



# RACL Geartech Limited

(CIN: L34300DL1983PLC016136)

Registered Office: 15<sup>TH</sup> Floor, Eros Corporate Tower,  
Nehru Place, New Delhi – 110019, India

Phones: +91-120-4588500, Fax No.: +91-120-4588513,

e- Mail: [investor@raclgeartech.com](mailto:investor@raclgeartech.com) Website: [www.raclgeartech.com](http://www.raclgeartech.com)

## CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

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

# INSTRUCTIONS FOR DESIGNATED PERSONS

## DO NOT ENGAGE IN INSIDER DEALING

- a. No trading while the Trading Window is closed.
- b. No trading while in possession of Unpublished Price Sensitive Information (UPSI), i.e. information relating to the following: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;
  - v. changes in key managerial personnel.
- c. No passing on any UPSI relating to the Company and its securities to any outsider without any legitimate purpose, performance of duties or discharge of legal obligations.
- d. In case any person believes to have the aforesaid UPSI throughout the year, they should submit a Trading Plan with the Compliance Officer and seek approval for the same.
- e. In case any person when not in possession of UPSI plans to trade in securities above Rs. 10 Lakh, they are required to obtain pre clearance from the Compliance Officer which shall be disseminated to the Stock Exchanges.
- f. Any person carries out a transaction above Rs. 10 Lakh in a single/ series of transaction/ in a calendar quarter are required to give necessary disclosures to the Compliance Officer within 2 days of trade, which shall be intimated to the Stock Exchanges.
- g. Any Insider who trades in the securities of the Company shall not perform a **Contra trade** within **six months** of the last trading done. Eg.: In case of purchase, the insider cannot sell their shares within 6 months of last transaction made and vice-versa.

## **CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS**

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

### **INTRODUCTION**

SEBI (Prohibition of Insider Trading) Regulations, 2015 become effective from 15<sup>th</sup> May, 2015. These new Regulations had replaced the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Regulations) seek to govern the conduct of insiders, connected persons and persons who are deemed to be connected persons on matters relating to Insider Trading.

SEBI (Prohibition of Insider Trading) Regulations, 2015 are further amended vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the amendment is effective from April 1, 2019.

“Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons” is amended to align it with the latest amendments.

1. This Code of Conduct will be known as “Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons” (hereinafter referred to as “**Code**”) and this Code is applicable to the designated persons as may be specified by the Board of Directors and their immediate relatives and insiders as per this code.
2. This Code has been made pursuant to the SEBI (Prohibition on Insider Trading) Regulations, 2015 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 (hereinafter referred to as the “PIT Regulations”).

### **3. Definitions:**

- 3.1 "**Act**" means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- 3.2 "**Board**" means the Securities and Exchange Board of India.
- 3.3 "**Board of Directors**" means the Board of Directors of the Company.
- 3.4 "**Companies Act**" means The Companies Act, 2013 and the rules made thereunder.
- 3.5 "**Company**" means RACL Geartech Limited (“RACL”).

**3.6 "Compliance Officer"** RACL has appointed the Company Secretary, as the Compliance Officer for the purposes of the Regulations, who shall work subject to guidance of the Managing Director and/ or the Chairman and the Board of Directors.

**3.7 "Connected person"** means-

- (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with Company's 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 UPSI 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 recognized 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.

**3.8 "Designated Persons" means:**

- i. Members of the Board of Directors of RACL.
- ii. Managing Director (MD), Chief Financial Officer (CFO) and Company Secretary (CS) of RACL.
- iii. Auditors of RACL.
- iv. All employees of the Accounts, Finance, Legal & Secretarial Department of RACL.
- v. MD, CFO and CS of the Subsidiary Company and Associate Company and Joint Venture (If any);

