

RATHI STEEL AND POWER LIMITED

CODE OF CONDUCT

FOR

PREVENTION OF INSIDER TRADING

CONTENTS

Sr. No.	Topic	Page No.
Introduction		
01.	Introduction	3
02.	The Policy and Obligation	3
03.	Title, Commencement and Extent	3
04.	Definitions	4
Confidentiality of Price Sensitive Information		
05.	Compliance Officer	6
06.	Preservation of Price Sensitive Information	6
07.	Need to Know	6
08.	Limited access to confidential information	6
Trading Restriction		
09	Prevention of misuse of “Price Sensitive information”	7
10.	Trading Window	7
11.	Pre Clearance of trades	7
12.	Other restrictions	8
Reporting and Disclosure Requirements		
13	Reporting requirements for transactions in securities	8
14.	Disclosures requirements	8
Miscellaneous		
15	Penalty for contravention of the Code of Conduct	9
16	Information to SEBI in case of violation of SEBI (prohibition of insider trading) regulation, 1992	10
17	Code of conduct for Board of Directors and Senior Management Personnel	11-13

RATHI STEEL AND POWER LIMITED

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF RATHI STEEL AND POWER LIMITED

**(As approved by the Board of Directors of the Company in their meeting
Held on the 16th day of March 2011)**

INTRODUCTION

INTRODUCTION

Insider trading means dealing in securities of a company listed / traded on any stock exchange in India based on, or when in possession of, unpublished price sensitive information.

With a view to govern the conduct of “Insiders” on matters relating to insider trading the Securities and Exchange Board of India (SEBI) has formulated SEBI (Prohibition of Insider Trading) Regulation 1992. SEBI has since amended the existing regulation. These regulations are now called Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992.

Chapter IV of the Regulations require, inter-alia, all listed companies to frame a code of internal procedures and conduct as near thereto the Model code specified in Part A of Schedule I to the Regulations.

Rathi Steel And Power Limited, being listed company at Mumbai Stock Exchange Limited has accordingly formulated this revised code of conduct herein after referred as “Rathi Steel And Power Limited Code of Conduct for Prevention of Insider Trading Code 2011”. All the Directors / Officers and Designated employees of Rathi Steel and Power Limited are governed by the code. The code shall come into force w.e.f. 01st April 2011.

All the Directors / Officers and designated employees of Rathi Steel And Power Limited and its associates are advised to carefully go through and get themselves familiarize with and expected to strictly adhere to the Regulations and the code.

THE POLICY AND OBLIGATION

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Director / Officer and designated employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his / her work at the Company. No Director / Executive Director / Manager and other designated employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, Rathi Steel And Power Limited hereby notify that this code of conduct to be followed by all Directors, Officers and Designated employees of the Company.

TITLE, COMMENCEMENT AND EXTENT

- (1) This code is called “Rathi Steel And Power Limited” code of conduct for Prevention of Insider Trading 2011.
- (2) It shall come into force w.e.f. 01st day of April 2011.
- (3) This code is applicable to Rathi Steel And Power Limited, all the Directors, Officers, Designated Employee connected person or person deemed to be connected person of Rathi Steel And Power Limited and their dependent family members.

DEFINITIONS:

In this Code, unless the context otherwise requires

(i) CODE

Code means the Code of Conduct of Rathi Steel And Power Limited for prevention of Insider Trading and modified from time to time as per SEBI Circulars.

(ii) SEBI

SEBI means the Securities and Exchange Board of India.

(iii) ACT

Act means the Securities and Exchange Board of India Act, 1992

(iv) BODY CORPORATE

Body Corporate means a body corporate as defined in section 2 of the Companies Act, 1956.

(v) REGULATIONS

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

(vi) CONNECTED PERSON

Connected person means any person who is a Director of Rathi Steel And Power Limited or occupies the position as an officer or an employee of Rathi Steel And Power Limited or holds a position involving a professional or business relationship between himself and Rathi Steel And Power limited, whether temporary or permanent and who may reasonably be expected to have an access to unpublished price sensitive information in relation to Rathi Steel And Power Limited.

Connected person shall also include any person who is a connected person 6 (six) months prior to an act of insider trading.

(vii) DEALING IN SECURITIES

Dealing in securities means an act of subscribing, buying, selling or agreeing to subscribe, buy or sell or deal in any equity shares or listed securities of Rathi Steel And Power Limited by any person either as a principal or as an agent.

(viii) INSIDER

Insider means any person who is or was connected with Rathi Steel And Power Limited or is deemed to have been connected with RSPL and who is reasonable expected to have access to unpublished price sensitive information in respect of shares / securities of RSPL or who has received or had access to such unpublished price sensitive information.

(ix) OFFICER

The term "Officer" includes any Director, Manager or 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 and shall also include Auditors of the Company.

