



**Rural Electrification Corporation Limited
Corporate Office: New Delhi**

Company Secretary's Division

SEC-1/226/2009/954

Dated: 24th April 2009

OFFICE ORDER

Sub: Revised Code for Prevention of Insider Trading in REC Equity Shares/Securities.

Consequent to the Initial Public Offer of Equity shares of REC, the Equity Shares of the Company were listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE). Subsequent to listing, REC had to comply with the SEBI (Prohibition of Insider Trading) Regulations, 1992.

2. In pursuance of Regulations 12 and 13 of the aforesaid SEBI Regulations, all Listed Companies are required to frame an Internal Code of internal procedures and conduct for prevention of Insider Trading within the Company in accordance with the Model Code as specified in the relevant Schedules of the SEBI Regulations.
3. The Board of Directors of REC at their 332nd Meeting held on 25th February 2008 had approved the Code for Prevention of Insider Trading in REC Equity Shares/Securities to be implemented in the Company with effect from the date of listing of Equity Shares on the NSE and BSE i.e. 12th March, 2008. The said Code and Disclosure requirements have been widely circulated vide Office Order No. SEC-1/226/2008/937 dated 8th March, 2008 to all concerned and these codes shall be applicable and binding on all the Directors, Officers and other Designated Employees of the Company for dealing in REC Equity Shares/Securities.
4. Securities and Exchange Board of India (SEBI) vide Notification dated 19.11.2008 has amended Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations,1992 to make more stringent provisions to discourage Insider Trading and directed all Listed Companies to frame a code of internal procedures and conduct as near thereto the Model Code specified in Schedule I of these Regulations without diluting it in any manner and ensure compliance of the same.
5. In this regard, the Board of Directors of REC have, at their 348th Meeting held on 20th April 2009, approved the following Revised Codes to be implemented in the Company with immediate effect.
 - A. REC – Code for Prevention of Insider Trading
 - B. REC – Code of Corporate Disclosure Practices
 - C. REC – Disclosure Norms

6. **Code for Prevention of Insider Trading:** The Code for Prevention of Insider Trading is framed to ensure that the employees of the Company and their dependents, as defined in the Code, shall not derive any benefit or assist others to derive any benefit from the access to and possession of Price Sensitive Information about the Company which is not in the public domain and thus constitutes Insider Information. For this purpose **all employees are required to peruse the Revised Code for Prevention of Insider Trading and follow the requirements as spelt out and in case of any query/clarity they may contact the Compliance Officer.**

Further the Directors/ Officers/ Employees may kindly note that pursuant to the Revised Insider Trading Code of REC, all Directors, Officers and Designated Employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Directors, Officers and Designated Employees shall also not take positions in derivative transactions in the shares of the company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. Their holding period would commence when the securities are actually allotted.

It is also stated that non-compliance of the Code shall attract severe penalty/ disciplinary action against the employee/director/officer.

7. **Code of Corporate Disclosure Practices: Company Secretary is nominated by the Chairman & Managing Director as the Public Spokesperson.** The Public Spokesperson shall be responsible for ensuring timely and adequate disclosure of Price Sensitive Information pursuant to this Code as required under the Regulation. The Public Spokesperson with the approval of the Chairman & Managing Director shall be responsible for continuous disclosure requirements, overseeing and coordinating disclosure of Price Sensitive Information to the Stock Exchanges, Analysts, Shareholders and Media and educating staff on disclosure policies and procedures. Further it also lays down the guidelines for interacting with Media & External Public, responding to market rumors, timely reporting of shareholdings/ ownership and changes in ownership, sharing of non public information, handling of unanticipated questions, recording of discussion, simultaneous release of information, medium of disclosure/dissemination.
8. **Code for Disclosure Norms:** This Code lays down the norms for disclosure of interest or holding by Directors and Officers and Substantial Shareholders of the Company.
9. The aforesaid Codes shall be applicable and binding on all the Directors, Officers and Designated Employees of the Company for dealing in Securities. **The salient features of the Code for Prevention of Insider Trading which highlights the chapters of the Code, which are of importance to all employees, are enclosed as Annexure-I.** Further the aforesaid three Codes **i.e Code for Prevention of Insider Trading, Code of Corporate Disclosure Practices and the Code for Disclosure Norms are also enclosed as Annexure-II, III and IV respectively.**

10. All concerned are requested to make necessary disclosures to the Compliance Officer in accordance with the details and timelines as specified in the Code.
11. **The above Codes shall come into force with immediate effect.**
12. This issues with the approval of Competent Authority.

(B. R. Raghunandan)
GM (Law) & Company Secretary
and Compliance Officer for the Code

Distribution:

1. CMD, all other Directors and CVO of REC
2. All EDs and GMs.
3. CEO- RECPDCL
4. CEO- RECTPCL (Including NKTCL & TTCL)
5. All ZMs, CPMs of POs, Additional Director, CIRE
6. All other Executives, Non Executives and Designated Employees of REC as defined in the Code.
7. All Notice Boards at Corporate Office, Zonal Office / Project Offices and CIRE.
8. Statutory Auditors of REC.
9. Registrar & Transfer Agents (R&TA).
10. Debenture Trustees of REC.
11. Bankers of REC.
12. DGM (IT) for posting on the website of REC.
13. DM, Rajbhasha, for translation into Hindi.

Copy to: (1) File No.SEC-4/1(348)/2009,
(2) File No.SEC-1/187/2008

Annexure-I

SALIENT FEATURES OF THE REVISED CODE FOR PREVENTION OF INSIDER TRADING

CHAPTERS OF IMPORTANCE TO ALL THE EMPLOYEES OF REC:

CHAPTER I –PRELIMINARY- This Code is being framed with an aim that the employees of the Company and his/her Dependent shall not derive any benefit or assist others to derive any benefit from the access to and possession of Price Sensitive Information about the Company which is not in the public domain and thus constitutes Insider Information.

CHAPTER II –DEFINITIONS- Some important definitions include:

“Designated Employees” shall mean:-

- a. The Chairman and Managing Director, Whole-Time and Part-Time Directors (Official and Non Official) and Chief Vigilance Officer.
- b. All Executives and Non-executives of the Company.
- c. The Directors and Employees of the subsidiary companies.
- d. Such other employees of the Company including of subsidiary companies, temporary/adhoc employees designated by the Board from time to time to whom trading restrictions shall be applicable.

In case any of the Designated Employee leaves the services of the Company, he/she shall continue to be considered as Designated Employee for a further period of six months subsequent to the date of his/her leaving the Company, as envisaged under SEBI (Prohibition of Insider Trading) Regulations, 1992.

“Dependent” shall mean the Spouse, Dependent Children and Dependent Parents of the Designated Employee.

“Price Sensitive Information” means any information which relates directly or indirectly to the Company and which if published, is likely to materially affect the price of securities of the Company.

Explanation: The following shall be deemed to be Price Sensitive Information:-

- a. periodical financial results of the company ;
- b. intended declaration of dividends (both interim & final);
- c. issue of Securities or buy-back of Securities;
- d. any major expansion plans or execution of new projects;
- e. amalgamation, mergers or takeovers;
- f. disposal of the whole or substantial part of the undertaking ;
- g. any significant change in policies, plans or operations of the Company.
- h. any other event as may be notified by the Company from time to time .

“Prohibited Period” means the period during which the “Trading Window” is closed.

Such Prohibited Period normally begins with 15 days prior to the date of the meeting in which the Board of Directors are to consider any Price Sensitive Information and ending after 24 hours after the conclusion of the Board Meeting . In addition, such other period as may be specified by

the Compliance Officer from time to time in consultation with the Chairman & Managing Director.

