

**Rishi Techtex Limited**

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**INSIDER TRADING CODE OF CONDUCT**

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

**This policy shall come into effect from April 01, 2019**

This Policy 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 (Prohibition of Insider Trading) Regulations, 2015 as may be amended by time to time and the Insider Trading – Code of Conduct of GAVL to ensure Compliances of SEBI Act, Guidelines, Regulations, Circulars and other related statute(s)/ Law(s) on Prohibition of Insider Trading, as may be applicable to the Company for time being in force.

**Chapter 1- Preliminary**

**1.1 Background**

The Securities and Exchange Board (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.

Insider Trading involves trading in the securities of a company listed or proposed to be listed, by connected or any persons in possession of or with access to unpublished price sensitive information not available to the general public, who can take advantage of or benefit from such unpublished price sensitive information. Trading in securities by an 'insider' is regarded unfair when it is predicated upon utilisation of 'inside' information to profit at the expense of

other investors who do not have access to the same information.

Rishi Techtex Limited Insider Trading - code of Practice and Procedures for Fair Disclosure of unpublished Price Sensitive Information (the Code') effective April 01, 2019. The present Insider Trading - Code of Conduct is effective from date of commencement the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("Regulations") i.e from May 15, 2015 and replaces the Code of Conduct for Prevention of Insider Trading which was formulated under the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

## **1.2 Objective of this Code of Conduct**

This Code of Conduct has been prepared by adopting the standards set out in Schedule B of the PIT Regulations as amended by the amendment regulations, in order to regulate, monitor and report trading by its designated persons, immediate relative of designated persons and connected persons towards achieving compliance with the regulations.

In order to fully understand the scope of restrictions on insider trading, it is useful to understand the following terms/definitions.

## **1.3 Definitions**

**(a) "Act"** means the Securities and Exchange Board of India Act, 1992 (15 of 1992), as amended.

**(b) "Board"** means the Securities and Exchange Board of India.

**(c) "Company"** means Rishi Techtex Limited ("**RTL**").

**(d) "Compliance Officer"** means any senior officer, designated so and reporting to the Board of Directors or head of the organization in case board is not there, who is financially literate and capable of appreciating requirements for legal and regulatory compliance of policies, procedures, maintenance of records, monitoring and adherence to the rules for preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the listed Company or the head of an organization, as the case may be.

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

**(e) “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 authorised 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;

(c) **"Designated Persons"** means:

- (a) Every employee working in the grade of General Manager and above in the Company.
- (b) Every employee of the Finance and Accounts Department of the Company.
- (c) Every employee of the Secretarial and Legal Department of the.
- (d) Executives Assistants / Secretaries to Directors, if any, and to persons mentioned above
- (e) Other employees of the Company and other persons as may be designated by the Board from time to time.
- (f) All promoters of the Company
- (g) Immediate Relatives of the above.

(d) **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis.

(e) **"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.

(f) **"Insider"** means any person who is:

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information.

(g) **"Promoter"** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

(h) **"Promoter Group"** shall have a meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof.

- (i) **“Proposed to be Listed”** shall include securities of an unlisted Company:
- (a) If such unlisted Company has filed offer documents or other documents, as the case may be, with the Board, Stock Exchange(s), or Registrar of Companies in connection with the listing or;
  - (b) If such unlisted Company is getting listed pursuant to any merger or amalgamation and has filed a copy of such scheme or merger or amalgamation under Companies Act, 2013
- (j) **“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.
- (k) **“Specified”** means specified by the Board in writing.
- (l) **“Takeover Regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011 and any amendments thereto.
- (m) **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- (n) **“Trading day”** means a day on which the recognised stock exchanges are open for trading.
- (o) **“Trading Window”** shall refer to specified period during which the trading in securities of the company is permitted. During the closure of trading window, trading in Company’s securities is prohibited for designated persons and such other employees as may be identified.
- (p) **“Unpublished price sensitive information” (“UPS I”)** 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 include but is not restricted to, information relating to: –
- (i) financial results;
  - (ii) dividends;
  - (iii) change in capital structure;
  - (iv) mergers, de-mergers, acquisitions, de-listings, disposals and expansion

of business and such other transactions;

- (v) changes in key managerial personnel; and

Words and expressions used and not defined in the Regulations 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 thereunder shall have the meanings respectively assigned to them in those legislation.

