

# RAJAPALAYAM MILLS LIMITED

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Date : 03-02-2020

M/s. BSE Limited,  
Floor 25, P.J. Towers,  
Dalal Street,  
Mumbai - 400 001.  
Scrip Code: 532503

Dear Sir,

Sub: Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives and Code of Practices and Procedures for Fair Disclosure

Pursuant to Regulation 8(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015, we enclose the Revised Code in line with the changes carried out under the SEBI (Prohibition of Insider Trading) (Second Amendment) and (Third Amendment) Regulations, 2019.

The above revised code is also being published in our Company's website.

Thanking you,

Yours faithfully,

**For RAJAPALAYAM MILLS LIMITED**

**A. ARULPRANAVAM**  
**SECRETARY**



# **RAJAPALAYAM MILLS LIMITED**

**CODE OF CONDUCT  
TO REGULATE, MONITOR AND REPORT TRADING BY  
DESIGNATED PERSONS AND THEIR IMMEDIATE  
RELATIVES**

**AND**

**CODE OF PRACTICES AND PROCEDURE FOR FAIR  
DISCLOSURE**

## CHAPTER – I

*[Under Regulation 8(1) and 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015]*

### PRELIMINARY

#### Introduction

- 1 This code under the SEBI (Prohibition of Insider Trading) Regulations, 2015 (herein after referred to as “the Regulations” or “these Regulations”) which came into effect from May 15, 2015 and amended from time to time.

#### Definitions

2. In these regulations, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:–

- (a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
- (b) “Board” means the Board of Directors of the Company;
- (c)
  - (i) “Company” means Rajapalayam Mills Limited
  - (ii) “Compliance Officer” means The Company Secretary of the Company, designated so and, 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board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 company or the head of the Company, as the case may be;

Explanation – For the purpose of this regulation, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

- (d) "Connected Person" means,-
  - (i) 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.

- (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) an immediate 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 the Board; 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 immediate relative or banker of the company, has more than ten per cent of the holding or interest;
- (e) “Designated Employee” means
  - (i) All Officers in the rank of Senior General Manager and above of the Company’s Management.
  - (ii) All Officers in the rank of Manager and above in Finance, Accounts & Secretarial Departments.

- (iii) Any support staff, intermediary or fiduciary such as IT staff or secretarial staff who has access to unpublished price sensitive information
  - (iv) Any other employee designated by the company to whom these trading restrictions shall be applicable.
- (f) "Designated Persons" means
- (i) All promoters of the Company and promoters who are individuals or investment companies for intermediaries or fiduciaries;
  - (ii) Designated employees as defined in Clause 2 (e)
  - (iii) Such connected persons who may have access to unpublished price sensitive information;
- (g) "Fiduciary" or "fiduciaries" refers to professional firms such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company
- (h) "generally available information" means information that is accessible to the public on a non-discriminatory basis;
- (i) "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; A spouse is presumed to be an "immediate relative" unless rebutted so.
- (j) "insider" means any person who is:
- (i) a connected person; or
  - (ii) in possession of or having access to unpublished price sensitive information;
- (k) "Intermediary" or "intermediaries" refers to every intermediary registered with SEBI
- (l) "key managerial personnel", in relation to a company, means—
- (i) the Chief Executive Officer or the Managing Director or the Manger;
  - (ii) Company Secretary;
  - (iii) Whole-Time Director;

- (iv) Chief Financial Officer;
  - (v) Such other officer not more than one level below the Directors, who is in whole time employment, designated as Key Managerial personnel by the Board;
  - (v) Such other officer as may be prescribed;
- (m) “Legitimate purpose” in the context of sharing of unpublished price sensitive information (UPSI) shall include sharing of UPSI in the ordinary course of business by an insider with his/ their
- (i) Partners;
  - (ii) Collaborators;
  - (iii) Lenders;
  - (iv) Customers;
  - (v) Suppliers;
  - (vi) Merchant bankers;
  - (vii) Legal advisors;
  - (viii) Auditors; and
  - (ix) Other advisors or consultants

Provided that such sharing has not been carried out to evade or circumvent the prohibitions of the Regulations and this code

- (n) "Promoter" and "Promoter Group" shall have the meanings assigned to them under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;;
- (o) "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;
- (p) “specified” means specified by the Securities and Exchange Board of India in writing unless some clause herein has been specifically referred to

- (q) "takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- (r) "trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (s) "trading day" means a day on which the recognized stock exchanges are open for trading;
- (t) "unpublished price sensitive information" or "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: –
  - (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
  - (v) changes in key managerial personnel.

