make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.

- c. The Compliance Officer appointed under the Regulations shall deal with dissemination of information and disclosure of unpublished price sensitive information.
- d. The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
- e. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.
- f. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
- g. The Company shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
- h. The Company shall ensure handling of all unpublished price sensitive information on a need-to-know basis.

## **9.2. POLICY FOR DETERMINATION OF "LEGITIMATE PURPOSES"**

The sharing of UPSI shall be deemed to be for "Legitimate Purpose" if it satisfies the following criteria:

- a. The 'Legitimate purpose' shall include 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 prohibitions of the Regulations.
- b. The information shall be shared with any person on 'need to know' basis.
- c. Insiders shall share the UPSI with the external agencies only in the interest of the Company and/or in compliance with the requirements of the law.
- d. Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered an "Insider" and due notice shall be given to such person to maintain confidentiality of UPSI in compliance with the Regulations.
- e. The Compliance Officer shall ensure that such third party with whom the UPSI is shared, is also bound by non-disclosure or confidentiality agreements and the

liabilities involved which shall mention the duties and responsibilities of such person with respect to such UPSI and the liabilities involved if such person misuses or uses such UPSI in breach of the Code or Regulations.

### **9.3. MAINTENANCE OF STRUCTURED DIGITAL DATABASE**

- a) 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 under this code read with PIT Regulations, along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available.
- b) The said digital database shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

### **10. INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING:**

The Managing Director of the Company shall put in place an adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations to prevent insider trading.

The internal controls include the following:

- a) all employees who have access to UPSI shall be identified as Designated Persons;
- b) all UPSI shall be identified and its confidentiality shall be maintained as per the requirements of the Code and Regulations;
- c) adequate restrictions shall be placed on communication or procurement of UPSI as required by the Code;
- d) lists of all employees and other persons with whom UPSI is shared shall be maintained in the digital database and confidentiality agreements shall be signed or notice shall be served to all such employees and persons;
- e) all other relevant requirements specified under the Code shall be complied with;
- f) Periodic process review, on an annual basis shall be conducted to evaluate the effectiveness of internal controls in place.

The Board shall ensure that the Managing Director ensures compliance with Regulation 9 and Regulation 9A (1) and (2).

The Audit Committee of the Company shall review compliance with the provisions of the Code, at least once in a financial year, on the basis of the Internal Audit Report presented and shall verify that the systems for internal control are adequate and are operating effectively.

Policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI has been formulated by the Company and duly approved by Board. Accordingly, the Chairman of Audit Committee of the Company shall initiate appropriate inquiries on becoming aware of leak of UPSI or suspected leak of UPSI and promptly inform SEBI.

The Whistle-blower policy of the Company, a copy of which is available on the website of the Company, enables employees to report instances, if any, of leak of UPSI. If an inquiry is initiated by the Company in case of reported leakage of UPSI or suspected leak of UPSI, the Intermediaries and Fiduciaries engaged by the Company shall be duty bound to co-operate with the Company in connection with such inquiry conducted by the Company.

#### **11. PENALTY FOR CONTRAVENTION OF THIS CODE**

Every Designated Person shall be individually responsible for complying with the provisions of this Code (including to the extent the provisions hereof are applicable to his / her immediate Relatives).

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

In case of any non-observance of this code by any Director, the same shall be decided by the Board.

Designated employees of the Company who violate this Code shall also be subject to disciplinary action by the Company, which may include wage salary freeze, suspension, withholding of promotions, etc. The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

In case it is observed by the Company and / or Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Compliance Officer shall inform the SEBI within a period of 30 days from the date of knowing the same.



## **12. AMENDMENT**

- 12.1.** The Board reserves the right to amend or modify this Code in whole or part, in accordance with any regulatory amendment or notification or otherwise, at any time without assigning any reason whatsoever. Any such amended Code will be accordingly updated on the website of the Company.
- 12.2.** 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 Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

**FORM A****Securities and Exchange Board of India (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]**

Name of the Company: RSD FINANCE LIMITED

ISIN of the Company: INE616F01014

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of 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 No., 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 securities (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

Name &amp; Signature:

Designation:

Date:

Place:

**FORM B**  
**Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015**  
**[Regulation 7 (2) read with Regulation 6(2)- Continual disclosure]**

Name of the Company: RSD FINANCE LIMITED

ISIN of the Company: INE616F01014

**Details of change in holding of Securities of Promoter, member of 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/ Directors /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 securities (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 securities (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: i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

ii) Value of transaction excludes taxes/brokerage/any other charges

**Details of trading in derivatives on the securities of the Company by Promoter, member of 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.

