



**RATHI STEEL AND POWER LTD.**

**POLICY FOR DETERMINATION OF  
LEGITIMATE PURPOSES**

**(Revised effective from 29.03.2025)**



## **POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES**

### **Introduction**

Rathi Steel and Power Limited (“Company”) is required to share data or information with various persons like Company’s collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals, practicing company secretaries, registered valuers or other advisors or consultants, in the course of its business on need to know basis and in furtherance of legitimate purpose, performance of duties or discharge of legal obligations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If any person trades on the basis of Unpublished Price Sensitive Information (“UPSI”), it could result in an undue advantage to such person(s).

Regulation 3 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”) prohibits the communication and procurement of unpublished price sensitive information, unless such communication /procurement is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

In order to cast an obligation on all insiders who are essentially persons in possession of UPSI to handle such information with care and to deal with the information with them when transacting their business strictly on a need-to-know basis and in furtherance of legitimate purpose, performance of duties or discharge of legal obligations, SEBI vide Regulation 3(2A) of PIT Regulations require the listed entities to formulate a policy for determination of “legitimate purposes” as a part of “Codes of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” formulated under Regulation 8 of PIT Regulations.

This also intended to lead to organisations developing practices based on need-to-know principles for treatment of information in their possession.

Accordingly, the Board of Directors of Rathi Steel and Power Limited (“Company”) has approved this policy for Determination of Legitimate Purposes on 29-03-2025 and shall form part of “Codes of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” formulated by the Company under Regulation 8 of PIT Regulations.

This Policy shall be read together with the Company’s Code of Conduct to Regulate, monitor and Report trading by the Designated Persons of the Company and their Immediate Relatives.

Words and expressions used and not defined in this Policy or in the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information shall have the same meanings assigned to them respectively in the PIT Regulations or the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and the rules and regulations made thereunder, as the case may be, including amendment(s)/modification(s) thereto.



### **Applicability**

This policy will be applicable to: (i) Insiders as defined under Regulation 2(1)(g) of PIT Regulations. (ii) Any person in receipt of UPSI pursuant to a “legitimate purpose” shall also be considered an “Insider”.

Thus, this Policy will be applicable on all the employees of the Corporation who have access to UPSI and connected persons to whom UPSI is shared for legitimate purpose and are required to share such UPSI for legitimate purposes, performance of duties or discharge of legal obligations.

### **Determination of Legitimate Purposes for Sharing the Unpublished Price Sensitive Information:**

Whether sharing of UPSI for a particular instance tantamount to “legitimate purpose” would entirely depend on the specific facts and circumstances of each case. Primarily following factors should be considered while sharing the UPSI:

1. Whether sharing of UPSI is in the Ordinary course of business of the Company.
2. Whether sharing of such UPSI is in the interests of the Company or in furtherance of genuine commercial purpose.
3. Whether sharing of such UPSI is not for personal benefit but may result in personal gain consequently.
4. Whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient.

“Legitimate Purpose” shall include sharing of Unpublished Price Sensitive Information (“UPSI”) in the ordinary course of business on need to know basis and in furtherance of performance of duties or discharge of legal obligations, by an insider with other persons including but not limited to Insider(s), Company’s collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals, practicing company secretaries, registered valuers or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of PIT Regulations.

Further, the Legitimate Purpose shall, inter alia, include sharing of the Unpublished Price Sensitive Information in relation to the following:

1. Sharing the information upon an action, subpoena or order of a court of competent jurisdiction;
2. Sharing the information for any requirement of legal process, regulation or governmental order, decree or as per applicable laws, rules and regulations;
3. Sharing of information with auditors viz. internal auditors, statutory auditors, cost auditors, tax auditors or secretarial auditors in relation to audit or for obtaining any certifications or any other services etc.;



4. Sharing the information with partners, customers, collaborators and suppliers for entering into contracts or other business prospects which necessitates the same;
5. Sharing of information for the purposes of obtaining regulatory licenses and approvals etc.;
6. Sharing of information in relation to obtaining various credit facilities or loans, giving guarantees or providing security from/to banks, financial institutions or other lenders;
7. Sharing of information with merchant bankers including their counsels and advisors etc. in relation to further issue of any Securities, debentures, ADR/GDR, convertible instruments, QIPs etc.;
8. Sharing information with legal advisors or counsels in relation to any litigations, representations or registering of any intellectual property rights or in relation to obtaining any opinion or advisory services etc.;
9. Sharing information with consultants in relation to any to obtaining any opinion or advisory services etc.;
10. Sharing of information with auditors, counsels, advisors or consultant's taxation related issues;
11. Sharing of information with insolvency professionals or other advisors or consultants in any other important matters of the Company; and
12. Sharing of such information as may be determined by the Compliance Officer of the Company in consultation with the Board of Directors from time to time.

Any person in receipt of UPSI pursuant to a Legitimate Purpose shall be considered as an Insider for the purpose of PIT Regulations and should be made aware of the duties and responsibilities attached to the receipt of UPSI and the liability that attaches to misuse or unwarranted use of such information. Thus, the Company may enter into Confidentiality Agreements or Non Disclosure Agreements with such persons and/or due notice shall be given to such person which would, inter alia, include the following:

- The information shared is in nature of UPSI, confidentiality of such UPSI must be maintained, and such UPSI must not be disclosed by the recipient in any manner except in compliance with the PIT Regulations.
- The recipient must not trade in securities of the Company while in possession of UPSI.

The Company shall ensure that the Structured Digital Database is maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database, containing the nature of UPSI and the names of such persons who have shared the information and also the names of such persons with whom information is shared along with the prescribed required information. under this regulation along shall be maintained by the Company in compliance with the requirements of PIT Regulations.



**Amendment**

In case there are any regulatory changes requiring modification to this Policy, the same shall be reviewed and amended with the approval of the Board of Directors. However, the amendment in the regulatory requirements shall be binding on the Company and shall prevail even if the same is not incorporated in this Policy.