- vi. All Departmental Heads of the Company (e.g. Finance Head, Purchase Head, Sales Head and Marketing Head etc.);
- vii. Secretaries/ Executive Assistants reporting to the Chairman or the Managing Director/Whole Time Director/CFO/CS.
- viii. Employees of other Departments/ Divisions on a case-to-case basis, who could be reasonably expected to have access to UPSI relating to the Company, to be decided by the
- ix. Managing Director/Chief Financial Officer/ Compliance Officer, on a case-to-case basis;
- x. Employees of subsidiary including material subsidiaries of the Company designated on the basis of their functional role or access to UPSI in the organization by their board of directors.
- xi. All promoters of the Company.
- xii. Employees upto two(2) levels below of Managing Director/ Chief Executive Officer of the Company and its material subsidiary(ies) irrespective of their functional role in the company or ability to have access to UPSI;
- xiii. Any support staff of the Company, such as IT staff or secretarial staff, Legal Staff, Finance Staff, and Strategy Staff who have access to UPSI.
- xiv. Such other persons as may be identified by the Board of Directors or Managing Director of the company.

**\* Determination of Designated Persons**

The Board of Directors or Managing Director shall in consultation with the compliance officer of the Company, shall determine the list of designated persons on the basis of their role and function in the organization and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation, who shall be covered by this code.

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

**3.10 “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.

**3.11 "Insider"** means any person who is-

- (i) Designated Person(s) and their immediate relatives.
- (ii) a connected person; or
- (iii) in possession of or having access to UPSI;

**3.12 "Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof.

- 3.13 "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.
- 3.14 "Sensitive Transactions"** shall mean any proposed / ongoing transaction or activity of and relating to RACL (including its Subsidiary & Associate Companies, if any) and/or its securities, directly or indirectly, information of which is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the transaction(s) and/or events as mentioned in the definition of UPSI of this Code.
- 3.15 "Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto.
- 3.16 "Threshold limit"** means the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregating to a traded value of ten (10) lakh rupees or such other value as may be specified by the Board from time to time.
- 3.17 "Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- 3.18 "Trading day"** means a day on which the recognized stock exchanges are open for trading.
- 3.19 "Trading window"** means a trading period for trading in the Company's Securities as specified by the Company from time to time in this Code.
- 3.20 "Unpublished Price Sensitive Information"** means any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: -
- (i) 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;

Words and expressions used and not defined herein but defined in the 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 as amended from time to time.

#### **4. Responsibilities of Managing Director / Chief Executive Officer**

The Managing Director/ Chief Executive Officer of RACL shall formulate/ amend and implement this Code with the approval of the Board of Directors of the Company to regulate, monitor and report trading by its designated persons and their Immediate relatives towards achieving compliance with SEBI (Prohibition on Insider Trading) Regulations, 2015, adopting the minimum standards set out in Schedule B of PIT Regulations, as may be amended from time to time, without diluting the provisions of its regulations in any manner.

The Managing Director/ Chief Executive Officer of RACL shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in PIT Regulations to prevent insider trading.

#### **5. Duties and responsibilities of the Compliance Officer**

The Compliance Officer, subject to the supervision of the Managing Director/ Chief Executive Officer of the Company shall be responsible for –

- (1) Approval of trading plan, pre-clearance of trades and monitoring of trades.
- (2) Closure of Trading Window as and when required.
- (3) Maintaining the record of the Promoters, Directors, Key Managerial Personnel, Designated Persons and other connected persons and incorporate changes from time to time as may be informed by such persons.
- (4) Advising all Directors, Promoters, Key managerial personnel and Designated Persons to furnish the details of transactions in the securities of the Company as stated in this Code in the prescribed form and to maintain a record of all the intimations received for a period of at least five (5) years.
- (5) Obtaining disclosures from Promoters, Directors, Key Managerial Personnel, Designated Persons and other connected persons and to give information, in respect of the disclosures received, to all the Stock Exchanges where the securities are listed, as applicable.
- (6) Maintaining records of all disclosures as stated in this Code and to report the same to the Chairman of the Audit Committee, on a yearly basis.
- (7) Maintenance of Structured Digital Database of UPSI as stipulated in the PIT Regulations.