CHAPTER III – APPLICABILITY- This Code shall be applicable and binding on all the Directors, Officers and other Designated Employees of the Company for dealing in Securities of the Company with immediate effect.

CHAPTER IV – COMPLIANCE OFFICER-

(i) The Company Secretary shall be the Compliance Officer for the purposes of this Code. In his absence, the Manager (CS Division)/ Assistant Company Secretary as the case may be shall act as the Compliance Officer. The Compliance Officer shall report to the Chairman & Managing Director of the Company.

(ii) Duties of Compliance Officer include: maintaining record of designated employees and any changes made to the list of designated employees in prescribed form, specifying prohibited period ; maintaining record of Prohibited Period specified from time to time in the prescribed format, setting forth policies, procedures, monitoring adherence to the rules for the preservation of ‘Price Sensitive Information’, ‘pre-clearing of Designated Employees’ and their dependent trades, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company and assisting all the Officers and other Designated Employees to whom this code is applicable in addressing any clarifications regarding the Regulations and this code.

CHAPTER V – PRESERVATION OF “PRICE SENSITIVE INFORMATION”

All the Directors, Officers and other Designated Employees required to maintain the confidentiality of all Price Sensitive Information coming into their possession or control and the Price Sensitive Information to be passed only on need to know basis.

CHAPTER VI- TRADING WINDOW- All Directors, Officer, and Designated Employees of the Company shall conduct all their dealings in the securities of the Company only during the free period and shall not deal in any transaction involving the purchase or sale of the Company’s securities during the Prohibited Period.

The Company shall specify a trading period, to be called “Trading Window” for trading in the Securities. The Directors, Officers and Designated Employees of the Company shall not deal in the Securities of the Company in their own name or in the name of their Dependants when the Trading Window is closed. The period during which the Trading Window is closed shall be termed as Prohibited Period.

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

- (a) Declaration of financial results (quarterly, half-yearly and annually).
- (b) Declaration of dividends (interim and final).
- (c) Issue of securities by way of public/rights/bonus etc.
- (d) Any major expansion plans or execution of new projects.
- (e) Amalgamation, mergers, takeovers and buy-back.
- (f) Disposal of whole or substantially whole of the undertaking.
- (g) Any changes in policies, plans or operations of the company, disruption of operations due to natural calamities
- (h) Any proposed Joint Venture/Foreign Collaboration and major Consultancy work in India or abroad.
- (i) Any other event as may be notified by the Company from time to time including the Press Conference

The period of closure shall be effective from 15 days prior to the date on which the meeting of the Board of Directors is proposed to be held and extend upto 24 hours after the information is made public. The remaining period other than those mentioned above shall be called “Valid Trading Window”.

All Directors, Officers, and Designated Employees of the Company shall conduct all their dealings in the Securities of the Company only during the Valid Trading Window and shall not deal in any transaction involving the purchase or sale of the Company’s Securities during the Prohibited Periods or during any other period as may be specified by the Company from time to time.

CHAPTER-VII- PRE-CLEARANCE OF DEALINGS IN SECURITIES

Pre-clearance will not be necessary if the deal is for **5000 Equity Shares** to be traded in a single transaction or less than **20,000 Equity Shares** to be traded in series of transactions within one week or such other limit as the CMD/Board may consider.

An application for Pre-Clearance of trade may be made in the **Form-III** to the Compliance Officer during valid Trading Window along with the prescribed undertaking. The Compliance Officer shall process the Pre-Clearance applications and if pre-clearance application is in accordance and in compliance with provisions of this Code, the Compliance Officer shall endeavor to communicate the pre-clearance immediately but not later than 48 hours from the time of receiving the application.

All Directors, Officers and Designated Employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Directors, Officers and Designated Employees shall also not take positions in derivative transactions in the shares of the company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. Their holding period would commence when the securities are actually allotted.

In cases where of sale of Securities is necessitated by personal emergency, the Compliance Officer may waive the Holding Period after recording in writing his or her reasons in this regard. An application for waiver of Holding Period shall be made to the Compliance Officer who shall maintain a Register of ‘Waiver of restriction on holding investment in the Securities’ for a minimum period of Six Months (30 days in case of IPO Allotment) in the prescribed form (**Form VI**).

Completion of Pre-cleared Dealing

(a) The Director, Officer and Designated Employee shall file within seven days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form. In the event of executing the transaction or not executing the transaction, a report to that effect shall be filed with the Compliance Officer. (**Form VII**)

(b) If a deal is not executed pursuant to the approval granted by the Compliance Officer within 1(one) week, then such person shall apply once again to the Compliance Officer for pre-clearance of the transaction covered under the said approval.

CHAPTER-VIII- REPORTING REQUIREMENTS OF TRANSACTIONS IN SECURITIES

Furnishing of details in securities

In addition to complying with the reporting requirements as prescribed under this Code, all the Directors, Officers and other Designated Employees shall file with the Compliance Officer **in Form**

VIII the following details of holdings and /or dealings in the securities either in their own name or in the name of their dependants **within fifteen working days from the date of the implementation of the Code :-**

Initial disclosure at the time of joining (for new employees/Officers/Directors)

All initial holdings in Securities to be disclosed in **Form VIII** at the time of joining the Company (including that of his/her Dependant) **within seven working days.**

Subsequent/Continual Disclosure for any change in shareholding

Any subsequent change in shareholding (including that of his/her Dependant) including shares acquired after pre-clearance shall be intimated to Compliance Officer **within seven working days of such change in Form IX.**

Annual Disclosure

Annual statements of all holdings (including his/her Dependant) in securities as on 31st March of each year shall be furnished to the Compliance Officer by the 7th of next month in **Form X.**

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers and Designated Employees for a minimum period of three years.

CHAPTER IX-PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

- Penal Action to be taken by the Company.
- Disciplinary action by the Competent Authority as defined in the Employees (Conduct, Discipline and Appeal) Rules of the Company.
- Section 15G of the SEBI Act- In case of contravention of Regulation 3-**penalty of Rs 25 Crore or three times of the amount of profits made out of Insider Trading, whichever is higher.**
- Section 24 of the SEBI Act- punishable with imprisonment for a **maximum period of ten years or with fine which may extend to Rs 25 Crores or with both.**
- Other restrictions can be imposed by SEBI under Clause 11 of the Regulations,

REVISED FORMS TO BE USED BY EMPLOYEES:

FORM-III- APPLICATION FOR PRE-CLEARANCE OF TRADES IN SECURITIES

FORMVII- FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS

FORM-VIII- INITIAL DISCLOSURE OF DETAILS OF SECURITIES HELD

FORM-IX DISCLOSURE OF CHANGE IN SECURITIES HOLDING

FORM-X-ANNUAL DISCLOSURE OF SECURITIES HOLDING

FORM-III**APPLICATION FOR PRE-CLEARANCE OF TRADES IN SECURITIES**

To

The Compliance officer

Dear Sir,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, I seek approval for purchase /sale /subscription of the Securities (give description) of the Company as per the details given below:

Name & Designation :

Department :

Date of Joining / becoming Director/Officer/
Designated Employee

S.NO.	No. Of Securities held (including the dependent members) as on the date of application	Folio No. /DP ID & Client ID	Nature of new transaction for which approval is sought	Estimated number of securities to be dealt
1	2	3	4	5

Estimated consideration value	Whether proposed transaction is in the self name or in the name of dependent family member	Name of the dependent, if the transaction is in the name(s) of the dependent(s)	Date of Purchase /allotment	Previous approval no and date of Purchase/allotment
6	7	8	9	10

UNDERTAKING

In this connection I solemnly confirm and declare:

- (a) **THAT** I do not have access and /or have not received any "Price Sensitive Information" up to the time of signing the undertaking.
- (b) **THAT** in case I have access to or receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, I shall inform the Compliance Officer of any change in my position and **THAT** I shall

refrain from dealing in the securities of the Company till the time such information becomes public.