(x) CONNECTED PERSON

If such person-

- (1) is a company under the same management or group, or any subsidiary company thereof within the meaning of Monopolies and Restrictive Trade Practices Act or section 372(11) of the Companies Act, 1956 as the case may be.

- (2) is an intermediary as specified in section 12 of the Act, investment company, Trustee Company, Assets management Company or of clearing house or corporation.
- (3) 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 member of Board of trustee of a mutual fund or a member of the Board of Directors of the Assets Management Company of a mutual fund or is an employee thereof who has a fiduciary relationship with the Company.
- (4) 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.
- (5) is an official or an employee of a self regulatory organization recognized or authorized by the Board of a regulatory body.
- (6) is a relative of the aforementioned person or
- (7) is a banker of the Company
- (8) relative of the connected person or
- (9) is a concern, firm, trust, Hindu undivided family , company or association of person 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 then 10 per cent of the holding or interest.

PRICE SENSITIVE INFORMATION

Price sensitive information means any information which relates directly or indirectly to RSPL and which if published is likely to materially effect the price of shares / securities of RSPL in the market- the following shall be deemed to be price sensitive information:

- Periodical Financial Results (Quarterly or Annual)
- Proposed dividend declaration (Interim or Final)
- Issue / Buy Back of securities
- Any major expansion plan or execution of new project
- Amalgamation / Merger / Takeover
- Disposal of whole or substantial part of undertaking and
- Significant changes in policies, plan or preparations of the Company

UNPUBLISHED

Unpublished means information which is not published by the Company or its agent and is not specific in nature.

DEPENDENT FAMILY MEMBERS

Dependent family members means persons residing with the Directors / officers / designated employees and shall include:

- (a) Spouse
- (b) Minor Son
- (c) Unmarried Daughter
- (d) Father and Mother
- (e) Major Son / Daughter (Unmarried)
- (f) Brother (Unmarried)
- (g) Sister (Unmarried)

Provided that they are dependent on the Directors / Officers / Designated Employee for their livelihood.

WORKING DAY

Working day means when the regular trading is permitted on concern stock exchange where securities of the Company are listed.

DIRECTOR

Director means a Director of RSPL.

SUBSIDIERIES

Subsidiary means the company as defined in the Companies Act, 1956.

SECURITY

Security shall mean shares, scrip, stock, bonds, debentures stock or other marketable securities of the Company that are listed on one or more recognized stock exchange(s) in India or abroad.

INTERPRETATION OF CERTAIN WORDS AND EXPRESSIONS

Words and expressions used herein and not defined in this code but defined in the SEBI (Prohibition of Insider Trading) Regulations 1992, Securities and Exchange Board of India Act, 1992 or the Companies Act, 1956 shall have the same meaning respectively assigned to them in those acts as amended from time to time.

CONFIDENTIALITY OF PRICE SENSITIVE INFORMATION

COMPLIANCE OFFICER

The Company has appointed Company Secretary as Compliance officer who shall report to the Board of Directors of the Company. The compliance officer 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 (directly or through respective department heads as decided by the company), monitoring of trades and the implementation of the code of conduct under the overall supervision of the Board of the company.

Explanation: For the purpose of this code, the term 'designated employee' shall include: -

- (i) Officers comprising the top three tiers of the Company Management.
- (ii) The employees designated by the company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this code of conduct.

The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

The compliance officer shall assist all the employees in addressing any clarifications regarding the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the company's code of conduct.

PRESERVATION OF PRICE SENSITIVE INFORMATION

All Directors/ Officers/ Designated employees shall maintain the confidentiality of all Price Sensitive Information. They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

NEED TO KNOW

Price Sensitive Information is to be handled on a "need to know" basis, i.e., Price Sensitive Information should be disclosed only to those within the company who need the information to discharge their duty.

LIMITED ACCESS TO CONFIDENTIAL INFORMATION

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and pass word etc.

TRADING RESTRICTIONS

PREVENTION OF MISUSE OF “PRICE SENSITIVE INFORMATION”

All Directors/ officers and designated employees of the company shall be subject to trading restrictions as enumerated below:-

TRADING WINDOW

The Company shall specify a trading period, to be called "trading window", for trading in the Company's securities.

The Trading Window shall remain closed 48 Hrs. before the due date of the Board Meeting. The trading window shall be closed during the time the information referred to in below para is un-published.

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

- (a) Declaration of Financial results (quarterly, half-yearly and annual)**
- (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**
- (h) Commencement of any new commercial production/commercial operations where the contribution there from is likely to exceed 5% of the total turnover of the Company during that financial year**
- (i) Developments with respect to changes in pricing / realization on goods and services arising out of changes in government policy;**
- (j) Litigation/dispute with a material impact;**
- (k) Revision of credit ratings assigned to any debt or equity instrument of the Company;**
- (l) Any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the prices of the securities of the Company.**

When the trading window is closed, the designated employees, directors/ officers shall not trade in the company's securities in such period.