## **6. Communication or procurement of Unpublished Price Sensitive Information**

- (1) All information is to be handled on a "**need to know**" basis. It should be disclosed only to those within the Company who need the information to discharge their duty.
- (2) No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to a company or securities, 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) Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.
- (4) No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (5) Notwithstanding anything contained above, a 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 the proposed transaction 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 the proposed transaction is in the best interests of the company and the information that constitute UPSI is disseminated to be made generally available at least two (2) trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine.
- (6) For purposes of clause (5) above, the Board of Directors of the Company 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 purpose of clause (5) above, and shall not otherwise trade in securities of the Company when in possession of UPSI.

## **7. Restriction on trading when in possession of unpublished price sensitive information**

- (1) Save as provided in this Code and the Regulations, no insider shall trade in securities of the Company when in possession of UPSI.



- (2) Insiders shall maintain the confidentiality of all UPSI. They shall, while in possession of any UPSI, neither trade in the securities of the Company on the basis of UPSI nor pass on such information to any person directly or indirectly by way of making a recommendation for trading in securities of the Company.
- (3) The provisions of this Code shall also be applicable for trading either as a first named shareholder or as a joint holder

### **Prevention of misuse of Unpublished Price Sensitive Information:**

#### **8. Trading Window**

- (1) Designated persons may execute trades subject to compliance with this Code and the Regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the Designated Persons. 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. Such closure shall be imposed in relation to such securities to which such UPSI relates.
- (2) Designated Persons and their immediate relatives shall not trade in securities when the trading window is closed.
- (3) The notice of closure of Trading Window intimated to the Stock Exchange(s), if any, wherever the securities of the Company are listed, by the Compliance Officer, shall be deemed as intimation to the Designated Persons/ Insiders for adherence and compliance with this Code.
- (4) The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight (48) hours after the information becomes generally available.
- (5) The "Trading Window" shall, inter-alia, remain closed at the time of:
  - a. Declaration of Financial results.
  - b. Declaration of dividends (interim and final).
  - c. Change in capital structure.
  - d. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business.
  - e. Changes in key managerial personnel.
  - f. Material events in accordance with the listing agreement.
  - g. Such other time as the Compliance Officer determines that a designated person or class of designated person is reasonably expected to have possession of unpublished price sensitive information.

The "Trading Window" shall, inter-alia, remain closed from the end of every quarter until 48 hours after the decision/ information is made generally available.

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.

- (6) Trading Window may be closed by the Company during such time in addition to the above period, as it may deem fit by the Compliance Officer.
- (7) All Designated Person of the Company and their immediate relative(s) shall conduct all their dealings in the securities of the Company only in a valid Trading Window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when Trading Window is closed as referred above or during any other period as may be specified by the Managing Director / Compliance Officer / Chief Financial Officer from time to time.
- (8) However, subject to the SEBI Act, Rules and Regulations, in case of ESOPs, exercise of options shall be allowed during the period when the trading window is closed. However, sale of shares allotted on exercise of ESOPs shall not be allowed when the trading window is closed.

## **9. Pre-clearance of Trades**

- (1) When the trading window is open, trading by Designated Persons and their immediate relatives shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trades is above threshold limit. No Designated Person/their immediate relatives shall apply for pre-clearance of any proposed trade if they are in possession of UPSI even if the trading window is not closed.
- (2) Designated Persons/ their immediate relatives intending to deal in the securities of the Company upto the threshold limit, as defined and provided hereinbefore, may do so without any pre-clearance from the Compliance Officer. In all other cases, they should pre-clear the transactions as per the pre-dealing procedure as provided hereinafter.
- (3) Designated Persons/ their immediate relatives shall make an application in the prescribed **Form I**, to the Compliance Officer indicating the estimated number of securities that he/she intends to deal in, the details as to the depository(ies) with which he/she maintains a Demat/Trading account, the details as to the securities in such depository mode and such other details as may be required by the Compliance Officer in this matter.