- (c) **THAT** I have not contravened the Code of conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices as notified by the Company from time to time.
- (d) **THAT** I have not entered into any sale transaction of the shares of the Company in the last six months prior to the proposed date of purchase/ **THAT** I have not entered into any purchase transaction of the shares of the Company in the last six months (30 days in case of IPO allotment) prior to the proposed date of sale.
- (e) I undertake to submit the necessary report within seven days of execution of the transaction/or Nil report if the transaction is not undertaken.
- (f) I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.
- (g) I hereby solemnly declare that I have made a full and true disclosure in this regard to the best of my knowledge and belief.
- (h) I hereby undertake not to transact in securities in the sanctioned period in case trading window is declared closed subsequently.

Pre-clearance may kindly be accorded in terms of Provisions of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices of REC.

Date.....

Signature.....

Place.....

Name & Designation.....

FOR OFFICE USE

Serial number of the application received _____

Date & time of receipt of the Application _____

Date & time of communication of the pre-clearance or otherwise _____

Reasons for not giving pre-clearance _____

Signature of the Compliance Officer /
Authorised Officer

FORM-VII**FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS**

(To be submitted within 7 days of transaction /Dealing in Securities of the Company)

Date-----

To,
The Compliance Officer
Rural Electrification Corporation Ltd.

Dear Sir,

DETAILS OF PRE-APPROVED TRANSACTION**Ref: Your Approval letter No. dated.....**

I hereby inform you that I

- have not bought /sold / subscribed any securities
- have bought/sold/subscribed to theSecurities (give description) as mentioned below on(insert date)

Name of the holder	** First or joint holder	No. of Securities dealt with	Bought /Sold/Subscribed	DP ID/Client ID (electronic form) where the securities will be debited or credited or Folio no. for physical securities	Price (Rs)

** "F" first holder "J" joint holder

In connection with the aforesaid transaction (s), I hereby undertake to preserve, for a period of 3 (Three) Years and produce to the Compliance Officer/SEBI any of the following documents:

1. Broker's contract note
2. Proof of Payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions.)
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

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

I declare that I have not entered and would not enter into an opposite transaction i.e. Purchase or Sale in the shares of the Company for a period of 6 Months (30 days in case of IPO allotment) from the date of this transaction. In case there are any urgent need to sale the securities within said period, I shall approach the Company (Compliance Officer) for necessary approval (applicable in case of purchase/ subscription).

Yours truly,

Signature:.....

Name :.....

Dept/Div.....

- Strike out whichever is not applicable.

FORM-VIII

**PROFORMA FOR INITIAL DISCLOSURE OF DETAILS OF SECURITIES
HELD BY DIRECTORS /OFFICERS /DESIGNATED EMPLOYEES.**

Dear Sir,

I Director /Officer /Designated employee of REC furnish below the details of securities in REC as on in my self name and/or in the name(s) of my dependent family members in terms of regulation 13(2) of SEBI (Prohibition of Insider Trading) Regulation, 1992 and clause 8 of the Code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure practices of REC.

Name & Designation of the Director/Officer/
Designated Employee :

Department of Designated Employee :

Data of Joining /becoming Director / Officer/
Designated employee :

I. Details of shareholding of Directors/ Officers/Designated employees held in self-name:

Sl. No.	No. of securities Held	Date of acquisition	Consideration	Folio No./ DP ID & Client ID

II. Details of shares held by/ in name(s) dependent family members.

Sl. No.	Name of dependent family member	Relationship	No. of securities held	Date of acquisition	Consideration	Folio No./ DP ID & Client ID

Date:

Place:

Signature

FORM-IX**PROFORMA FOR DISCLOSURE OF CHANGE IN SECURITIES HOLDING TO BE SUBMITTED BY DIRECTORS /OFFICERS /DESIGNATED EMPLOYEES.**

Dear Sir,

I Director/Officer/Designated employee of REC, furnish below the details of transactions of my own/ dependent family members in the securities of REC, during the period from.....to in terms of clause 8 of the code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure Practices of REC.

Name & Designation of the Director/Officer/
Designated Employee :

Department of Designated Employee :

Date of Joining /becoming Director/officer/
Designated employee :

I. Details of change in shareholding (on own account)

No. of securities held as on.....(date of previous disclosure)	Date of transaction	Details of securities Purchased		Details of securities sold		No. of securities as on....(date of present disclosure)	Folio No./DP ID & Client ID
		No	Consideration	No	Consideration		

II. Details of change in shareholding of dependent family members

Name of the dependent	Relation-ship	No. of securities held as on..... (date of previous disclosure)	Date of transaction	Details of securities Purchased		Details of securities sold		No. of securities Held as on..... (date of present disclosure)	Folio No./ DP ID & Client ID
				No	Value	No	Value		

I declare that I have not entered and would not enter into an opposite transaction i.e. Purchase or Sale in the shares of the Company for a period of 6 Months (30 days in case of IPO allotment) from the date of this transaction.

Date:

Place:

Signature

Employee No.-----

FORM-X

**PROFORMA FOR ANNUAL DISCLOSURE OF SECURITIES HOLDING TO BE
SUBMITTED BY DIRECTORS /OFFICERS/DESIGNATED EMPLOYEES.**

Dear Sir,

I Director/Officer/ Designated Employee of REC, furnish below the details of transaction(s) in the securities of REC, during the financial year..... as well as shareholding as on 31st March.....

Name & Designation of the Director/Officer/
Designated Employee :

Department of Designated Employee :

Date of Joining /becoming Director/Officer/
Designated employee :

I. Details of transaction /shareholding in own name

No. of securities held as on.....(date of previous disclosure)	Date of transaction	Details of securities Purchased during the year		Details of securities sold during the year		No. of securities held as on.....(date of present disclosure)	Folio No./ DP ID & Client ID
		No	Consideration	No	consideration		

II. Details of transaction /shareholdings of dependent family members.

Name of the dependent	Relationship	No. of securities held as on 01.04.200...	Details of securities purchased during the year		Details of securities sold during the year		No. of securities Held as on 31.03.200...	Folio No./DP ID & Client ID
			No	Value	No	Value		

I declare that I will comply/ have complied with the requirements of not entering into an opposite transaction in the shares of the Company for a minimum period of 6 Months (30 days in case of IPO allotment) following a prior transaction.

Date:

Place:

Signature

Annexure-II

RURAL ELECTRIFICATION CORPORATION LIMITED
CODE FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF REC

Pursuant to Regulation 12(1) of
SEBI (Prohibition of Insider Trading) Regulations, 1992

CHAPTER I -PRELIMINARY

This Code of Conduct for prevention of Insider Trading is framed pursuant to Regulation 12(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. This Code is being framed with an aim that the employees of the Company and his/her Dependents shall not derive any benefit or assist others to derive any benefit from the access to and possession of Price Sensitive Information about the Company which is not in the public domain and thus constitutes Insider Information.