2.1. Words and expressions used and not defined in this code but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), SEBI (Listing Obligations and Listing Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015, the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislations/rules/regulations.

## CHAPTER – II

### RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

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

- 3.1 No insider shall communicate, provide, or allow access to any UPSI, 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.
- 3.2 No person shall procure from or cause the communication by any insider of UPSI, 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.
- 3.3 Notwithstanding anything contained in this regulation, an UPSI 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 UPSI 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.
- 3.4 For purposes of sub-regulation 3.3 parties are 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 sub-regulation 3.3, and shall not otherwise trade in securities of the company when in possession of UPSI.
- 3.5 The Compliance Officer shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this code along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database



#### 4 Trading when in possession of unpublished price sensitive information

##### 4.1 No insider shall trade in securities of the Company that are listed or proposed to be listed on a stock exchange when in possession of UPSI.

When a person who has traded in securities has been in possession of UPSI, 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 UPSI without being in breach of regulation 3.3 and both parties had made a conscious and informed trade decision;

Provided that such UPSI was not obtained under Regulation 3(3).

Provided further that such off-market trades shall be reported by the insiders to the company within two working days. Every 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.

- (ii) the transaction was carried out through the block deal window mechanism between persons who were in possession of the UPSI without being in breach of regulation 3 and both parties had made a conscious and informed trade decision;

Provided that such UPSI was not obtained by either person under Code 3 (3).

- (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 in question 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 UPSI 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 UPSI 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) the trades were pursuant to a trading plan set up in accordance with Code 5 referred herein below.

4.2 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.

## **5 Trading Plans**

5.1 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, save and except for pledging of securities. Board of Directors of the Company represented by its Managing Director is the approving authority in case of trades done by the Compliance Officer or his immediate relatives.

NOTE: This provision intends to give an option to persons who may be perpetually in possession of UPSI and enabling them to trade in securities in a compliant manner. This provision would enable the formulation of a trading plan by an insider to enable him to plan for trades to be executed in future. By doing so, the possession of UPSI when a trade under a trading plan is actually executed would not prohibit the execution of such trades as he had pre-decided even before the unpublished price sensitive information came into being.

5.2 Such trading plan shall:–

- (i) not entail commencement of trading on behalf of the insider 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 issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve 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 for market abuse.

5.3 The Compliance Officer/Board of Directors of the Company represented by its Managing Director as the case may be 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.

Provided that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan.

Provided further that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved trading plan.

5.4 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.

Provided that the implementation of the trading plan shall not be commenced if any UPSI 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 / Board of Directors of the Company represented by its Managing Director as the case may be shall confirm that the commencement ought to be deferred until such UPSI becomes generally available information so as to avoid a violation of Code 4.1.

5.5 Upon approval of the trading plan, the Compliance Officer / Board of Directors of the Company represented by its Managing Director as the case may be shall notify the plan to the stock exchanges on which the securities are listed.

## CHAPTER – III

### DISCLOSURES OF TRADING BY INSIDERS

#### 6 General provisions

- 6.1 Every public disclosure under this Chapter shall be made in such form as may be specified.
- 6.2 The disclosures to be made by any person under this Chapter shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 6.3 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Chapter: Provided that trading in derivatives of securities is permitted by any law for the time being in force.
- 6.4 The disclosures made under this Chapter shall be maintained by the company, for a minimum period of five years, in such form as may be specified.

#### 7 Disclosures by certain persons

##### 7.1 Initial Disclosures.

- (a) The Promoter, members of the Promoter Group, Key Managerial Personnel and directors of the company have to disclose their holding of securities of the Company within thirty days of these regulations taking effect to the Company, in Form - A;
- (b) 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 or member of the Promoter Group, to the company within seven days of such appointment or becoming a promoter in Form - B;

##### 7.2 Continual Disclosures

- (a) Every Promoter, member of the Promoter Group, designated person and director 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 ten lakh rupees or such other value as may be specified in Form – C;

- (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-regulation, shall be made when the transactions effected after the prior disclosure cross the threshold specified in clause (a) of sub-regulation (2).