## **Chapter 2: Restrictions on Communications and Trading by Insiders.**

### **2.1 Compliance Officer**

RTL has appointed Chief Financial Officer and/or Company Secretary of the Company and/or any other person appointed by the Board shall be the Compliance Officer for the purposes of the Regulations, who shall work subject to guidance of the Chairman and the Board of Directors.

### **2.2 Communication or procurement of UPSI**

- (1) No insider shall communicate, provide, or allow access to any UPSI relating to RTL or securities listed or proposed to be listed by RTL, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations
- (2) No person shall procure from or cause the communication by any insider of UPSI, relating to RTL or securities listed or proposed to be listed by RTL, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- (3) Notwithstanding anything contained herein, 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 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 is of informed opinion that

the proposed transaction is in the best interest of the Company and the information that constitutes 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.

- (4) For the purpose of sub-regulation (3), the Board of Directors shall require the parties to execute agreement 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), and shall not otherwise trade in securities, of the RTL when possession of unpublished Price Sensitive Information

### **2.3 Trading when in possession of unpublished price sensitive information**

- (1) No insider shall trade in securities of RTL that are listed or proposed to be listed on a stock exchange when in possession of UPSI.

Note: When a person who has traded in securities has been in possession of UPSI, his trade would be presume to have been motivated by the knowledge and awareness of such information in his possession

- (2) In the case of Connected Persons the onus of establishing, that they were not in possession of UPSI, shall be on such connected persons and in other cases, the onus would be on the Board.
- (3) The Board may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

### **2.4 Trading Plans**

SEBI Regulations entitles the insider to formulate a trading plan and present the same to the Compliance Officer for approval. **(Annexure A)** The Trading plan is optional; however, if any insider opts to formulate such Trading Plan, the same need to be as per the provisions stipulated under Regulation 5 of PIT Regulations. The provision of Trading Plan intends to give an option to persons who may be perpetually in possession of Unpublished Price Sensitive Information 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 Unpublished Price Sensitive Information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that he had pre-decided even before the unpublished price sensitive information came into being.

- (1) An insider shall be entitled to formulate a trading plan and present it to a compliance officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plans.
- (2) Such Trading plan shall not entail commencement of trading on behalf of the Insider earlier than 6 (six) months from the public disclosure of the plan;

(Note: It is intended that to get the benefit of a trading plan, a cool-off period of six months is necessary. Such a period is considered reasonably long for Unpublished Price Sensitive Information that is in possession of the insider when formulating the trading plan, to become generally available. It is also considered to be a reasonable period for a time lag in which new unpublished price sensitive information may come into being without adversely affecting the trading plan formulated earlier. In any case, it should be remembered that this is only a statutory cool-off period and would not grant immunity from action if the Insider were to be in possession of the same Unpublished Price Sensitive Information both at the time of formulation of the plan and implementation of the same.)

1. 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;
2. entail trading for a period of not less than 12 (twelve) months;
3. not entail overlap of any period for which another trading plan is already in existence.

(Note: It is intended that it would be undesirable to have multiple trading plans operating during the same time period. Since it would be possible for an Insider to time the publication of the unpublished price sensitive information to make it generally available instead of timing the trades, it is important not to have the ability to initiate more than one plan covering the same time period.)

4. 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
5. not entail trading in securities for market abuse.



The trading plan should mention the nature of trades, the number of securities proposed to be traded, the value of securities and the specific dates on which the trade is proposed to be undertaken and the time gap between two trades.

*Trading on the basis of such a trading plan would not grant absolute immunity from bringing proceedings for market abuse. In the event of manipulative timing of the release of unpublished price sensitive information to ensure that trading under a trading plan becomes lucrative in circumvention of Regulation 4 being detected, it would be open to initiate proceedings for alleged breach of the applicable law for time being in force.*

- (3) The Compliance Officer shall review the trading plan to assess whether the plan would have any potential for violation of these regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan.

It is intended that the Compliance Officer would have to review and approve the plan. For doing so, he may need the insider to declare that he is not in possession of unpublished price sensitive information or that he would ensure that any unpublished price sensitive information in his possession becomes generally available before he commences executing his trades. Once satisfied, he may approve the trading plan, which would then have to be implemented in accordance with these regulations.