CHAPTER II -DEFINITIONS

- 2.1. **“Act”** means the Securities and Exchange Board of India Act, 1992.
- 2.2. **“Body Corporate”** means a body corporate as defined in section 2 of the Companies Act, 1956.
- 2.3 **“Connected Person”** means any person who—
- (i) is a director, as defined in clause (13) of section 2 of the Companies Act, 1956 (1 of 1956), of a company, or is deemed to be a director of that company by virtue of sub-clause (10) of section 307 of that Act; or
 - (ii) occupies the position as an officer or an employee of the company or holds a position involving a professional or business relationship between himself and the company whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to that company.
- [Explanation:- For the purpose of clause (2.3), the words “connected person” shall mean any person who is a connected person six months prior to an act of insider trading;]
- 2.4. **“Dealing in Securities”** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the Securities of the Company either as principal or agent.
- 2.5 **“Insider”** means any person who,
- (i) is or was connected with the company or is deemed to have been connected with the company and who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a company, or
 - (ii) has received or has had access to such unpublished price sensitive information.”
- 2.6 **“Officer of a Company”** means any person as defined in clause (30) of Section 2 of the Companies Act, 1956 i.e. any Director, Secretary or any person in accordance with

whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act including an auditor of the Company.

- 2.7 **“Person is deemed to be a connected person”**, if such person—
- (i) is a company under the same management or group, or any subsidiary company thereof within the meaning of sub-section (1B) of section 370, or sub-section (11) of section 372, of the Companies Act, 1956 (1 of 1956), or sub-clause (g) of section 2 of the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), as the case may be;
 - (ii) is an intermediary as specified in section 12 of the Act, Investment company, Trustee Company, Asset Management Company or an employee or director thereof or an official of a stock exchange or of clearing house or corporation;
 - (iii) is a merchant banker, share transfer agent, registrar to an issue, debenture trustee, broker, portfolio manager, Investment Advisor, sub-broker, Investment Company or an employee thereof, or, is a member of the 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 who has a fiduciary relationship with the company;
 - (iv) is a Member of the Board of Directors, or an employee, of a public financial institution as defined in section 4A of the Companies Act, 1956;
 - (v) is an official or an employee of a Self-regulatory Organization recognized or authorized by the Board of a regulatory body;
 - (vi) is a relative of any of the aforementioned persons;
 - (vii) is a banker of the company;
 - (viii) relatives of the connected person; or
 - (ix) is a concern, firm, trust, Hindu undivided family, company or association of persons wherein any of the connected persons mentioned in sub-clause (i) of clause (c), of this regulation or any of the persons mentioned in sub-clause (vi), (vii) or (viii) of this clause have more than 10 per cent of the holding or interest;
- 2.8 **“ Price Sensitive Information”** means any information which relates directly or indirectly to the Company and which if published, is likely to materially affect the price of Securities of the Company.

Explanation: The following shall be deemed to be Price Sensitive Information:-

- a. periodical financial results of the Company ;
- b. intended declaration of dividends (both interim & final);
- c. issue of Securities or buy-back of Securities;
- d. any major expansion plans or execution of new projects;
- e. amalgamation, mergers or takeovers;
- f. disposal of the whole or substantial part of the undertaking ;
- g. any significant change in policies, plans or operations of the Company;
- h. any other event as may be notified by the Company from time to time.

- 2.9 **“Relative”** means a person, as defined in section 6 of the Companies Act, 1956 (1 of 1956);
- 2.10 **“Stock Exchange”** means a stock exchange which is recognized by the Central Government or Securities and Exchange Board of India under section 4 of Securities Contracts (Regulation) Act, 1956 (42 of 1956);

2.11 **“Unpublished”** means information, which is not published by the Company or its agents and is not specific in nature.

Explanation: Speculative Reports in print or electronic media shall not be considered as published information.

2.12 **“Working day”** shall mean the working day when the regular trading is permitted on the concerned stock exchange where securities of the company are listed.”

To give better clarification/understanding of the Code following terms are also defined

2.13 **“Board”** means the Board of Directors of the Company.

2.14 **“Code”** means this Code of Conduct for Prevention of Insider Trading including modifications made therein from time-to-time by the Company.

2.15. **“Company”** means Rural Electrification Corporation Limited.

2.16 **“Compliance Officer”** means an employee designated for the implementation of and overseeing compliance with the Regulations and the Code across the Company.

2.17. **“Dependent”** shall mean the Spouse, Dependent Children and Dependent Parents.

2.18 **“Designated Employees”** shall mean:-

i) The Chairman and Managing Director, Whole-Time and Part-Time Directors (Official and Non Official) and Chief Vigilance Officer.

ii) All Executives and Non-executives of the Company.

iii) The Directors and Employees of the subsidiary companies.

iv) Such other employees of the Company including of subsidiary companies, temporary/adhoc employees designated by the Board from time to time to whom trading restrictions shall be applicable.

In case of any of the Designated Employee leaves the services of the Company, he shall continue to be considered as Designated Employee for a further period of six months subsequent to the date of his leaving the Company, as envisaged under SEBI (Prohibition of Insider Trading) Regulations, 1992.

2.19 **“Director”** means a member of the Board of Directors of the Company.

2.20 **“Free Period”** means any period other than **“Prohibited Period”**

2.21 **“Insider Trading”** means when Insiders use Unpublished Price Sensitive Information to arrive at Securities trading (including buying as well as selling) decisions, the action is referred to as Insider Trading.

2.22 **“Prohibited Period”** means the period during which the “Trading Window” is closed.

Such Prohibited Period normally begins with 15 days prior to the date of the meeting in which the Board of Directors are to consider any Price Sensitive Information and ending after 24

hours after the conclusion of the Board Meeting. In addition, such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman & Managing Director.

2.23 **“Regulations”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including modifications made therein from time to time by the SEBI.

2.24 **“Valid Trading Window”** Any period other than Prohibited Period

2.25 **“Securities”** includes the following securities issued by the Company to public from time to time and listed in any Stock Exchange:

- Shares, scrip, bonds, debentures, debenture stock or other marketable securities of a like nature.
- Futures, options, derivatives or hybrids; and
- Such other instruments recognized as securities.

Words and expressions not defined in this Code shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992 or SEBI Act or Companies Act as the case may be.

CHAPTER III - APPLICABILITY

This Code shall be applicable to and binding on all the Directors, Officers and Designated Employees of the Company and their dependents for dealing in Securities of the Company with immediate effect.

CHAPTER IV – COMPLIANCE OFFICER

4.1 COMPLIANCE OFFICER

The Company Secretary shall be the Compliance Officer for the purposes of this Code. In his absence, the Manager, CS Division/ Assistance Company Secretary as the case may be shall act as the Compliance Officer. The Compliance Officer shall report to the Chairman & Managing Director of the Company.

In order to discharge his functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his functions. In the performance of his duties, the Compliance Officer shall have access to all information and documents relating to the Securities, Designated Employees and Price Sensitive Information of the Company.

The Compliance Officer shall maintain a Register of all Officers, Directors and Designated Employees and all changes taking place in the list from time to time shall be incorporated therein.

The Compliance Officer shall act as the focal point for dealing with SEBI in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

4.2 DUTIES OF THE COMPLIANCE OFFICER:

- a. He shall maintain a record of Designated Employees and any changes made to the list of Designated Employees in the prescribed form **(Form I)**.
- b. He may in consultation with the Chairman & Managing Director and shall as directed by the Board, specify Prohibited Period from time to time and immediately make an announcement thereof.
- c. He shall maintain a record of Prohibited Period specified from time to time in the prescribed format. **(Form II)**
- d. He shall be responsible for setting forth policies, procedures, monitoring adherence to the Rules for the preservation of 'Price Sensitive Information', 'Pre-clearing of Designated Employees' and their Dependents trades, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the Board of the Company.
- e. He shall maintain records of all the declarations submitted in the appropriate form given by the Directors, Officers, and Designated Employees for a minimum period of three years.
- f. He shall place before the Chairman & Managing Director, on a monthly basis all the details of the dealing in the Securities by the Designated Employees, Directors, Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in these rules.
- g. Maintaining and implementation of the Code under the over-all supervision of the Board of the Company.
- h. Assisting all the Officers and Designated Employees to whom this code is applicable in addressing any clarifications regarding the Regulations and this Code.
- i. Any other responsibilities as assigned under this Code or under SEBI (Prohibition of Insider Trading) Regulations, 1992.