Provided that the pre-clearance is not applicable for subscription to the stock grants upon its vesting. However for any subsequent sale of shares acquired under Employee Stock Options Plans / Schemes (ESOPs), pre-clearance shall be applicable as per limits prescribed as above.

(4) He / She shall execute an undertaking in favour of the Company, incorporating, therein, *inter alia*, the following clauses:

- that he/she does not have any access or has not received Unpublished Price Sensitive Information upto the time of signing the undertaking;
- that in case he/she has access to or receives Unpublished Price Sensitive Information after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his/her position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes generally available;
- that he/she has not contravened any provisions of this Code and the Regulations;
- that he/she has made a full and true disclosure in the said matter.

(5) Designated Persons / their immediate relatives shall execute their transactions in respect of securities of the Company within seven (7) trading days after the approval of pre-clearance in **Form II** is given, failing which the transaction has to be pre-cleared again. Reporting of trades executed or decisions not to trade shall be made/ done in **Form III**.

(6) They shall not execute a contra trade during the six (6) months following the prior transaction. In case of emergency the six (6) months holding period may be waived by the Compliance Officer (application to made in **Form IV**) after recording in writing the reasons in this regard provided that such relaxation does not violate this Code/ 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 SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

However, the restriction on contra trade shall not apply to:

- (a) Exercise of the options under the Company's ESOPs;
- (b) Sale of shares acquired under the Company's ESOPs, provided that designated person is not in possession of UPSI at the time of sale.

- (7) In case of the Compliance Officer intending to deal in the securities of the Company beyond the threshold limit, the pre-clearance of the Managing Director or in his absence, the Chairman of the Board, will have to be obtained. Similarly in case of emergency Compliance Officer may obtain the waiver from the Managing Director or in his absence, the Chairman of the Board, provided that such relaxation does not violate this Code/ Regulations.

## **10. CHINESE WALL**

To prevent the misuse of confidential information, RACL has laid down Chinese Walls procedures which separate those areas of RACL that routinely have access to confidential information, considered "inside areas" from those which deal with sale/marketing/investment advice or other departments providing support services, considered "public areas".

- (i) The employees in the inside area shall not communicate any Unpublished Price Sensitive Information to anyone in public area.
- (ii) The Company shall have process of maintaining securely, computer files containing confidential information and physical storage of documents relating to UPSI.
- (iii) All the unpublished price sensitive information is to be handled on "need to know basis", i.e., Unpublished Price Sensitive Information should be disclosed only to those within RACL who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information. All the non-public information directly received by any employee should immediately be reported to the head of the department. In exceptional circumstances employees from the public areas may be brought "over the wall" and given confidential information on the basis of "need to know" criteria.

## **Reporting Requirements**

### **11. Initial Disclosures**

Every person on appointment as a Director or a Key Managerial Personnel of the Company or upon becoming a Promoter shall disclose his/her holding of securities of the Company as on the date of appointment or becoming a Promoter, to the Company within seven (7) days of such appointment or becoming a promoter in **FORM B** as Form is specified by the Board.

### **12. Continual Disclosures**

- (1) The Promoters, Directors, Designated person (including their immediate relatives) of the Company shall disclose to the Company in **FORM C** as Form is specified by the Board from time to time, stating the number of such securities acquired or disposed of within two

(2) 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, exceeds the threshold limits;

- (2) The Company shall notify the particulars of such trading to the stock exchanges on which the securities are listed, as applicable, within two (2) trading days of receipt of the disclosure or from becoming aware of such information.
- (3) The disclosure of the incremental transactions after any disclosure shall be made by persons as specified in (1) above, when the transactions effected after the prior disclosure crosses the threshold specified in this clause.

**Note:** Trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for the purpose of making Initial/Continual disclosures.