### **7.3 Disclosures by other connected persons**

- (a) The company may, at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in Form – D and at such frequency as may be determined by the company in order to monitor compliance with these regulations.

## CHAPTER – IV

### CODES OF FAIR DISCLOSURE AND CONDUCT

#### **8 Code of Fair Disclosure**

- 8.1 The code of practices and procedures for fair disclosure of UPSI, including the policy for determination of Legitimate Purposes for sharing Unpublished Price Sensitive Information, is set out in Schedule A and is also published in the website of the Company.
- 8.2 Every such code of practices and procedures for fair disclosure of UPSI and every amendment thereto shall be promptly intimated to the stock exchanges where the securities are listed.

#### **9. Code of Conduct**

- 9.1 The code of conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons as formulated by the company is set out in Schedule B.

#### **9.2 Internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading**

- (i) The Compliance Officer in consultation with the Managing Director of the Company shall put in place adequate an effective system of internal controls to ensure compliance with the requirements given in these regulations to prevent insider trading by
- (a) Identifying all employees who have access to UPSI as “designated employee”;
  - (b) Identifying all the UPSI and maintaining its confidentiality as per the requirements of this Code;
  - (c) Placing adequate restrictions on communication or procurement of UPSI as required by this Code;
  - (d) Maintaining a list of all employees and other persons with whom UPSI is shared and signing of confidentiality agreements or serving of notice to all such employees and persons, as appropriate;
  - (e) Specifying the complying with all other relevant requirements under these regulations;

- (f) Reviewing the process periodically to evaluate effectiveness of such internal controls.
- (ii) The board of directors of the company shall ensure that the Chief Executive Officer or the Managing Director or such other analogous persons, ensure compliance with this Code.
- (iii) The Audit Committee of the Board of Directors of the Company shall review compliance with the provisions of this Code at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.
- (iv) Inquiry in case of leak of UPSI
  - (a) The procedure as approved by Board of Directors, for inquiry in case of leak of UPSI or suspected leak of UPSI will be followed.
  - (b) Employees shall report instances of leak of UPSI under the whistle-blower policy of the Company which is available in the Company's website [www.rajapalayammills.co.in](http://www.rajapalayammills.co.in)

### **9.3 Protection against retaliation and victimisation<sup>1</sup>**

- (i) A person is entitled to submit to Securities and Exchange Board of India information relating to any alleged violation of Insider Trading laws that has occurred or believed to have occurred relating to the Company, as per Chapter IIIA of SEBI (prohibition of Insider Trading) Regulations, 2015.
- (ii) Audit Committee shall provide protection against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination against any employee who submits any information to SEBI under (i) above, irrespective of whether the information is considered or rejected by SEBI or he or she is eligible for a Reward under these regulations.

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<sup>1</sup> Effective from 26<sup>th</sup> December, 2019

## **SCHEDULE A**

### **[Pursuant to sub-regulation (1) of regulation 8]**

- 1. Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of UPSI**
  - 1.1 Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
  - 1.2 Uniform and universal dissemination of UPSI to avoid selective disclosure.
  - 1.3 The Compliance Officer is designated as Chief Investor Relations Officer to deal with dissemination of information and disclosure of UPSI.
  - 1.4 Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
  - 1.5 Appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
  - 1.6 Ensuring that information shared with analysts and research personnel is not UPSI. Unanticipated questions may be noted and considered response given later.
  - 1.7 Developing 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.
  - 1.8 Handling of all UPSI on a need-to-know basis.
- 2. Policy for determination of legitimate purposes**
  - 2.1 Any communication or access to any UPSI, relating to the company to any person including other insiders in furtherance of legitimate purposes as mentioned in regulation 3.2 shall be approved by the Compliance Officer. In case of doubt, the Compliance Officer shall consult and seek approval of the Managing Director before disclosure / dissemination of such information.
  - 2.2 Any person in receipt of UPSI pursuant to a “legitimate purpose” shall be considered an “insider” for purposes of these regulations and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.



## SCHEDULE B

[See sub-regulation (1) of regulation 9]

### Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

1. The Compliance Officer shall place reports before the Chairman of the Board and to the Chairman of the Audit Committee not less than once in a year, the details of the trading in the securities by the Insiders obtained from them in Form – G / H and other matters covered under the Regulations.