CHAPTER V – PRESERVATION OF “PRICE SENSITIVE INFORMATION”

5.1 All the Directors, Officers and Designated Employees shall maintain the confidentiality of all Price Sensitive Information coming into their possession or control.

To comply with this confidentiality obligation, all the Officers and Designated Employees shall not, inter alia:

- (i) pass on Price Sensitive Information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities of the Company, or
- (ii) disclose Price Sensitive Information to their family members, friends, business associates or any other individual, or

- (iii) discuss Price Sensitive Information in public places, or
- (iv) disclose Price Sensitive Information to any other employee who does not need to know the information for discharging his or her professional duties, or
- (v) recommend to anyone that they may undertake dealing in Securities of the Company while being in possession, control or knowledge of Price Sensitive Information, or
- (vi) be seen or perceived to be dealing in Securities of the Company on the basis of Unpublished Price Sensitive Information.

Provided that nothing contained above shall be applicable to any communication required in the ordinary course of business or profession or employment or under any law.

5.2 Limited access to confidential information

Files containing confidential information shall be kept secured. Computer files must have adequate security of log-in and password, etc.

5.3 Need to know:

All the Directors, Officers and Designated Employees, who are privy to Unpublished Price Sensitive Information, shall handle the same strictly on a “need to know” basis. This means the Unpublished Price Sensitive Information shall be disclosed only to those persons within the Company who need to know the same in the course of performance or discharge of their respective professional duties and whose possession of Unpublished Price Sensitive Information will not in any manner give rise to a conflict of interest or likelihood of misuse of the information.

CHAPTER VI- TRADING WINDOW

6. Trading Restriction:

All the Directors, Officers and Designated Employees of the Company shall be subject to trading restriction as enumerated below :-

6.1 Trading Window

The company shall specify a trading period, to be called “trading window”, for trading in the company’s securities. The Directors, Officers and Designated Employee of the Company and their dependants shall not deal in securities of the Company when trading window is closed. The period during which Trading Window is closed shall be termed as Prohibited Period.

6.2 The trading window shall be, inter alia, closed at the time of:—

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

- (g) Any changes in policies, plans or operations of the company, disruption of operations due to natural calamities
 - (h) Any proposed Joint Venture/Foreign Collaboration and major Consultancy work in India or abroad.
 - (i) Any other event as may be notified by the Company from time to time including the Press Conference
- 6.3 The period of closure shall be effective from 15 days prior to the date on which the meeting of the Board of Directors is proposed to be held and extend upto 24 hours after the information is made public.
- 6.4 All Directors, Officers, and Designated Employees and their dependents of the Company shall conduct all their dealings in the Securities of the Company only during the Valid Trading Window and shall not deal in any transaction involving the purchase or sale of the Company's Securities during the Prohibited Periods or during any other period as may be specified by the Company from time to time.
- 6.5 In case of Employee Stock Option Plans (ESOPs), exercise of option may be allowed in 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.

CHAPTER-VII PRE-CLEARANCE OF DEALINGS IN SECURITIES

7.1 Applicability

All the Directors, Officers and *Designated Employees* who intend to deal in the Securities either in own name or in the name of their Dependents beyond the minimum threshold limits mentioned below shall obtain Pre-clearance of the transactions as per the pre dealing procedure as described hereunder.

Application for Pre-clearance shall be made only during valid Trading Window period. Applications submitted during a period when the Trading Window is closed shall be invalid and will be deemed to have been automatically rejected.

Pre-clearance will not be necessary if the deal is for 5000 or less Equity Shares in a single transaction and/or less than 20000 Equity Shares to be traded in series of transactions within one week.

7.2 Pre-Clearance Procedure

An application for Pre-clearance of trade may be made in the prescribed form (**Form III**) to the Compliance Officer during valid Trading Window.

An undertaking shall be executed in favour of the Company by such Director, Officer and Designated Employees incorporating, inter-alia the following clauses. as may be applicable :

- (a) That he/she does not have any access or has not received "Price Sensitive Information" up to the time of signing the Undertaking.

- (b) That in case he/she has access to or receives “Price Sensitive Information” after the signing of the Undertaking but before the execution of the transaction he or she shall inform the Compliance Officer of the change in his position and that he or she would completely refrain from dealing in the Securities of the Company till the time such information becomes public.
- (c) That he or she has not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time.
- (d) That he or she has made a full and true disclosure in the matter.

7.3 Approval

The Compliance Officer shall process the Pre-clearance applications and if Pre-clearance application is in accordance and in compliance with the provisions of this Code, the Compliance Officer shall endeavor to communicate the Pre-clearance immediately but not later than 48 hours from the time of receiving the application.

For Pre-clearance of dealing in Securities by the Compliance Officer, approval of Chairman & Managing Director shall be required.

Every approval letter shall be issued in such format (**Form IV**). Every approval shall be dated and shall be valid for a period of one week from the date of approval. However, such approval is automatically deemed to be withdrawn if such period is superceded by closure of Trading Window.

The Compliance Officer shall retain copies of all applications and acknowledgements and also maintain the Register of Pre-clearance of trade in prescribed format (**Form V**).

In exceptional circumstances consent may not be given if the Compliance Officer is of the opinion that the proposed deal is on the basis of possession of any Unpublished Price Sensitive Information. There shall be no obligation to give reasons for any withholding of consent.

7.4 Other Restrictions

All Directors, Officers and Designated Employees and their dependents shall execute their order in respect of Securities of the Company within one week after the approval of Pre-clearance is given. If the order is not executed within one week after the approval is given, the Directors, Officers and Designated Employees must Pre-clear the transaction again.

All Directors, Officers and Designated Employees who buy or sell any number of shares of the company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Directors, Officers and Designated Employees shall also not take positions in derivative transactions in the shares of the company at any time.

In the case of subscription in the primary market (initial public offers), the above mentioned entities shall hold their investments for a minimum period of 30 days. Their holding period would commence when the securities are actually allotted.

In cases where of sale of Securities is necessitated by personal emergency, the Compliance Officer may waive the Holding Period after recording in writing his or her reasons in this

regard. An application for waiver of Holding Period shall be made to the Compliance Officer who shall maintain a Register of 'Waiver of restriction on holding investment in the Securities' for a minimum period of Six Months (30 days in case of IPO Allotment) in the prescribed form **(Form VI)**.

7.5 Completion of Pre-cleared Dealing

- (a) The Director, Officer and Designated Employee shall file within seven days of the execution of the deal, the details of such deal, with the Compliance Officer in the prescribed form. In the event of executing the transaction or not executing the transaction, a report to that effect shall be filed with the Compliance Officer. **(Form VII)**
- (b) If a deal is not executed pursuant to the approval granted by the Compliance Officer within 1(one) week, then such person shall apply once again to the Compliance Officer for Pre-clearance of the transaction covered under the said approval.

Chapter-VIII

REPORTING REQUIREMENTS OF TRANSACTIONS IN SECURITIES

8.1 Furnishing of details in Securities

In addition to complying with the reporting requirements as prescribed under this Code, all the Directors, Officers and Designated Employees shall file with the Compliance Officer **(in Form VIII)** the details of holdings and /or dealings in the Securities either in their own name or in the name of their Dependants, within **15 working days of the date of the implementation of the Code.**

Initial disclosure at the time of joining (for new employees)

All initial holdings in Securities to be disclosed in **Form VIII** at the time of joining the Company (including that of his/her Dependant) **within seven working days.**

Subsequent/Continual Disclosure for any change in shareholding

Any subsequent change in shareholding (including that of his/her Dependant), including shares acquired after Pre-clearance, shall be intimated to the Compliance Officer **within seven working days of such change in Form IX.**

Annual Disclosure

Annual statements of all holdings (including his/her Dependants) in Securities as on 31st March of each year shall be furnished to the Compliance Officer by the **7th of next month in Form X.**

8.2 Records of disclosures received by the Company

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Directors, Officers and Designated Employees for a minimum period of three years.