Name & Signature:

Designation:

Date:

Place:

## Form C

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

DATE: \_\_\_\_\_

**From**

Name:-

Director / Designated employee:

Designation:-

DIN/ Employees Code:-

PAN :-

Address:-

**To**

The Compliance Officer

RSD Finance Limited

224 AJC Bose Road

9<sup>th</sup> Floor, Room No – 902

Krishna Building

Kolkata – 700 017

**Subject: Application for Pre-Clearance approval in securities of the Company**

Dear Sir,

With reference to above, I wish to inform you that I want to purchase/ sale \_\_\_\_\_ equity shares/ other securities of the Company from the open market/ private arrangement, details of the same are as mentioned below :-

Sr. No.	Heading	Particulars
1	Existing holding of the shares/ other securities	
2	Folio No./ DP ID and CL ID	
3	Nature of new transaction : Sale / Purchase	
4	Quantity want to purchase/ Sale	
5	Price at which you want to purchase/ Sale	
6	Current Market Price (as on the date of this applicaton)	
7	Estimated consideration	
8	Mode of transaction – private / Open market	
9	Purpose of Purchase / Sale	
10	In whose name (with relation) the transactions will take place	
11	Folio No. / DP ID / Client ID No. where the securities will be credited / debited	

I/ We declare that I/ we have complied with the requirements of Company's "Internal Code of Practices and Procedure for Prevention of Insider Trading" based on the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015. I am executing an Undertaking as required and enclosed herewith.

You are requested kindly to give your permission to trade in the equity shares/ other securities of the Company as requested above.

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

(Name : \_\_\_\_\_)

**Encl.** Duly executed Undertaking

## FORM –D

### FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

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

**To**

The Compliance Officer  
RSD Finance Limited  
224 AJC Bose Road  
9<sup>th</sup> Floor, Room No – 902  
Krishna Building  
Kolkata – 700 017

Sir,

I, \_\_\_\_\_ (Name), \_\_\_\_\_ (Designation) \_\_\_\_\_ of the Company residing at \_\_\_\_\_, am desirous of dealing in \_\_\_\_\_ equity shares of the Company as mentioned in the application dated \_\_\_\_\_ for pre-clearance of the transaction.

I confirm, declare and undertake as follow:-

- (a) That I do not have any access or has not received “Price- sensitive information” (as defined in the Company’s Internal Code of Practices and Procedure for Prevention of Insider Trading” (the Code) up to the time of signing the Undertaking.
- (b) That in case I have access to or receive “Price- sensitive information” after the signing of the Undertaking but before the execution of the transaction, I shall inform you the change in my position and I shall completely refrain from trading in the securities of the Company till such information becomes public.
- (c) That I have not contravened the “Internal Code of Practices and Procedure for Prevention of Insider Trading” pursuant to the requirements of the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 2015 (Code) as notified by the Company from time to time.
- (d) That I undertake to submit the necessary report within two days of execution of the transaction/a ‘Nil’ report if the transaction is not undertaken. If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance again.

THAT I shall not undertake any contra trade for a minimum period of six months from the date of the transaction, for which pre-clearance has been taken.

I hereby solemnly declare that I have made a full and true disclosure in this regard to the best of my knowledge and belief.

Signature:

PAN No. \_\_\_\_\_

Name:

Address:

**FORM-E**

**LETTER OF INTIMATION OF PRE-CLEARANCE/TRADING PLAN**

To,

Name.....

Employee No.....

Designation.....

Dear Sir,

This is to inform you that your application dated\_\_\_\_\_for dealing in\_\_\_\_\_equity shares of the Company is approved. Please note that the said transaction must be completed on or before (date)\_\_\_\_\_that is within 7 days from today.

You are required to submit the details of the transactions executed by you in the attached format within 2 days from the date of transaction/deal. In case the transaction is not undertaken on or before the aforesaid date, submission of a 'Nil' report shall be necessary and in such case you will have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company.

**For & on behalf of RSD Finance Limited**

**Compliance Officer/Authorised Office**

**Encl:** Format for submission of details of transaction

## FORM – F

### FORMAT FOR INTIMATION OF TRANSACTOINS UNDERTAKEN

(To be submitted within 2 days of transaction / dealing in securities of the Company)

The Compliance Officer,  
**RSD Finance Limited,**  
Kolkata

I hereby inform that I

- have not bought / sold/ subscribed any securities of the Company
- have bought/sold/subscribed to \_\_\_\_\_ securities as mentioned below on \_\_\_\_\_ (date)

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

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 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 agree to hold the above securities for a minimum period of six months. In case there is any urgent need to sell these securities within the said period, I shall approach the Compliance Officer for necessary approval. *(Applicable in case of purchase / subscription).*

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

**Date:**

**Signature:**

**Name:**

**Designation:**

## Form G

### APPLICATION FOR WAIVER OF HOLDING PERIOD

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

**From**

Name:-

Director / Designated employee: Designation:-

DIN/ Employees Code:-

PAN :-

Address:-

To

The Compliance Officer

RSD Finance Limited

224 AJC Bose Road

9<sup>th</sup> Floor, Room No – 902

Krishna Building

Kolkata – 700 017

Sir,

With reference to above, I wish to inform you that I had purchased \_\_\_\_\_ equity shares/ other Securities of the Company on \_\_\_\_\_, the details are as mentioned below:-

Sr. No.	Heading	Particulars
1	No. of equity shares/ other Securities purchased	
2	Folio No./ DP_ID and CL_ID	
3	Date of purchase and price of purchase	
4	From whom purchased	
5	Existing total holding	
6	Quantity want to sale	
7	Reason for early selling	
8	Price at which you want to sale	
9	Mode of transaction – private / Open market	

I understand that as provisions of the Internal Code of practices and procedures for prevention of Insider trading in dealing in securities of the Company pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Code), I need to hold this Investment for a minimum period of six months, but, due to reason as mentioned above, I need to sale the same before prescribed period.