2. Chinese Wall

To prevent the misuse of UPSI, the Company has adopted a 'Chinese Wall' which separates those departments which routinely have access to such information. Considered inside areas from other departments, considered public areas.

All information shall be handled within the organisation on a need-to-know basis and no UPSI shall be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

As per the above:

- (a) The Employees in the inside areas are not allowed to communicate any UPSI to anyone in the public areas.
- (b) Only in exceptional circumstances, employees from the public areas are brought "over the wall" and given access to UPSI on the basis of "need to know" basis, by complying with the following procedure:

2.1 Procedure for sharing of UPSI

The insider shall comply with the following procedure while sharing UPSI:

- i) Satisfy that information is UPSI.
- ii) Identify the persons with whom the information is to be shared;
- iii) Confirm that such sharing is for Legitimate purpose.
- iv) Any person in receipt of UPSI pursuant to a legitimate purpose shall be considered as an insider for the purposes of these Regulations and to maintain confidentiality of such UPSI an NDA shall be executed by the recipient of UPSI.

- v) Mode of sharing UPSI shall be by either an email (addressed directly to the insider without copying) or hard copy or any other electronic mode or device or provide access to the information, data, server with acknowledgement.
  - vi) The Insider shall intimate any of the following viz. CEO, CFO, Company Secretary or the Compliance Officer so designated regarding such sharing of UPSI.
  - vii) The Compliance Officer shall maintain the database as stipulated in 3.5 of the code for the instances of such sharing of UPSI.
3. Designated persons and immediate relatives of designated persons in the organisation are governed by an internal code of conduct governing dealing in securities.
  4. Designated persons may execute trades subject to compliance with these regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons.
  5. 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. Designated persons and their immediate relatives shall not trade in securities when the trading window is closed.
  6. 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.
  7. The Trading Window shall be closed for such period as may be specified by the Compliance Officer, subject to a minimum period of six days starting from the third day preceding the date of consideration of UPSI by the Board of Directors or any Committee of the Board of Directors of the Company. In case of consideration by circular resolution, the Window Closure shall begin from the date of circulation of the resolution to the Directors. In case of declaration of financial results, trading restrictions shall start from the end of every quarter.

8. The timing for re-opening of the trading window is determined by the compliance officer taking into account various factors including the UPSI in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available and in case of declaration of financial results, till 48 hours after the declaration of financial results.
9. All designated persons who intend to trade in the securities of the company (including trades of immediate relatives), exceeding Rs.10 lakhs in value or 10,000 shares, whichever is lower, should pre-clear the transaction as per the pre-dealing procedure as described hereunder in Form - E. The limit for pre-clearance shall be calculated on a cumulative basis consisting of all trades proposed to be done by the designated persons till such limit is reached.

Explanation: In case the limit for pre-clearance is reached by way of trades in multiple tranches, the trade which takes the designated person's holdings in securities higher than the limit mentioned above in case of purchase and lower than the limit mentioned above in case of sale shall be pre-cleared.

10. An undertaking shall be executed in favour of the company by such designated person incorporating, inter alia, the following clauses, as may be applicable:
  - (a) That the designated person does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
  - (b) That in case the designated person has access to or receives "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer/ Board of Directors represented by its Managing Director as the case may be, of the change in his position and that he/she and his/her immediate relative would completely refrain from dealing in the securities of the company till the time such information becomes public.
  - (c) That he/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/she has made a full and true disclosure in the matter.
11. All designated persons shall execute their order in respect of securities of the company within one week after the approval of pre-clearance is given in Form - F. If the order is not executed within one week after the approval is given, the designated person must pre-clear the transaction again.

Explanation: If a part of the transaction has been executed within a week, then the remaining part of the transaction, irrespective of the Quantum of such transaction, shall be pre-cleared again if made after that week.

12. All designated persons who buy or sell any number of securities of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All designated persons shall also not take positions in derivative transactions in the securities of the company at any time. The Compliance Officer / Board of Directors represented by its Managing Director, as the case may be, is empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these regulations. Should a contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India for credit to the Investor Protection and Education Fund administered under the Act.

Buy back offers, open offers, rights issues, FPOs, bonus, etc. of the company are available to designated persons also, and restriction of 'contra-trade' shall not apply in respect of such matters. Also, contra trade restrictions shall not be applicable to trades pursuant to exercise of stock options.