The Compliance Officer shall place before the Chairman and Managing Director, on a monthly basis, all the details of the dealing in the Securities by the Directors, Designated Employees, Officers of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in the Code.

CHAPTER IX

PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

Any Director, Officer, Designated Employee 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 the Company.

Officers and Designated Employees of the Company who violate the Code of Conduct shall also be subject to disciplinary action by the Competent Authority as defined in the Employees (Conduct, Discipline and Appeal) Rules of the Company.

The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Under Section 15G of the SEBI Act, any insider who indulges in Insider Trading in contravention of Regulation 3 is liable to **penalty of Rs 25 Crore or three times of the amount of profits made out of Insider Trading, whichever is higher.**

Under Section 24 of the SEBI Act, any one who contravenes the Regulations is punishable with imprisonment for a **maximum period of ten years or with fine which may extend to Rs 25 Crores or with both.**

Without prejudice to its rights under Section 24 of the SEBI Act and under Clause 11 of the Regulations, SEBI can also pass any or all of the following order to an Insider-

- Directing him/her not to deal in the Company's Securities in any particular manner.
- Prohibiting him/her from disposing of any of the Securities acquired in violation of the Regulations.
- Restraining him/her from communicating or counseling any of the person to deal in Company's Securities.
- Declaring the transactions in Securities as null and void.
- Directing the person who acquired Securities in violation of the Regulations, to deliver the Securities back to the seller or alternatively pay the seller the price as provided.
- Directing him/ her to transfer specified amount to Investor Protection Fund of a recognized Stock Exchange.

9.2 Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992

In case it is observed by the Company and /or the Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the Company.

9.3 Clarifications

For all queries concerning this Code, the Directors, Officers and Employees may please contact the Compliance Officer.

FORM-1

REGISTER OF DESIGNATED EMPLOYEES

SL NO.	NAME	DESIGNATION	DEPARTMENT	PLACE OF WORK	EMP.NO.	DATE OF JOINING
1	2	3	4	5	6	7

DATE OF BECOMING DESIGNATED EMPLOYEE	DATE OF CESSATION AS DESIGNATED EMPLOYEE	DP ID OR FOLIO NO.	REMARKS
8	9	10	11

FORM - II

**REGISTER OF PERIODS OF CLOSURE OF TRADING
WINDOW/PROHIBITED PERIOD**

SL NO.	PURPOSE FOR WHICH TRADING WINDOW CLOSED	START DATE OF CLOSURE OF TRADING WINDOW	DATE OF NOTIFYING CLOSURE OF TRADING WINDOW, IF ANY	DATE OF OPENING OF TRADING WINDOW	DATE OF NOTIFYING OPENING OF TRADING WINDOW	REMARKS

FORM-III

APPLICATION FOR PRE-CLEARANCE OF TRADES IN SECURITIES

To

The Compliance officer

Dear Sir,

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, I seek approval for purchase /sale /subscription of the Securities (give description) of the Company as per the details given below:

Name & Designation :

Department :

Date of Joining / becoming Director/Officer/
Designated Employee

S.NO.	No. Of Securities held (including the dependent members) as on the date of application	Folio No. /DP ID & Client ID	Nature of new transaction for which approval is sought	Estimated number of securities to be dealt
1	2	3	4	5

Estimated consideration value	Whether proposed transaction is in the self name or in the name of dependent family member	Name of the dependent, if the transaction is in the name(s) of the dependent(s)	Date of Purchase /allotment	Previous approval no and date of Purchase/allotment
6	7	8	9	10

UNDERTAKING

In this connection I solemnly confirm and declare:

- (a) **THAT** I do not have access and /or have not received any "Price Sensitive Information" up to the time of signing the undertaking.
- (b) **THAT** in case I have access to or receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, I shall inform the

Compliance Officer of any change in my position and THAT I shall refrain from dealing in the securities of the Company till the time such information becomes public.

- (c) **THAT** I have not contravened the Code of conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices as notified by the Company from time to time.
- (d) **THAT** I have not entered into any sale transaction of the shares of the Company in the last six months prior to the proposed date of purchase/ THAT I have not entered into any purchase transaction of the shares of the Company in the last six months (30 days in case of IPO allotment) prior to the proposed date of sale.
- (e) I undertake to submit the necessary report within seven days of execution of the transaction/or Nil report if the transaction is not undertaken.
- (f) I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.
- (g) I hereby solemnly declare that I have made a full and true disclosure in this regard to the best of my knowledge and belief.
- (h) I hereby undertake not to transact in securities in the sanctioned period in case trading window is declared closed subsequently.

Pre-clearance may kindly be accorded in terms of Provisions of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices of REC.

Date.....

Signature.....

Place.....

Name & Designation.....

FOR OFFICE USE

Serial number of the application received _____

Date & time of receipt of the Application _____

Date & time of communication of the pre-clearance or otherwise _____

Reasons for not giving pre-clearance _____

Signature of the Compliance Officer /
Authorised Officer

FORM-IV

Letter of intimation of Pre-clearance

Director/Officer/Designated employees

Employee No.....

Designation.....

Dear Sir,

With reference to your above application seeking approval for undertaking certain transactions in Securities of the Company detailed therein, please be informed that you are hereby authorised /not authorised to undertake the transaction(s) as detailed in your said application. Kindly note that in terms of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices of REC, the above-mentioned transaction is to be completed within i.e. within seven days of the pre-clearance.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till (i.e. for {1}one week). If you do not execute the approved transaction/deal on or before this date you would have to seek fresh pre-dealing approval 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 attached format within seven {7} days from the date of transaction/deal. In case the transaction is not undertaken a “Nil” report shall be necessary.

Kindly also note that in terms of the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure practices of REC, you shall not enter into an opposite transaction i.e. sell or buy any number of shares of the Company for a period of six months following this transaction of purchase or sale.

The above sanction automatically stands withdrawn if subsequently the trading window is declared closed involving the period of sanction therein.

**For & on behalf of
Rural Electrification Corporation ltd.**

Compliance Officer/Authorised Officer

FORM-V

REGISTER OF PRE-CLEARANCE FOR TRADING IN SECURITIES

SI No.	NAME	DESIGNATION	DEPARTMENT	DATE & TIME OF RECEIPT OF PRE-CLEARANCE APPLICATION	NATURE OF TRANSACTION (PURCHASE OR SALE)	ESTIMATED NUMBER OF SECURITIES INDICATED IN THE APPLICATION
1	2	3	4	5	6	7

ESTIMATED CONSIDERATION VALUE INDICATED IN THE APPLICATION	NAME OF THE DEPENDENT IF THE TRANSACTION IS IN THE NAME OF THE DEPENDENT	DATE OF COMMUNICATION OF THE CLEARANCE BY THE COMPLIANCE OFFICER	REASONS FOR NON CLEARANCE ,IF NOT CLEARED	DATE OF PLACEMENT BEFORE GRIEVANCE COMMITTEE	NUMBER OF SECURITIES ACTUALLY TRADED,IF INTIMATED	REMARKS
8	9	10	11	12	13	14

FORM-VI

**REGISTER OF WAIVER OF RESTRICTION FOR DISPOSAL OF SECURITIES
WITHIN 6 MONTHS (30 DAYS IN CASE OF IPO ALLOTMENT) OF ACQUISITION**

SI NO.	NAME	DESIGNATION	DEPARTMENT	NAME OF THE DEPENDENT, IF THE SHARES HELD IN THE NAME OF DEPENDENT	NUMBER OF SHARES
1	2	3	4	5	6

CONSIDERATION VALUE	REASONS FOR WAIVER	DATE OF COMMUNICATION OF WAIVER	REMARKS
7	8	9	10

FORM-VII

FORMAT FOR DISCLOSURE OF PRE-APPROVED TRANSACTIONS

(To be submitted within 7 days of transaction /Dealing in Securities of the Company)

Date

To,
The Compliance Officer
Rural Electrification Corporation Ltd.