You are requested kindly to give your permission to sale aforesaid Securities as requested.

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

(Name : \_\_\_\_\_)



## FORM H

### FORM FOR ANNUAL DISCLOSURE (In terms of Para 3(d) and (b) of the Code)

<b>Disclosure for the year ended</b>	
<b>Name of the Covered Person</b>	
<b>PAN Number</b>	
<b>DIN Number</b>	
<b>Employee Number , if applicable</b>	
<b>Company on whose Rolls placed</b>	
<b>Contact address with contact details and Email ID</b>	
<b>Connection with the covered person or Company , as applicable</b>	
<b>DP ID and Client ID (Self)</b> <b>DP ID and Client ID (Immediate Relatives)</b>	
<b>Name of Spouse</b>	
<b>Name/s of Dependent Child / Children</b>	
<b>Name /s of the Parents</b>	
<b>Name/s of the Siblings</b>	
<b>Name/s of persons for whom covered persons take trading decisions, if any.</b>	
<b>Details of the deemed to be covered persons , if any</b>	
<b>Name of Education Institutions from where graduated</b> <i>(please ignore if already disclosed to the Compliance Officer)</i>	
<b>Names of Past Employers</b> <i>(please ignore if already disclosed to the Compliance Officer)</i>	

**A. Details of Immediate relatives, and person having material financial relationship**

Person	Name	PAN	Mobile number
Spouse			
Dependent Children			
Parents*			
Siblings*			
Person having material financials relationship **			

\*\*material financial relationship means 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. Details of Securities Held by Employee and Immediate Relative in RSD Finance Limited**

Immediate Relatives	Type of Securities	DP ID or Client ID	Securities held as at beginning of the year	Securities purchased during the year	Securities sold during the year	Mode of Acquisition *	Securities held as at end of the year
Self							
Spouse							
Dependent Children							
Parents*							
Sibling							

\* Who is either dependent financially on such person, or consults such person in taking decisions relating to trading in Securities.

\* market purchase/public/rights/preferential offer/off market/inter-se transfer etc.

**C. Details of Securities held by any other person for whom trading decision is taken by the Covered Persons including deemed covered persons ( other than above)**

<b>Name of the persons</b>	<b>Kind of Securities</b>	<b>DP ID or Client ID</b>	<b>Securities held as at beginning of the year</b>	<b>Securities purchased during the year</b>	<b>Securities sold during the year</b>	<b>Securities held as at end of the year</b>

**Details of Securities held for less than 6 months.**

<b>No. of Securities</b>	<b>Date of Purchase</b>	<b>Date of Sale</b>	<b>Details of pledge created, if any</b>	<b>Date of approval from the compliance Officer, in case applicable</b>

I confirm that:

- (i) I was not in possession of unpublished price sensitive information at the time of trading in Securities of the Company;
- (ii) The aforesaid trades were executed when the Trading Window was open and disclosures wherever required has been made by me to the Company from time to time;
- (iii) I have duly pre-cleared trades from the Compliance Officer;
- (iv) I have held Securities purchased by me, directly or indirectly through my immediate relatives, for more than 6 months. If the Securities were not held for 6 months, I have taken due approval from the Compliance Officer for the same;
- (v) I undertake to fully adhere to the standards and requirements specified by SEBI, from time to time, in relation to SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto; and
- (vi) All information given above is true to the best of my knowledge and belief.

\_\_\_\_\_  
Signature

Date:

**REG-I****REGISTER OF APPROVAL OF TRADING PLAN IN SECURITIES AND NOTIFICATION TO STOCK EXCHANGES**

<b>S. No</b>	<b>Name</b>	<b>Designation</b>	<b>Department</b>	<b>Date &amp; time of Receipt of trading plan application</b>	<b>Nature of Transaction</b>	<b>Estimated Number of securities indicated in The Application</b>
1	2	3	4	5	6	7

<b>Estimated Consideration value indicated in the application</b>	<b>Name of the Immediate relative if the transaction is in the name of the immediate relative</b>	<b>Date of Communication of the approval by the compliance officer</b>	<b>Reasons For non approval, if not cleared</b>	<b>Number of securities actually traded</b>	<b>Date of Notification to stock exchanges</b>	<b>Remarks</b>
8	9	10	11	12	13	14

**REG-II**

## REGISTER OF PERIODS OF CLOSER OF TRADING WINDOW

[illegible]