13. All Designated Persons and Connected Persons who trade 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. Designated persons of the company who violate the Code shall also be subject to disciplinary action by the company, which may include wage freeze, suspension, recovery, clawback, ineligible for future participation in employee stock option plans, etc.
14. The formats for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance and for reporting level of holdings in securities as being necessary to monitor compliance with these regulations are annexed.
15. The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.
16. In case it is observed by the Company / Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI shall be informed by the Company promptly.
17. Designated persons shall disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the company on an annual basis and as and when the information changes:

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

Designated persons shall also disclose the names of educational institutions from which they have graduated and names of their past employers on a one time basis.

The relevant format is annexed as Form I & J.

- Note:
- 1. The disclosures under this clause has to be made irrespective of the transaction being pre-approved or not.
  - 2. 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 from a designated person during the immediately preceding twelve months, equivalent to at least 25% of annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.
18. The Compliance Officer in discussion with the Chief Executive Officer/ Managing Director shall decide on how and when people are brought ‘inside’ on sensitive transactions on a case to case basis and their details shall be maintained in the structured digital database. The people brought inside shall be made aware of the code and the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.
19. The trading window restrictions mentioned in clause (5) shall not apply in respect of –
- (a) transactions specified in clauses (i) to (iv) and (vi) of the proviso to regulation 4.1;
  - (b) in respect of a pledge of shares for a bonafide purpose such as raising of funds, subject to pre-clearance by the compliance officer and compliance with the respective regulations made by the Securities and Exchange Board of India;
  - (c) transactions which are undertaken in accordance with respective regulations made by Securities and Exchange Board of India such as acquisition by conversion of warrants or debentures, subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer.

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**FORM-A**

SEBI (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (a) read with Regulation 6 (2) – Initial disclosure to the company]

Name of the Company : Rajapalayam Mills Limited  
ISIN of the company : INE296E01026

Details of Securities held by Promoter, member of the Promoter Group, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN / DIN & address with contact nos.	Category of Person (Promoters / Member of Promoter Group/ KMP / Directors/ immediate relative to / others etc.)	Securities held as on the date of regulation coming into force		% of shareholding
		Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	No	
1	2	3	4	5

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 of the company held by Promoter, member of Promoter Group, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)

Open Interest of the Future contracts held as on the date of regulation coming into force			Open Interest of the Option Contracts held as on the date of regulation coming into force		
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
6	7	8	9	10	11

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

Name :

Signature:

Designation:

Date:

Place:

**FORM-B**

SEBI (Prohibition of Insider Trading) Regulations, 2015

[Regulation 7 (1) (b) read with Regulation 6 (2) –Disclosure on becoming a director/KMP/Promoter or member of Promoter Group]

Name of the Company : Rajapalayam Mills Limited  
 ISIN of the company : INE296E01026

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 the company and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN / DIN & address with contact nos.	Category of Person (Promoters / KMP / Directors/ immediate relative to / others etc.)	Date of appointment of Director /KMP or Date of becoming Promoter	Securities held at the time of becoming Promoter/appointment of Director/KMP		% of shareholding
			Type of security (For eg. – Shares, Warrants, Convertible Debentures 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 of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the Promoter Group of the company and other such persons as mentioned in Regulation 6(2).

Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP			Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP		
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 :  
 Signature:  
 Designation:

Date:  
 Place:

**FORM-C**

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

Name of the Company : Rajapalayam Mills Limited  
 ISIN of the company : INE296E01026

Details of change in holding of Securities of Promoter, member of the Promoter Group, designated person or Director of a listed company and other such persons as mentioned in Regulation 6(2)

Name, PAN, CIN / DIN & address with contact nos.		1	
Category of Person (Promoters / member of the Promoter Group/KMP / Directors/ immediate relative to / others etc.)		2	
Securities held prior to acquisition/disposal	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	3	
	No. and % of shareholding	4	
Securities acquired/Disposed	Type of security (For eg. – Shares, Warrants, Convertible Debentures etc.)	5	
	No.	6	
	Value (Rs.)	7	
	Transaction Type (Buy/Sale/Pledge/Revoke/Invoke)	8	
Securities held post acquisition/disposal	Type of security (For eg.-Shares, Warrants, Convertible Debentures etc.)	9	
	No. and % of shareholding	10	
Date of allotment advice/acquisition of shares/sale of shares specify	From	11	
	To	12	
Date of intimation to company		13	
Mode of acquisition /disposal (on market/public rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.)		14	

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 of the company by Promoter, member of the Promoter Group, designated person or Director of a listed company and other such persons as mentioned in Regulation 6(2).