Dear Sir,

DETAILS OF PRE-APPROVED TRANSACTION

Ref: Your Approval letter No. dated.....

I hereby inform you that I

- **have not bought /sold / subscribed any securities**
- **have bought/sold/subscribed to theSecurities (give description) as mentioned below on(insert date)**

Name of the holder	** First or joint holder	No. of Securities dealt with	Bought /Sold/Subscribed	DP ID/Client ID (electronic form) where the securities will be debited or credited or Folio no. for physical securities	Price (Rs)

** "F" first holder "J" joint holder

In connection with the aforesaid transaction (s), I hereby undertake to preserve, for a period of 3 (Three) Years and produce to the Compliance Officer/SEBI any of the following documents:

1. Broker's contract note
2. Proof of Payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions.)
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

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

I declare that I have not entered and would not enter into an opposite transaction i.e. Purchase or Sale in the shares of the Company for a period of 6 Months (30 days in case of IPO allotment) from the date of this transaction. In case there are any urgent need to sale the securities within said period, I shall approach the Company (Compliance Officer) for necessary approval (applicable in case of purchase/ subscription).

Yours truly,

Signature:.....

Name :.....

Emp No:.....

Dept/Div.....

- Strike out whichever is not applicable.

FORM-VIII

**PROFORMA FOR INITIAL DISCLOSURE OF DETAILS OF SECURITIES
HELD BY DIRECTORS /OFFICERS /DESIGNATED EMPLOYEES.**

Dear Sir,

I Director /Officer /Designated employee of REC furnish below the details of securities in REC as on in my self name and/or in the name(s) of my dependant family members in terms of regulation 13(2) of SEBI (Prohibition of Insider Trading) Regulation, 1992 and clause 8 of the Code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure practices of REC.

Name & Designation of the Director/Officer/
Designated Employee :

Department of Designated Employee :

Data of Joining /becoming Director / Officer/
Designated employee :

I. Details of shareholding of Directors/ Officers/Designated employees held in self-name:

Sl. No.	No. of securities Held	Date of acquisition	Consideration	Folio No./ DP ID & Client ID

II. Details of shares held by/ in name(s) dependant family members.

Sl. No.	Name of dependant family member	Relationship	No. of securities held	Date of acquisition	Consideration	Folio No./ DP ID & Client ID

Date:
Place:

Signature

FORM-IX

PROFORMA FOR DISCLOSURE OF CHANGE IN SECURITIES HOLDING TO BE SUBMITTED BY DIRECTORS /OFFICERS /DESIGNATED EMPLOYEES.

Dear Sir,

I Director/Officer/Designated employee of REC, furnish below the details of transactions of my own/ dependent family members in the securities of REC, during the period from.....to in terms of clause 8 of the code of Conduct for prevention of Insider Trading and Code of Corporate Disclosure Practices of REC.

Name & Designation of the Director/Officer/
Designated Employee :

Department of Designated Employee :

Date of Joining /becoming Director/officer/
Designated employee :

1. Details of change in shareholding (on own account)

No. of securities held as on.....(date of previous disclosure)	Date of transaction	Details of securities Purchased		Details of securities sold		No. of securities as on....(date of present disclosure)	Folio No./DP ID & Client ID
		No	Consideration	No	Consideration		

II. Details of change in shareholding of dependent family members

Name of the dependent	Relation-ship	No. of securities held as on..... (date of previous disclosure)	Date of transaction	Details of securities Purchased		Details of securities sold		No. of securities Held as on.... (date of present disclosure)	Folio No./ DP ID & Client ID
				No	Value	No	Value		

I declare that I have not entered and would not enter into an opposite transaction i.e. Purchase or Sale in the shares of the Company for a period of 6 Months (30 days in case of IPO allotment) from the date of this transaction.

Date:

Place:

Signature

FORM-X

**PROFORMA FOR ANNUAL DISCLOSURE OF SECURITIES HOLDING TO BE
SUBMITTED BY DIRECTORS /OFFICERS/DESIGNATED EMPLOYEES.**

Dear Sir,

I Director/Officer/ Designated Employee of REC, furnish below the details of transaction(s) in the securities of REC, during the financial year..... as well as shareholding as on 31st March.....

Name & Designation of the Director/Officer/
Designated Employee :

Department of Designated Employee :

Date of Joining /becoming Director/Officer/
Designated employee :

I. Details of transaction /shareholding in own name

No. of securities held as on.....(date of previous disclosure)	Date of transaction	Details of securities Purchased during the year		Details of securities sold during the year		No. of securities held as on.....(date of present disclosure)	Folio No./ DP ID & Client ID
		No	Consideration	No	consideration		

II. Details of transaction /shareholdings of dependent family members.

Name of the dependent	Relationship	No. of securities held as on 01.04.200...	Details of securities purchased during the year		Details of securities sold during the year		No. of securities Held as on 31.03.200...	Folio No./DP ID & Client ID
			No	Value	No	Value		

I declare that I will comply/ have complied with the requirements of not entering into an opposite transaction in the shares of the Company for a minimum period of 6 Months (30 days in case of IPO allotment) following a prior transaction.

Date:

Place:

Signature

RURAL ELECTRIFICATION CORPORATION LIMITED
CODE OF CORPORATE DISCLOSURE PRACTICES

[Pursuant to Regulation 12(2) of
SEBI (Prohibition of Insider Trading)
Regulations -1992]

1. Overseeing and Co-ordinating disclosure

Company secretary and in his absence any Executive not below the rank of General Manager as may be nominated by the Chairman & Managing Director shall be the Public Spokesperson. The Public Spokesperson shall be responsible for ensuring timely and adequate disclosure of Price Sensitive Information pursuant to this Code as required under the Regulation.

The Public Spokesperson with the approval of the Chairman & Managing Director shall be responsible for continuous disclosure requirements, overseeing and coordinating disclosure of Price Sensitive Information to the Stock Exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedures.

2. Guidelines for Interacting with Media & External Public

All disclosures/dissemination whatsoever of any information (save and except disclosure required to be made under any law or under this Code) on behalf of the Company shall be first marked to the Public Spokesperson for approval. Any such information shall be made public or published on behalf of the Company only if the same is approved by the Public Spokesperson as the case may be. In case of doubt, the Public Spokesperson shall consult and seek approval of the Chairman & Managing Director before dissemination of such information.

Should any dissemination of information on behalf of the Company takes place without prior approval referred above, out of accidental omission, by any Employee or Director of the Company, such Employee/ Director shall forthwith inform immediately the Public Spokesperson about such disclosure irrespective of the fact whether such information is Price Sensitive or not.

3. Responding to market rumours

The Employees/Directors of the Company shall promptly direct any queries or requests for verification of market rumours received from Stock Exchanges or from the Press or Media or from any other source to the Public Spokesperson.

The Public Spokesperson shall on receipt of requests as aforesaid, consult the Chairman & Managing Director as the case may be and respond to the same without delay.