### **13. Annual Disclosures**

Designated Persons shall furnish to the Compliance Officer the following:

Annual statement of all their holdings in securities of the Company to be submitted within 30 days of the close of each Financial Year in **Form V** annexed hereto.

### **14. DISCLOSURE BY DESIGNATED PERSONS**

#### **Initial Disclosure, Annual Disclosure and Continual Disclosure**

The Designated person shall disclose the following information in **Form VI** annexed hereto, to RACL within 30 days from the date on which this code shall become effective and on **annual basis** within 30 days from the end of the Financial Year and on **continual disclosure basis**, as and when the information changes within 30 days of such change;

- (i) his/her Phone, mobile and cell numbers
- (ii) his/her Permanent Account Number or any other identifier authorized by law
- (iii) Name of Immediate Relatives
- (iv) Persons with whom such designated person(s) shares a Material Financial Relationship.
- (v) Permanent Account Number or any other identifier authorized by law of (iii) & (iv).
- (vi) Phone, mobile and cell numbers of (iii) & (iv).

*In addition, the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one time basis.*

**Explanations:** -“Material Financial Relationship” shall mean a relationship as 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.”

## **15. Reporting to the Board and Preservation of disclosures**

The Compliance Officer shall place before the Board of Directors, Chairman of Board of Directors and Chairman of Audit Committee of RACL on annual basis, details of disclosures made by the Designated Persons.

The disclosures made under these regulations shall be maintained by the Compliance Officer, for a minimum period of five (5) years.

## **16. Penalty for non-compliance of this Code**

- (1) Any Promoter, Director, Designated person (including their immediate relatives) or other connected person, who trades in securities or communicates any information for trading in securities in contravention of this Code, shall be penalized and appropriate action shall be taken against them by the Company after giving reasonable opportunity to them to show-cause. He/she shall also be subject to disciplinary action, as deemed appropriate by the Board of Directors of the Company which may include wage freeze, suspension, recovery, clawback, termination etc.
- (2) In addition to the action which may be taken by the Company, the persons violating the Regulations or this Code shall also be subject to action under Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and SEBI Act and as amended from time to time.
- (3) . In case of violation of these regulations, the Company shall promptly inform the stock exchange in the format prescribed by the Board.

## **17. General**

### **1. Identification of UPSI and Maintaining its Confidentiality**

All the unpublished price sensitive information shall be identified and its confidentiality shall be maintained as per the requirements of this Code and PIT regulations;

### **2. Digital Database of Persons with whom UPSI is Shared**

The Board of Directors 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 regulation 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 such as time stamping and audit trails to ensure non-tampering of the database.

### **3. Process for How and When People are Brought ‘Inside’ on Sensitive Transactions**

A person(s) shall be brought inside on any proposed or ongoing sensitive transaction(s) of the Company who may be an existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants etc. for legitimate purpose which shall include the following;

- (i) in the ordinary course of business.
- (ii) in furtherance of performance of duty(ies);
- (iii) for discharge of legal obligation(s).
- (iv) for any other genuine or reasonable purpose as may be determined by the Compliance Officer in consultation with Managing Director or CFO of the Company
- (v) for any other purpose as may be prescribed under the Securities Regulations or Company Law or any other law for the time being in force, in this behalf, as may be amended from time to time.

### **4. Intimation of Duties and Responsibilities and the Liability to the Person(s) who has/have been brought ‘Inside’ on Sensitive Transaction(s).**

Any person(s) who has/have been brought inside on any proposed and/or ongoing sensitive transaction(s) and in receipt of unpublished price sensitive information shall be considered an “insider” for purposes of this Code and due notice shall be given to such persons by Designated Person who is sharing the UPSI;

- (i) To make aware such person that the information shared is or would be confidential.
- (ii) To instruct such person to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.
- (iii) To make aware to such person the duties and responsibilities attached to the receipt of such information and the liability attached to misuse or unwarranted use of such information.