Trading in derivatives (specify type of contract, Futures or Options etc.)	Type of contract	15		
	Contract specifications		16	
	Buy	Notional Value	17	
		Number of units (contracts*lot size)	18	
	Sell	Notional Value	19	
		Number of units (contracts*lot size)	20	
Exchange on which the trade was executed		21		

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

Name:

Signature:

Designation:

Date:

Place :



**FORM-D**

SEBI (Prohibition of Insider Trading) Regulations, 2015  
Regulation 7(3) – Trading by Other connected persons as identified by the company

Name of the Company : Rajapalayam Mills Limited  
ISIN of the company : INE296E01026

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

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

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

Trading in derivatives (specify type of contract, Futures or Options etc.,)	Type of contract		15	
	Contract specifications		16	
	Buy	Notional Value	17	
		Number of units (contracts*lot size)	18	
	Sell	Notional Value	19	
		Number of units (contracts*lot size)	20	
Exchange on which the trade was executed			21	

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

Name:  
Signature:  
Designation:  
Date:  
Place :

**FORM – E**

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015  
[Under Clause 9 of Schedule B of Company's Code of Conduct to Regulate Insider Trading and Code of Fair Disclosure (Code)]

To

The Compliance Officer  
Rajapalayam Mills Limited  
Rajapalayam Mills Premises,  
Post Box No.1  
P.A.C. Ramasamy Raja Salai,  
Rajapalayam - 626117.

**APPLICATION FOR PRE-CLEARANCE**

As on date I /my immediate relative Shri. \_\_\_\_\_, am/is holding \_\_\_\_\_ shares in your Company, under Folio No. / DP ID – Client ID \_\_\_\_\_. I/my immediate relative am/is desirous of trading (buying / selling / dealing / pledging / revocation of pledge / subscribing) \_\_\_\_\_ Shares of the Company. I seek your approval for the same under Schedule – B of the Company's Code.

I hereby state that--

- a) I do not have access or has not received any price sensitive information as defined in the Code that has not become public, upto the time of signing this undertaking.
- b) In the event that I have access to or receive any unpublished price sensitive information as defined in the code, after the signing of this undertaking but before executing the transaction, I shall inform the Compliance Officer of the change in my position and that I / my immediate relatives would completely refrain from trading in the securities of the company until such information becomes public;
- c) I and my immediate relatives have not contravened the provisions of the Code as notified by the company from time to time.
- d) I have made full and true disclosure in the matter.

Name :

Employee No. :

Signature :

Date :

**FORM F**

**FORMAT FOR DISCLOSURE OF TRADING UNDER PRE-CLEARANCE**

[To be submitted within two (2) working days of trading in the Securities of the Company]

The Compliance Officer  
Rajapalayam Mills Limited  
Rajapalayam Mills Premises,  
Post Box No.1  
P.A.C. Ramasamy Raja Salai,  
Rajapalayam - 626117.

Dear Sir,

**DETAILS OF TRADING**

Ref: Your Approval Letter No. \_\_\_\_\_ dated \_\_\_\_\_

I hereby inform you that I / my \_\_\_\_\_ (Name of the immediate relative)

have not traded any shares of the Company under the pre-clearance approval referred above

OR

have traded shares of the Company under the pre-clearance approval referred above, as per the details given below:

Date	Nature of Trade	No. of Shares	DP ID / Client ID

Thanking you,

Yours sincerely,

Signature :

Name :

Employee No. :

Date :

**FORM G**

[Under Clause 1 of Schedule B of Company's Code of Conduct to Regulate Insider Trading and Code of Fair Disclosure (Code)]

**ANNUAL DISCLOSURE OF SHAREHOLDINGS OF ALL DESIGNATED PERSONS / CONNECTED PERSONS**

For the Year ended			
1	Employee No.		
2	Name of the employee		
3	Location		
4	Date of declaration		
5	Details of shares held in the company as on		
	No. of Shares		
	Folio No. / DP ID – Client ID		
6	Details of shares held by the immediate relative as on		
	Name of the immediate relative	Nature of Relationship	No. of shares
			Folio No. / DP ID – Client ID

Signature :

Date :

**FORM – H**

The Compliance Officer  
 Rajapalayam Mills Limited  
 Rajapalayam Mills Premises,  
 Post Box No.1  
 P.A.C. Ramasamy Raja Salai,  
 Rajapalayam - 626117.