The Public Spokesperson shall be also responsible for deciding in consultation with the Chairman and Managing Director of the Company as to the necessity of a public announcement for verifying or denying rumours and thereafter making appropriate disclosures.

All the requests/ queries received shall be documented and so far as practicable, the Public Spokesperson, as the case may be, shall request for such queries/requests in writing. No disclosure in response to the queries/request shall be made by the Public Spokesperson unless the Chairman and Managing Director approves the same.

4. Timely reporting of shareholdings/ ownership and changes in ownership

The Compliance Officer shall be responsible for ensuring that disclosures of shareholdings/ ownerships of major shareholders and disclosure of changes in ownership as required under the Stock Exchanges Listing Agreements and/ or any rules, regulations made under the Securities and Exchange Board of India Act, 1992 are made timely and in adequate manner.

Any such shareholding/ownership reporting by the Compliance Officer shall also be reported to the Chairman and Managing Director from time to time.

5. Disclosure/ dissemination of Price Sensitive Information with special reference to Analysts, Institutional Investors

Other than Directors, no person, except those authorized by the Public Spokesperson shall disclose any information relating to the Company's Securities to Analysts and Institutional Investors. The Public Spokesperson shall be invited to meetings/conferences organized by the Company with the Analysts/Institutional Investors.

All Directors, Officers and Employees of the Company should follow the guidelines given hereunder while dealing with Analysts and Institutional Investors:

(i) Sharing of Non Public Information

The Directors, Officers and Employees shall provide only public information to the Analysts /Research Persons/Large Investors like Institutions. In case non-public information is proposed to be provided, the person proposing to so provide information shall consult the Public Spokesperson and in such cases shall ensure that the information provided to the Analyst/Research Person /Investor as above is made public simultaneously with such disclosure.

The Company shall take extreme care and caution when dealing with Analyst's questions that raises issues outside the intended scope of discussion.

(ii) Handling of unanticipated Questions

The Public Spokesperson should tackle the unanticipated questions carefully. The unanticipated questions may be noted and a considered response be given later in consultation with the Chairman & Managing Director. If the answer to any question requires dissemination of Price Sensitive Information, the Public Spokesperson shall report the same to the Chairman & Managing Director and obtain necessary approval for its dissemination to the Stock Exchanges/public announcement of such price Sensitive Information aforesaid and respond to such unanticipated questions.

(iii) **Recording of discussion**

All the meetings with Analyst, Broker or Institutional Investor shall be attended by the Public Spokesperson in order to avoid misquoting or misrepresentation and shall arrange for recording the discussions at the meeting.

(iv) **Simultaneous release of information**

Whenever the Company proposes to organize meetings with Investment Analysts/Institutional Investors, the Company shall make a Press Release or post relevant information on its website after every such meeting. The Company may also consider live web casting of analyst meets.

The Public Spokesperson shall be responsible for drafting of the Press Release or the text of the information to be posted on the Company's website, in consultation with the Chairman & Managing Director.

6. **Medium of disclosure/dissemination**

The Public Spokesperson in consultation with the Compliance Officer and with the approval of Chairman & Managing Director shall disseminate all Price Sensitive Information on a continuous and in a timely manner to Stock Exchanges where its Securities are listed and thereafter to the Press.

As a good corporate practice, the Price Sensitive Information disclosed to the Stock Exchanges and to the Press may also be supplemented by prompt updates on the Company's website by Public Spokesperson. The Company may also consider other modes of public disclosure of Price Sensitive Information so as to improve investor access to the same.

The Information filed by the Company with the Stock Exchanges under the Stock Exchange Listing Agreement shall also be posted on the Company's website.

Rural Electrification Corporation Limited
Disclosure Norms

[Pursuant to Regulation 13 of
SEBI (Prohibition of Insider Trading)
Regulations -1992]

Disclosure of Interest or holding by Directors and Officers and
Substantial Shareholders of the Company

A. Initial Disclosure

1. Any person who holds more than 5% shares or voting rights in the Company shall disclose to the Company in **FORM A**, the number of shares or voting rights held by such person, on becoming such holder, within two working days of :-
 - (a) the receipt of intimation of allotment of shares; or
 - (b) the acquisition of shares or voting rights, as the case may be.
2. Any person who is a Director or Officer of the Company shall disclose to the Company in **FORM B** the number of shares or voting rights held and positions taken in derivatives by such person and his dependents, within two working days of becoming a Director or Officer of the Company.

B. Continual Disclosures

3. Any person who holds more than 5% shares or voting rights in the Company shall disclose to the Company in **FORM C** the number of shares or voting rights held and change in shareholding or voting rights even if such change results in shareholding falling below 5%, if there has been change in such holdings from the last disclosure made and such change exceeds 2% of total shareholding or voting rights in the Company.
4. Any person who is a director or officer of a listed company, shall disclose to the company and the stock exchange where the securities are listed in **Form D**, the total number of shares or voting rights held and change in shareholding or voting rights, if there has been a change in such holdings of such person and his dependents from the last disclosure made under sub-regulation (2) or under this sub-regulation, and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.
5. The disclosure mentioned in sub-regulations (3) and (4) shall be made within 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 may be.

C. Disclosure by Company to Stock Exchanges

The Company, within two working days of receipt, shall disclose to all Stock Exchanges on which the Company's Securities are listed, the information received under sub-regulation (1), (2), (3) and (4).

D. E-filing.

The disclosures required under this regulation may also be made through electronic filing in accordance with the system devised by the stock exchange.”

E. Violation of provision relating to disclosure

Without prejudice to the directions under regulation 11, if any person violates provisions of these regulations, he shall be liable for appropriate action under Sections 11, 11B, 11D, Chapter VIA and Section 24 of the Act.

F. Appeal to the Securities Appellate Tribunal

Any person aggrieved by an order of the Board under these regulations may prefer an appeal to the Securities Appellate Tribunal.

FORM A

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

[Regulation 13(1) and (6)]

Regulation 13(1) - Details of acquisition of 5% or more shares in a listed company

Name, PAN No. & address of shareholder with telephone number	Shareholding Prior to acquisition	No. and percentage of shares/ voting rights acquired	Date of receipt of allotment/ advice. Date of acquisition (specify)	Date of intimation to Company	Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)	Shareholding Subsequent to acquisition	Trading member Through whom the Trade was executed With SEBI Registration No. of the TM	Exchange On which The trade Was executed	Buy quantity	Buy value

FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

[Regulation 13(2) and (6)]

Regulation 13(2) — Details of shares held or position taken in derivatives by Director or Officer of a Listed Company and his dependents.

Name, PAN No. & Address of Director/ Officer	Date of assuming office of Director/ Officer	No. & % of shares/voting rights held at the time of becoming Director/ Officer	Date of intimation To company	Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992

[Regulation 13(3) and (6)]

Regulation 13(3)— Details of change in shareholding in respect of persons holding more than 5% shares in a listed company

Name, PAN No. & address of shareholder	Shareholding prior to acquisition/ Sale	No. and percentage of shares/ voting rights acquired/ Sold	Receipt of allotment advice/ acquisition of shares/ sale of shares specify	Date of intimation to Company	Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)	No. & % of shares/ voting rights postacquisition/ sale	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value	Sell quantity	Sell value

FORM D

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

[Regulation 13(4) and (6)]

Regulation 13(4)— Details of change in shareholding by Director or Officer of a Listed Company and his dependents

Name, PAN No. & address of Director/ Officer	No. & % of shares/ voting rights held by the Director/ Officer	Date of receipt of allotment advice/ acquisition/ sale of shares/ voting rights	Date of intimation to company	Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)	No. & % of shares/ post acquisition/ voting rights sale	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value	Sell quantity	Sell value