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.

- (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 unpublished price sensitive information in possession of the insider at the time of formulation of the plan has not become generally available at the time of the commencement of implementation and in such event the compliance officer shall confirm that the commencement ought to be deferred until such unpublished price sensitive information becomes generally available information so as to avoid a violation of sub-regulation (1) of Regulation 4 of PIT Regulations.

- (5) Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the securities are listed.

## **2.5 Preservation Of Price Sensitive Information**

- (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 Company 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, under intimation to the Compliance Officer.

## **2.6 Pre clearance of trades**

- (i) All designated persons who intend to trade in the securities (either in their own name or in any immediate relative’s name) i.e. buy or sell securities and if the value of the securities likely to be 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, should pre-clear the transactions by making an application to the Compliance Officer in the format set out in **Annexure B** to the Compliance officer indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade and also declare that the applicant is not in a possession of UPSI.

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 Option Plan/ Schemes (ESOPs), Pre clearance shall be applicable as per limits prescribed above.

- (ii) An undertaking in **Annexure C** executed in favour of the Company, forming part of Application Form as mentioned hereinabove, shall be accompanied along with Application for Pre-clearance.
- (iii) No designated person shall apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed.
- (iv) The Compliance Officer shall also determine whether any such declaration is reasonably capable of being rendered inaccurate.
- (v) All Designated Persons of GAVL and their immediate relatives shall execute their order in respect of securities of RTL within 7 (seven) days after the approval of pre-clearance in **Annexure – D** is given. If the order is not executed within 7 (seven) days after the approval is given, the employee must obtain the pre-clearance for the transaction again.
- (vi) Although the pre clearance of trade is required for any transaction(s) exceeding the traded value of Rs. 10 Lakhs in any calendar quarter through single or multiple transactions, either in their own name or their relative's name, the designated persons are required to intimate at least two trading days before the intended day of execution of such transaction to the Compliance Officer.

## **2.7 No Trading Period**

- (i) The trading period during which securities can be traded is called trading window. The trading window shall be closed during the time the price sensitive information is un-published.
- (ii) When the trading window is closed, the Designated Persons (including their immediate relatives) shall not trade in securities in such period.
- (iii) The trading window shall be, *inter-alia* 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) 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.

- (iv) The Compliance Officer shall also close the trading window when he determines that a designated person or class of designated persons can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.
- (v) The trading window shall be opened 48 hours after the unpublished price sensitive information becomes generally available.
- (vi) The trading window shall also be applicable to any person having contractual or fiduciary relation with Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising Company.
- (vii) 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.
- (viii) The Compliance Officer shall intimate the closure of Trading Window to all the Designated Person(s) of the Company when he / she determines that a designated person or class of Designated Person(s) can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.
- (ix) The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than 48 (Forty Eight) hours after the information becomes generally available.

## **2.8 Holding Period / Contra Trade**

- (i) The designated persons (including their immediate relative) who are permitted to trade as above shall not enter into a contra trade i.e. sell or buy any number of securities during the next six months following the prior transaction (Contra Trade). 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.
  
- (ii) The Compliance Officer may be 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.
  
- (iii) Where a contra trade be executed, inadvertently or otherwise, in violation of such restriction, the profits from such trade shall be liable to be disgorged for remittance to the Board for credit to the Investor Education and Protection Fund administered by the Board under the Act.

## **Chapter 3 - Disclosures & Reporting**

Apart from the restrictions mentioned in Chapter 1 and Chapter 2 of these regulations the Company is required to obtain certain disclosures and levy penalties as and when deemed fit.

The disclosures to be made by any person under this Chapter shall also include those relating to such person's immediate relatives and any other person for whom such person takes trading decisions.

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.

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.

### **3.1 Initial Disclosure**

- (i) All the promoters, key managerial personnel and directors are required to send the details of their holdings in securities of RTL presently held by them including the statement of holdings of Immediate Relative(s) in the Prescribed **Annexure E** (as prescribed or amended by SEBI from time to time) within 30 days of this Code becoming effective to the Compliance Officer in the format set out in
  
- (ii) Every person on appointment as a key managerial personnel or a director or upon becoming a promoter or promoter group shall disclose his holding of securities of the company as on the date of appointment or becoming a promoter, to the company within seven days of such appointment or becoming a promoter/ Key Managerial Personnel/ Director inform the Company in **Annexure F** (as prescribed or amended by SEBI from time to time).