**ANNUAL DISCLOSURE OF TRANSACTIONS BY DESIGNATED PERSONS / CONNECTED PERSONS**

For the year ended 31 <sup>st</sup> March _____					
Name of the Director / Officer / Connected Person					
Date of purchase	No. of shares	Price per share	Date of Sale	No. of shares	Price per share
TOTAL			TOTAL		
Total no. of shares held at the beginning of the Year					
Total no. of shares held at the end of the Year					
Name of the Immediate Relative					
Relationship					
Date of purchase	No. of shares	Price per share	Date of Sale	No. of shares	Price per share
TOTAL			TOTAL		
Total no. of shares held at the beginning of the Year					
Total no. of shares held at the end of the Year					
Name of the Immediate Relative					
Relationship					
Date of purchase	No. of shares	Price per share	Date of Sale	No. of shares	Price per share
TOTAL			TOTAL		
Total no. of shares held at the beginning of the Year					
Total no. of shares held at the end of the Year					

Signature :  
 Name :  
 Employee No. :  
 Date :

FORM – I

NAME  
DESIGNATION  
EMP. CODE

ADDRESS -1  
ADDRESS-2  
ADDRESS-3

Date:

To  
The Compliance Officer,  
Rajapalayam Mills Limited  
Rajapalayam Mills Premises,  
Post Box No.1  
P.A.C. Ramasamy Raja Salai,  
Rajapalayam - 626117.

Dear Sir,

**Sub:** One Time Disclosure under Schedule B of SEBI (Prohibition of Insider trading) Regulations, 2015 read with SEBI (Prohibition of Insider trading) (Amendment) Regulations, 2018

I, \_\_\_\_\_ S/o. \_\_\_\_\_ aged about \_\_\_\_\_ years, hereby declare that the following are the details of Educational institutions from where I have graduated and details of my past employers:

1. Educational Institution details:

No.	Qualification	Name of the Educational Institution	Year of Passing

2. Past Employer details:

No.	Name of the Company	Address	Period of employment	
			From	To

I hereby state that the information provided herein above are true to the best of my knowledge.

Yours faithfully,

(Name of the Employee)

**FORM – J**

NAME  
DESIGNATION  
EMP. CODE

ADDRESS -1  
ADDRESS-2  
ADDRESS-3

Date:

To  
The Compliance Officer,  
Rajapalayam Mills Limited  
Rajapalayam Mills Premises,  
Post Box No.1  
P.A.C. Ramasamy Raja Salai,  
Rajapalayam - 626117.

Dear Sir,

**Sub:** Annual Disclosure under Schedule B of SEBI (Prohibition of Insider trading) Regulations, 2015 read with SEBI (Prohibition of Insider trading) (Amendment) Regulations, 2018

I, \_\_\_\_\_ S/o. \_\_\_\_\_ aged about \_\_\_\_\_ years, hereby provide the required information.

My Permanent Account No :  
Phone No :  
Mobile Number(s) :

Disclosure of details of immediate Relatives:

No.	Name of the Relative	Relationship	PAN	Phone No	Mobile Number(s)
1					
2					

Note: Immediate Relative means your spouse and includes your parents, siblings, and children or of your spouse, any of whom is either dependent financially on you, or consults you in taking decisions relating to trading in securities.

Details of Persons with whom I share material financial relationship:

No.	Name of the Person	PAN	Phone No	Mobile Number(s)
1				
2				

Note: Material Financial Relationship means - Persons with whom you share a material financial relationship – one person is a recipient of loan/gift amounting to not less than 25% of annual income during the preceding 12 months, excluding arms' length transactions.

I hereby state that the information provided herein above are true to the best of my knowledge. I also undertake to provide this disclosure, whenever there is a change in the information provided herein above.

Yours faithfully,

(Name of the Employee)