The trading window shall be opened 24 hours after the information referred to in above para is submitted to the Stock Exchange.

All directors/ officers/designated employees of the company 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 to in above para or during any other period as may be specified by the Company from time to time.

In case of 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 trading window is closed.

PRE-CLEARANCE OF TRADES

All Directors/ officers /designated employees of the company who intend to deal in the securities of the company exceeding 2,000 (Two Thousand only) shares should pre-clear the transactions as per the pre-dealing procedure as described hereunder.

An application may be made in such form as the company may notify in this regard, to the Compliance officer indicating the estimated number of securities that the designated employee/ officer/ director intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by any rule made by the company in this behalf.

An undertaking shall be executed in favour of the company by such designated employee / director / officer incorporating, inter alia, the following clauses, as may be applicable:

- (1) That the designated employee/ director/ officer does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
- (2) That in case the designated employee/ director/ officer has access to or receives "Price -Sensitive Information" after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance officer of the change in his position and that he/she would completely refrain from dealing in the securities of the company till the time such information becomes public.
- (3) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time.
- (4) That He / She has made a full and true disclosure in the matter.

OTHER RESTRICTIONS

All directors/officers /designated employees 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 designated employee/ director/ officer must pre clear the transaction again?

All directors/officers /designated employees shall hold their investments in securities for a minimum period of 30 days in order to be considered as being held for investment purposes. The holding period shall also apply to Subscription in the primary market (IPOs). In the case of IPOs, the holding period would commence when the securities are actually allotted.

In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the compliance officer after recording in writing his / her reasons in this regard.

REPORTING AND DISCLOSURE REQUIREMENTS

REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

All Directors/officers /designated employees of the listed company shall be required to forward following details of their securities transactions including the statement of dependent family members to the Compliance officer:

All holdings in securities of that Company by directors/ officers/ designated employees at the time of joining the company;

Periodic statement of any transactions in securities (the periodicity of reporting may be defined by the Company. The Company may also be free to decide whether reporting is required for trades where pre clearance is also required); and

Annual statement of all holdings in securities.

The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors/ officers / designated employees for a minimum period of three years.

The Compliance officer shall place before the Executive Director / Directors or a committee specified by the company, on a monthly basis all the details of the dealing in the securities by designated employees / director / officer of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

DISCLOSURE REQUIREMENT

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

The following disclosures shall be made to the Compliance Officer:

I. Initial Disclosures

By Whom	What to be Disclosed	When to be Disclosed	Form
Any person holding more than 5% shares or voting right	Number of shares or voting right held by such person	Within 2 working days of (a) Receipt of intimation of allotment of shares or (b) Acquisition of shares or voting right as the case may be	A
Director / Officer	Number of Shares or voting right and position taken in derivatives by such persons and his dependents	Within 2 working days of becoming a director or officer of the Company.	B

II. Continual Disclosures

By Whom	What to be Disclosed	When to be Disclosed	Form
Any person holding more than 5% shares or voting right	(a) Number of shares or voting right held and (b) Change in shareholding or voting right, even if such change results in shareholding falling below 5% If there has been change in such holding from the last disclosure and such change excess 2% of total shareholding or voting right in the Company.	Within 2 working days of – (a) Receipt of intimation of allotment of shares or (b) Acquisition or sale of shares or voting right, as the case may be.	C
Director / Officer to the Company and Stock Exchange also	(a) Number of shares or voting right held and (b) Change in shareholding or voting rights If there has been a change in such holding of such person and his dependents from the last disclosure and the change exceeds Rs. 5 Lakhs in value or 25000 shares or 1% of total shareholding or voting rights whichever is lower.	Within 2 working days of – (c) Receipt of intimation of allotment of shares or (d) Acquisition or sale of shares or voting right, as the case may be.	D

DISCLOSURE BY COMPANY TO STOCK EXCHANGE

The information received as per above disclosure shall be intimated to all stock exchanges on which the share of the Company are listed with in 2 (two) working days of receiving the same.

VIOLATION OF PROVISION RELATING TO DISCLOSURE

Without prejudice to the directions under regulation 11 of SEBI (Prohibition of Insider Trading) Regulation 1992 , if any person violates provisions of these regulations , he shall be liable for appropriate action under section 11, 11B, 11D Chapter VIA and Section 24 of the SEBI Act, 1992

MISCELLANEOUS

PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

Any designated employee / Officer / Director 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.

Designated Employees / Officers / Directors of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include

wage freeze, suspension, ineligible for future participation in employee stock option plans, etc.

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

INFORMATION TO SEBI IN CASE OF VIOLATION OF SEBI (PROHIBITION OF INSIDER TRADING) REGULATION, 1992

In case it is observed by the company / compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed by the company.