### **5. Internal Control System**

The Managing Director/ Chief Executive Officer of RACL shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in these code and PIT regulations to prevent insider trading.

### **6. Review of Compliances of PIT Code and Verification of Internal Control System**

The Audit Committee of RACL shall review compliance with the provisions of these Code and PIT Regulations at least once in a Financial Year and shall verify that the systems for internal control are adequate and are operating effectively.

7. The decision of the Board of Directors of the Company with regard to any or all matters relating to this Code shall be final and binding on all concerned. The Board of Directors of the Company shall have the power to modify, amend or replace this Code in part or full, as may be thought fit from time to time in their absolute discretion.

## **18. Forms**

### **(1) Disclosure Forms**

- Form B: Form for Initial Disclosure.
- Form C: Form for Continual Disclosures.

### **(2) Internal Forms**

- Form I: Application for Pre-Clearance and undertaking.
- Form II: Pre-Clearance Order
- Form III: Reporting of trades executed/decisions not to trade.
- Form IV: Application for waiver of minimum holding period.
- Form V: Form for Annual Statement.
- Form VI: Form for Initial Disclosure, Annual Disclosure and Continual Disclosure by Designated Persons.

### **Notes:**

- i. Original "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" was made effective w.e.f. May 15, 2015 and the amended "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" shall become effective from 01<sup>st</sup> April, 2019.
- ii. Any amendment(s) made in SEBI (Prohibition of Insider Trading) Regulations, 2015 and other related Regulations shall apply mutatis mutandis to the "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons."
- iii. In any circumstance where the terms of the Code differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the Code.
- iv. This code is only an internal code of conduct and one of the measures to avoid Insider Trading. It will be the responsibility of each person covered under the SEBI Insider Trading Regulation to ensure compliance of the SEBI Act, Guidelines and other related statutes.



**Form I****FORMAT OF APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL**

To,  
**The Compliance Officer**  
**RACL Geartech Limited**

Dear Sir,

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, I seek approval to purchase/sale/subscribe for not more than\_\_\_\_\_ equity shares of the Company (having approximately Market value of Rs.\_\_\_\_\_ as on the date of application) / such number of equity shares of the Company having value not more than Rs. \_\_\_\_\_as per the details given below:

**STATEMENT OF HOLDINGS AT THE TIME OF PRE-CLEARANCE****I. DETAILS OF SHAREHOLDING OF DIRECTOR/ DESIGNATED PERSONS HELD IN THEIR OWN NAME**

Name	Designation	Department	No. of Shares Held (with Folio No/ DP ID/ Client ID)	Nature of Transaction for which Approval is Sought [Purchase/Sell/Others (Pls. Specify)]	No. of Shares to be dealt	Aggregate value of the Transaction (Rs.) (approx.)

**II. DETAILS OF SHARES HELD BY IMMEDIATE RELATIVES**

Name	Relationship	No. of Shares Held (with Folio/DP ID/Client ID)	Nature of Transaction for which Approval is Sought [Purchase/Sell /Others (Pls. Specify)]	No. of Shares to be dealt	Aggregate value of the Transaction (Rs.) (approx.)

Thanking You,  
**Yours truly,**

**Date:**

**Place:**

**Enclosure: Undertaking**

**Signature:**

**Name:**

**Department:**

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR OBTAINING PRE-CLEARANCE APPROVAL**

**UNDERTAKING**

**To,  
The Compliance Officer  
RACL Geartech Limited**

I, \_\_\_\_\_ (name), \_\_\_\_\_ (designation) of the Company residing at \_\_\_\_\_ (address of the Designated Person) hereby declare that, I am not in possession of any Unpublished Price Sensitive Information (as defined in the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons) upto the date of signing of this Undertaking.

I further declare that, in case I have access to any Unpublished Price Sensitive Information after the signing of Undertaking and before the execution of Trade for which Pre-clearance is requested, I shall:

1. Promptly inform the Compliance Officer.
2. Refrain from trading in securities of the Company.
3. Apply a fresh application for obtaining pre-clearance approval from the Compliance Officer of the company in **Form I** only after 48 hours of such Unpublished Price Sensitive Information is becoming generally available.