### **3.2 Continual Disclosure**

Every promoter, Member of promoter group, Designated Person (including their immediate relatives) and Director shall disclose to the company in the format set out in **Annexure G** (As prescribed or amended by SEBI from time to time), 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.

The disclosure shall be made within 2 (two) working days of:

- (a) the receipt of intimation of allotment of shares, or
  
- (b) the acquisition or sale of shares or voting rights, as the case maybe.

### **3.3 Annual Disclosure**

Every Designated Person, Promoter, KMP, Director of the Company shall on annual basis, disclose to the Company, the details of all holdings in Securities of the Company held by him including statement of holding of their immediate relatives on or before April 30 (for year ended March 31). The details to be provided in Form A as per the **Annexure E** below.

The Designated Persons shall be required to disclose names and Permanent Account Number or any other identifier authorised by law of the following persons to the Company on an annual basis and as and when the information changes:

- Immediate relatives
- Persons with whom such designated person shares a material financial relationship
- Phone, mobile numbers which are used by them.

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

*Explanation- The term "material financial relationship" shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding 12 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.*

#### **3.4 Disclosure by other connected persons**

The Compliance Officer at his discretion may require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of RTL as and when he deems fit in order to monitor compliance with these regulations in the format as set out in **Annexure H** (As prescribed or amended by SEBI from time to time).

#### **3.5 Reporting to the Board and Maintenance of Disclosures**

The Compliance Officer shall place before the Chairman of the Audit Committee on a quarterly basis, details of trading in Securities by the Designated Persons and the accompanying documents that such persons had executed under the pre-clearance procedure as envisaged under this code.

- (ii) The Compliance Officer shall maintain records of all the declarations in appropriate forms given by the Designated Persons for a minimum period of five years.
- (iii) The Secretarial Section shall acknowledge receipt of the declaration form received.

### **3.6 Maintenance of Structured Database**

The Company shall maintain a structured digital database containing the names of such persons or entities as the case may be with whom information is shared under this code read with PIT Regulations, alongwith th Permanent Account Numbers or any other identifier authorised by law where Permanent Account Number is not available. The said digital database shall be maintained with adequate internal controls to ensure non-tampering of database.

### **3.7 Amendment of this Code**

The Board of Directors of the Company, in sync with applicable laws, rules & regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

Any change in the Policy shall be approved by the Board of Directors of the Company. Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

## **Chapter 4- Principles of Code**

### **CODE OF FAIR DISCLOSURE**

A code of practices and procedures for fair disclosure of unpublished price sensitive information for adhering each of the principles is set out below:

(i) The Managing Director, any other Director on Board, Chief Financial Officer, Company Secretary of the Company or any person, which the Board may deem fit, are entitled to deal with dissemination of Information and disclosure of unpublished price sensitive.

(ii) The Company to make prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.

(iii) The Company would ensure uniform and universal dissemination of



unpublished price sensitive unpublished price sensitive information to avoid selective disclosure.

(iv) The Company shall promptly disseminate unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.

(v) Once the Unpublished Price Sensitive Information made public i.e. once the same is disseminated to the Stock Exchange, such information may be shared with media, analyst, investors etc.

(vi) The Managing Director, any other Director on Board, Chief Financial Officer, Company Secretary, Compliance Officer of the Company or any person, which the Board may deem fit shall jointly or severally give appropriate and fair response to queries on news reports and requests for verification of market rumors by regulatory authorities.

(vii) The above said personnel of the Company to ensure that information shared with analyst and research personnel is not unpublished price sensitive information.

(viii) The Compliance Officer shall ensure that the best practices are developed 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 within such reasonable time as may be required.

The Company to ensure that all unpublished price sensitive information to be handled and shared only on need-to-know basis.

## **Chapter 5- Penalties**

### **5.1 Penalty for non-compliance**

Any insider who trades in securities in contravention of the provisions of this Code or the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as may be amended by time to time shall be guilty of insider trading and shall be *inter-alia* liable for punishment and penalty as mentioned in this Code and the Securities & Exchange Board of India Act, 1992, as mentioned below.