**For and on behalf of Board of Directors
For Rathi Steel And Power Limited**

Sd/-

**Pradeep Rathi
Managing Director**

Date: 16th March, 2011

Place: New Delhi

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

INTRODUCTION:

This Code of Conduct shall be applicable to the following persons (hereinafter referred to as 'concerned persons').

Board of Directors, both Executive and Non-executive, Personnel like General Manager (Works), General Manager (Marketing), Chief Financial Officer, Company Secretary etc. and all management cadre persons serving in the roles of finance, tax, accounting, purchase, treasury, internal audit, financial analyst and investor relations. Concerned persons are expected to read and understand this Code and comply with all applicable laws, rules and regulations and all applicable policies and procedures adopted by the Company.

HONEST AND ETHICAL CONDUCT:

It is expected that concerned persons will act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Honest conduct means the conduct that is free from fraud or deception. Ethical conduct means the conduct conforming to the accepted professional standards of conduct. Ethical conduct also includes ethical handling of actual or apparent conflicts of interest between personal and professional relationship.

CONFLICT OF INTEREST:

Duty of concerned persons to the Company demands that he / she avoids and discloses actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

A. Employment/Outside employment: In consideration of employment with the Company, concerned persons are expected to devote their full attention to the business interests of the Company. Concerned persons are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company. Company's policies prohibit concerned persons from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, concerned persons must disclose to the Company's audit committee, any interest that they have that may conflict with the business of the Company.

B. Outside Directorships: It is conflict of interest to serve as a director of any company that competes with the Company. Concerned persons must first obtain approval from the Company's audit committee before accepting a directorship.

C. Business Interests: If a concerned person is considering investing in any customer, supplier, developer or competitor of the Company, he or she must first take care to ensure that these investments do not compromise on his/ her responsibilities to the Company. Company's policy requires that concerned persons first obtain approval from the Company's audit committee before making such an investment. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; the concerned person's ability to influence the Company's decisions; his or her access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

D. Related parties: As a general rule, concerned persons should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. The Company discourages the employment of relatives of concerned persons in positions or assignments within the same department. Further, the Company prohibits the

employment of such individuals in positions that have a financial dependence or influence (e.g. an auditing or control relationship, or a supervisor/subordinate relationship).

E. Payments or gifts from others: Under no circumstances may concerned persons accept any offer, payment, promise to pay, or authorization to pay any money, gift or anything of a value from customers, vendors, consultants etc that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Gifts given by the Company to suppliers or customers, or received from suppliers or customers, should be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in the Company's books and records.

F. Corporate opportunities: Concerned persons may not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's board of directors and the board declines to pursue such opportunity.

CONFIDENTIALITY:

Concerned persons should maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, except when disclosure is authorized by the Chairman of the Board or Presiding Officer or legally mandated. For purposes of this Code, "confidential information" includes all nonpublic or proprietary information relating to the Company.

FAIR DEALING:

Concerned persons shall oversee fair dealing by employees, officers and directors with the Company's customers, suppliers, competitors and employees. "Fair dealing" means the avoidance of unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. This Code provision will have no effect on existing legal rights and obligations of the Company and its employees, including "at will" employment arrangements.

DISCLOSURE TO THE SEBI AND THE PUBLIC:

The Policy of the Company is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that the company file with, or submit to, the SEBI and in other public communications of the Company. Accordingly, the concerned persons must ensure that they comply with the disclosures, controls and procedures and internal controls for financial reporting of the Company.

COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS:

Concerned persons must comply with all applicable governmental laws, rules and regulations. They must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers. Violations of applicable governmental laws, rules and regulations may subject concerned persons to individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

VIOLATION OF THE CODE:

It will be the ethical responsibility of a concerned person to help enforce this Code. Concerned persons should be alert to possible violations and should cooperate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported violation of law or a suspected violation of law, this Code or other Company policies or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited. Actual violation of law, this Code or other Company policies or procedures should be promptly reported to the Board of Directors.

The Company will take appropriate action against any concerned person whose actions are found to violate the Code or any other Policy of the Company. Disciplinary actions may include **immediate termination** of employment at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities.

AMENDMENT / MODIFICATION OF THE CODE:

The Company is committed to continuously review and update its policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code will be approved in writing by the Company's Board of Directors and thereafter, promptly circulated to all concerned.

GENERAL:

All questions concerning the meaning and application of this Code, any Company policies or the legal and regulatory requirements applicable to engagement of a concerned person shall be addressed to the Board of Directors or the Company Secretary and all such questions or reports and replies and/or clarifications thereto will be maintained in strict confidence.

**For and on behalf of Board of Directors
For Rathi Steel And Power Limited**

Sd/-

**Pradeep Rathi
Managing Director**

Date: 16th March, 2011

Place: New Delhi