Upon obtaining preclearance for trading in securities of the Company, I undertake to execute the transaction within seven (7) trading days failing which I shall seek pre-clearance.

I undertake to submit **Form III** within 4 working days of execution of the transaction/ a NIL report in case the transaction is not executed.

I declare that I have made true and complete disclosure in this matter as per provisions of this Code and the Regulations.

Thanking You,

**Yours truly,**

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

**Signature:**  
**Name:**  
**Department:**

**Form II**

**PRE-CLEARANCE ORDER**

PCO No.

Date:

To,  
\_\_\_\_\_ (Applicant)

This is to inform you that your request for dealing in \_\_\_\_\_ shares of the Company as mentioned in your application dated \_\_\_\_\_ is approved. Please note that the said transaction must be completed on or before \_\_\_\_\_ [date].

In case you do not execute the approved transaction / deal on or before the aforesaid date you would have to seek fresh pre-clearance before executing any transaction/deal in the securities of the Company. Further, you are required to file the details of the executed transactions in the prescribed forms as per RACL's Code. In case the transaction is not undertaken a 'Nil' report shall be necessary.

Signature:  
Compliance Officer

**Note:**

1. Please provide all the information. Incomplete forms will not be accepted.
2. Please ensure that you have not made any opposite transaction within previous 6 months.

**Form III**

**FORMAT FOR DISCLOSURE OF TRANSACTIONS EXECUTED/NOT EXECUTED AFTER OBTAINING PRE-CLEARANCE OF TRADE**

**To,  
The Compliance Officer  
RACL Geartech Limited**

With reference to trading approval granted by the Company to me on \_\_\_\_\_, I hereby inform that, I have bought/sold/subscribed for \_\_\_\_\_ equity shares of the Company for Rs. \_\_\_\_\_ on \_\_\_\_\_.

In connection with the aforesaid transaction, please find enclosed copy of the following for your records:

Broker's contract note/Proof of payment to/from brokers/ Extract of bank passbook/statements (in case of demat transaction)/ Copy of Delivery instruction slips (applicable in case of sale transactions).

I hereby undertake to preserve the original copy of the above mentioned document for a period of 5 years and produce to the Compliance Officer/Securities Exchange Board of India, if required.

Thanking You,

**Yours truly,**

**Date:  
Place:**

**Signature:  
Name:  
Department:**

**\*\* Reasons, if transactions not executed after obtaining pre-clearance of trade**

.....  
.....

**FORM IV**

**APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD**

**To,  
The Compliance Officer  
RACL Geartech Limited**

Dear Sir,

I request you to grant me waiver of the minimum holding period of 6 months as required under the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons with respect to..... Shares of the Company held by me / ..... (Name of relative) single / jointly acquired by me on .....(Date). I desire to deal in the said shares on account of ..... (give reasons).

Thanking You,

**Yours truly,**

**Date:**

**Place:**

**Signature:**

**Name:**

**Department:**

**\*\*Reasons**

.....  
.....

**FORM V**

**To,  
The Compliance Officer  
RACL Geartech Limited**

**ANNUAL DISCLOSURE**

**I. STATEMENT OF SHAREHOLDING OF DIRECTORS/DESIGNATED PERSONS**

<b>Name</b>	<b>Designation</b>	<b>Department</b>	<b>No. of Securities Held on 01<sup>st</sup> April 20....</b>	<b>No. of Securities Bought During year</b>	<b>No. of Securities Sold During year</b>	<b>No. of Securities held on 31<sup>st</sup> March 20.....</b>	<b>Folio/DP ID/ Client ID</b>

**II. DETAILS OF SHARES HELD BY IMMEDIATE RELATIVES**

<b>Name</b>	<b>Relationship</b>	<b>No. of Securities Held on 1<sup>st</sup> April 20.....</b>	<b>No. of Securities Bought during the year</b>	<b>No. of Securities Sold during the year</b>	<b>No. of Securities held on 31<sup>st</sup> March 20.....</b>	<b>Folio/DP ID/Client ID</b>

I/We hereby declare that I/We have complied with the Code and Regulations with respect of the shares purchased/ sold.