### **5.2 Penalty for non- compliance with the Code of Conduct**

- (i) Any employee/ officer / Director / Designated Persons who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct may be penalised and appropriate action may be taken by Company.
- (ii) Employees / officers / Directors / Designated Person who violate the code of conduct shall also be subject to disciplinary action by RTL, which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, if any, etc.
- (iii) The action by Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 2015.
- (iv) In case it is observed by the Compliance Officer that there has been a violation of the Regulations, SEBI shall be informed by Company.
- (v) Action taken by the Company for violation of this code against any Designated Person will not preclude the SEBI from initiating any action for violation of the Regulations or any other applicable laws, rules, directions, etc. Accordingly, in addition to the action taken by the Company, the person violating this Code and Regulations will also be subject to action by SEBI
- (vi) In any non-adherence is observed, the Compliance officer shall cause an internal enquiry and if non-compliance is established, he shall report to the Chairman and Managing Director and CEO and after further inquiry or investigation or direction, the Chairman and Managing Director and CEO will decide further course of action including reporting to the Board of Directors.
- (vii) In case of any non-observance of this code by any Director, the same shall be decided by the Board.
- (viii) In case the Board of the Company observed and determined that there has been violation of this code and Regulations, it is mandatory for the Board to inform the SEBI about such violation, as per the Regulations.
  - a. As per the Section 15G and 24 of the Act, Insider, who violate the PIT Regulations, are liable to a penalty that may be imposed by SEBI of Rs.25 crores or 3 times the amount of profit made out of the Insider Trading,

whichever is higher and shall also punishable with imprisonment for a term extending to 10 years or a fine up to Rs. 25 crores or with both.

- b. As per Section 11(C) (6) of the Act, if any person without justifiable reason, refuse to co-operate in any investigation by SEBI with respect to Insider Trading, then he shall be punishable with an imprisonment for a term extending up to one year, or with fine up Rs. 1 Crore or with both, and also with further fine up to Rs. 5 lakh for every day of such non co-operation.
- c. As per Section 11(4) (b) of the Act, SEBI is also empowered to pass directions to such insider not to deal in the concerned securities in any particular manner and/or prohibit him from disposing of the concerned securities and/or declaring the concerned transaction(s) of securities as null and void, restraining the insider from communicating or counseling any person to deal in Securities.
- d. When a person who was traded in securities has been in possession of Unpublished Price Sensitive Information, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession. This onus is on the insider to prove that they are innocent

***Disclaimer:*** This policy is only internal code of conduct and one of the measures to avoid insider trading. Every insider is required to familiarize himself with the SEBI regulation as it will be the responsibility of each insider to ensure compliance of this code, SEBI regulation and other related statutes fully.

**Annexures**

**ANNEXURE A  
FORMAT FOR TRADING PLAN**

Date:

To,  
The Compliance Officer,  
Rishi Techtex Limited  
612, V. K. Industrial Estate  
10-14 Pais Street, Byculla (West)  
Mumbai- 400011

Dear Sir/Madam,

I, \_\_\_\_\_, in my capacity as \_\_\_\_\_ of the Company hereby submit the trading plan with respect to dealing in securities of the Company for a total period of 12 months from \_\_\_\_\_ to \_\_\_\_\_.

DPID/Client ID / Folio No.	Type of security	Nature of Trade (Buy/Sell)	Proposed Date/time period of trade	No. /total amount of securities proposed to be traded

With respect to the above trading plan, I hereby undertake that I shall:

-Shall not commence trading under the said plan earlier than 6 months from the public disclosure of plan.

-Shall not trade for the period between the 20th trading day prior to the last day of any financial period for which results are required to be announced by the company and upto the 2nd trading day after the disclosure of such financial results.

-Shall not be entitled to trade under the trading plan for less than 12 months.

-Shall not frame multiple trading plans when one plan is already in use.

-Shall set out either the value of trades or number of securities to be traded alongwith the nature of the trade and the intervals or dates at which the trades shall be effected.

-Shall not entail trading in securities for market abuse.