I/We further declare that the above disclosure is true and correct and is in accordance with the previous disclosure given to the Company.

Thanking You,

**Yours truly,**

**Date:**

**Place:**

**Signature:**

**Name:**

**Department:**

\*\* This form is required to be submitted within 30 days from the end of the financial year.

**FORM VI**

**To,  
The Compliance Officer  
RACL Geartech Limited**

**Form for Initial Disclosure, Annual Disclosure and Continual Disclosure by Designated Persons**

**I. DETAILS OF DESIGNATED PERSONS**

<b>Name</b>	<b>Designation</b>	<b>Department</b>	<b>Phone, mobile and cell numbers</b>	<b>PAN or any other identifier authorized by law</b>	<b>Names of institutions from which persons have graduated</b>	<b>Names of the past employers</b>

**II. DETAILS OF IMMEDIATE RELATIVES**

<b>*Relatives</b>	<b>Name of Immediate Relatives</b>	<b>Phone, mobile and cell numbers</b>	<b>PAN or any other identifier authorized by law</b>
Spouse of a person			
Father (includes step-father)			
Mother (includes step-mother)			
Brother(s) (includes Step-brother(s))			
Sister(s) (includes step-sister(s))			
Son(s) (includes step-son(s))			
Son's Wife			
Daughter(s)			
Daughter's Husband			

\*any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

**III. DETAILS OF PERSONS WITH WHOM SUCH DESIGNATED PERSON(S) SHARES A MATERIAL FINANCIAL RELATIONSHIP**

<b>Name of Persons</b>	<b>Phone, mobile and cell numbers</b>	<b>PAN or any other identifier authorized by law</b>

Thanking You,  
**Yours truly,**

**Date:**

**Place:**

**Signature:**

**Name:**

\* This form is required to be submitted within 30 days from the end of the financial year.

**Annexure A**

**Report by RACL Geartech Limited for violations related to Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015.**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
1.	Name of the Listed company	
2.	Reporting in capacity of: Listed Company Intermediary Fiduciary	
3.	<b>A. Details of Designated Person(DP)</b>	
	i. Name of the DP	
	ii. PAN of the DP	
	iii. Designation of DP	
	iv. Functional Role of DP	
	v. Whether DP is Promoter or belongs to Promoter Group	
	<b>B. If Reporting is for immediate relative of DP</b>	
	i. Name of the immediate relative of DP	
	ii. PAN of the immediate relative of DP	
	<b>C. Details of transaction(s)</b>	
	i. Name of the scrip	
	ii. No of shares traded and value (Rs.) (Date- wise)	
	<b>D. In case value of trade(s) is more than Rs.10 lacs in a calendar quarter</b>	
	Date of intimation of trade(s) to Company under regulation 7 of SEBI (PIT) Regulations, 2015	
	Date of intimation of trade(s) by Company to stock exchanges under regulation 7 of SEBI (PIT) Regulations, 2015	
4.	Details of violations observed under Code of Conduct	
5.	Action taken by Listed Company	
6.	Reasons recorded in writing for taking action stated above	
7.	Details of the previous instances of violations, if any, since last financial year	
8.	Any amount collected for Code of Conduct violation(s)	
	i. Mode of transfer to SEBI - IPEF (Online/Demand Draft)	
	ii. Details of transfer/payment In case of Online:	



	Particulars	Details	
	Name		
	Bank Name, branch and Account number		
	UTR/Transaction reference Number		
	Transaction date		
	Transaction Amount (in Rs.)		
9	Any other relevant information		