-Shall mandatorily implement the plan without being entitled to either deviate from it or to execute any trade outside the scope of trading plan.

-Shall not commence trading plan if any price sensitive information in his possession at the time of formulation of the plan has not become generally available information at the time of commencement of the plan. In such cases, the Compliance Officer will confirm its commencement ought to be deferred.

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

**ANNEXURE B**

**A. Application - Cum Undertaking for Pre Clearance of Trades**

The Compliance Officer

Date:  
From:  
Designation

With reference to the Code of Conduct for Prevention of Insider Trading, I hereby give notice that I propose to carry out the following transaction in RTL securities for Myself / As Joint Holder / My immediate relative.

Transaction (Sale/Purchase)	Type of Security	Number of Security

I hereby declare that:

- (a) I do not have any access nor have I received or possess "Unpublished Price Sensitive Information" upto the time of signing the undertaking.
- (b) That in case I have access to or receive "Unpublished Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction. I shall inform the Compliance Officer of the change in my position and that I would completely refrain from trading in the securities of RTL till the time such information becomes public.
- (c) That I have not contravened the code of conduct for prevention of insider trading as notified by RTL from time to time.
- (d) That I have made a full and true disclosure in the matter.

Signature of the Designated Person \_\_\_\_\_

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**Annexure C**

UNDERTAKING TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE

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

To,  
The Compliance Officer

Dear Sir/Madam,

I, \_\_\_\_\_, \_\_\_\_\_ (Designation) residing at \_\_\_\_\_

\_\_\_\_\_ , am desirous of dealing in shares of the Company as mentioned in my application dated \_\_\_\_\_ for pre-clearance of the transaction.

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for prevention of Insider Trading (the Code) up to the time of signing this Undertaking.

In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public.

I declare that I have not contravened the provisions of the Code as notified by the Company from time to time.

I undertake to submit the necessary report within 2 (two) trading days of execution of the transaction / a 'Nil' report if the transaction is not undertaken.

If approval is granted, I shall execute the deal within 7 days of the receipt of approval failing which I shall seek pre-clearance.

I declare that I have made full and true disclosure in the matter.

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

**Annexure D**  
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 RTL's Code of Conduct for Insider Trading. 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.*



**ANNEXURE E****DISCLOSURE UNDER PARA 3.1 (i) OF THE INSIDER TRADING CODE OF CONDUCT**  
[Refer Form A as per the Regulations]

Name of the company: RISHI TECHTEX LIMITED

ISIN of the company: INE989D01010

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

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP /Directors/ immediate relatives/ others etc.)	Securities held as on the date of regulation coming into force		% of Share- holding
		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, 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 \_\_\_\_\_

Notes:

- 1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such a person, or consults such a person in taking decisions relating to trading in securities.
- 2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.

**ANNEXURE F**

**DISCLOSURE UNDER PARA 3.1 (ii) OF THE INSIDER TRADING CODE OF CONDUCT  
[Refer Form B as per the Regulations]**

Name of the company: RSHI TECHTEX LIMITED  
ISIN of the company: IN989D01010

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2)

Name, PAN No., CIN/DIN & Address with contact nos.	Category of Person (Promoters/ KMP /Directors/ immediate relatives/ 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 Share-holding
			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 of a listed 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 \_\_\_\_\_

Notes:

1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such a person, or consults such a person in taking decisions relating to trading in securities.

2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.

|




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, Employee 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)						Exchange on which the trade was executed
Type of contract	Contract specification	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

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

Name & Signature: \_\_\_\_\_  
 Designation: \_\_\_\_\_

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

Notes:

- 1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such a person, or consults such a person in taking decisions relating to trading in securities.
- 2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.




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, Employee 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)						Exchange on which the trade was executed
Type of contract	Contract specification	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Value	Number of units (contracts * lot size)	
15	16	17	18	19	20	21

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

Name & Signature: \_\_\_\_\_  
 Designation: \_\_\_\_\_

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

Notes:

- 1) Separate disclosures should be made in respect of the immediate relatives. Immediate relatives may include the spouse of a person, a parent, sibling and child of such person or their spouse, any of whom is either dependent financially on such a person, or consults such a person in taking decisions relating to trading in securities.
- 2) This declaration will include separate details of shares held in the first name, joint names or as a guardian.