आरईसी
REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

आरईसी लिमिटेड | REC Limited
(Formerly Rural Electrification Corporation Limited)
(भारत सरकार का उद्यम) / (A Government of India Enterprise)
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003
Tel: +91-11-4309 1500 | Fax: +91-11-2436 0644 | Website: www.recindia.com
CIN : L40101DL1969GOI005095 | GST No.: 07AAACR4512R1Z3

स्वच्छ भारत
एक कदम स्वच्छता की ओर

**SEC-1/187(2)/2020/434** **Dated: November 9, 2020**

| **Listing Department,**<br>National Stock Exchange of India Limited<br>Exchange Plaza, Bandra Kurla Complex,<br>Bandra (East),<br>Mumbai - 400 051. | **Corporate Relationship Department**<br>BSE Limited<br>1st Floor, Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort,<br>Mumbai - 400001. |
|---|---|
| **Scrip Code-RECLTD** | **Scrip Code- 532955** |

**Sub: Inadvertent trade in equity shares of REC by a designated person, during period of closure of Trading Window.**

Dear Sir/Madam,

This is with reference to our letter dated September 30, 2020 and October 29, 2020 *inter-alia* intimating about closure of trading window for dealing in the securities of REC Limited from October 1, 2020 to November 8, 2020; in line with the SEBI (Prohibition of Insider Trading Regulations), 2015 [SEBI PIT Regulations] and REC Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and their Immediate Relatives.

In this regard, Shri Praveen Kumar Singh, Nominee Director of Power Finance Corporation Limited, vide his letters dated October 20, 2020 and October 28, 2020 (enclosed as **Annexure I & II respectively**) informed that he has inadvertently purchased 2,500 equity shares of REC Limited on October 5, 2020, during the trading window closure period. Shri Singh has conveyed in the said letter that at the time of entering into the transaction, he was under 'Home Quarantine' due to infection of some infectious disease. Further, due to downward movement in the share price of some Power sector companies, he purchased equity shares of few companies including REC, for long term investment from his own resources, without realizing that the Trading Window for shares is closed. Further, he has also declared that at the time of entering into the transaction, he was not in possession of any Unpublished Price sensitive information and the said trade was carried out inadvertently without any intent of reaping abnormal gains.

The matter was taken up in the Meeting of Board of Directors held on November 6, 2020 wherein the matter was deliberated extensively. The Board noted that Shri P K Singh was not in possession of Unpublished Price Sensitive Information (UPSI) and the fact that he is only member of Board and Board-level committees & is not involved in the day-to-day management and function of REC. Further, that last Meeting of Board and Board Level Committees in which he is member were held on September 15, 2020 and all the Price Sensitive Information, if any, after the Meeting have already been informed to Stock Exchanges. Therefore, it was concluded that this was an inadvertent trade made by Shri P.K. Singh, without intent to violate the SEBI PIT Regulations and Company's Code of Conduct formulated in this regard.

However, it was determined that there has been a violation of SEBI PIT Regulations and Company's Code of Conduct and therefore, as a penalty for inadvertent trade during period of closure of trading window, Shri Singh was asked to dispose off the said 2,500 shares of REC through stock market mechanism within a period of 7 days. Further, the profit, if any, arising out of the said transaction including by way of any corporate action shall be remitted to REC, for onward remittance to SEBI (Investor Protection and Education Fund).

In this regard, the disclosure as prescribed vide SEBI Circular dated July 23, 2020 is enclosed herewith as **Annexure A**. The details of transfer of funds to SEBI (Investor Protection and Education Fund) will be furnished, once the shares were sold by Shri P K Singh & profit earned on the transaction, transferred to Company.

This is for your kind information and dissemination.

Thanking you,

Yours faithfully,

**(J.S. Amitabh)**
**Executive Director and Company Secretary**

**Copy to:**

**N. Sunil,**
**Deputy General Manager**
**E-mail : nsunil@sebi.gov.in**

Annexure I

Date: 20/10/2020

**The Compliance Officer**
**REC Limited**
**New Delhi**

Dear Sir,

This is to inform that inadvertently I have purchased 2500 nos. of shares of REC Limited on 05/10/2020 i.e., during the closure of trading window period. My DP Statement is enclosed for your information and record.

You are requested to inform me about the further course of action in this regard.

Thanking you,

Yours faithfully,

**(Praveen Kumar Singh)**
**Nominee Director of PFC Limited**

## HDFC Bank Depository Transaction Details

HDFC BANK
We understand your world

DP Transaction Report from :01/10/2020 to 20/10/2020

Business Date : 19/10/2020

**DP ID : IN301549 DP Account No. 15835878**

PRAVEEN KUMAR SINGH

C/9/9844 VASANT KUNJ
NEW DELHI - 110070

| ISIN | Account Type | Date | Reference No. | Description | Market Type / Description | Setlno | Counter Party Details | Debit | Credit |
|---|---|---|---|---|---|---|---|---|---|
| INE134E01011 | **POWER FINANCE CORPORATION LTD.-EQ** | | | | | | | | |
| | Free Balance | 07/10/2020 | 81000041427257 | A/c to A/c Rcpt | 13 NORMAL | 2020191 | IN511084 0000000000000 | | 5000.000 |
| INE020B01018 | **REC LIMITED-EQ** | | | | | | | | |
| | Free Balance | 07/10/2020 | 81000041428564 | A/c to A/c Rcpt | 13 NORMAL | 2020191 | IN511084 0000000000000 | | 2500.000 |

**Authorised Signatory**

**HDFC Bank Limited**

Date: 28.10.2020

Annexure II

The Board of Directors.
REC Limited
Core-4, SCOPE Complex,
7, Lodhi Road,
New Delhi – 110003

**Sub: Inadvertent trade in securities of REC Limited during closure period of Trading Window.**

**Ref.: DP IDNO: IN 301549 / Client ID: 15835878**

Dear Sir,

This has reference to my earlier letter dated 20.10.2020 on above cited subject wherein , I had informed that inadvertently, I had purchased 2,500 equity shares of REC Limited on October 5, 2020, during the closure period of Trading window as notified in terms of 'Code for Prevention of Insider Trading' of the Company.

In this regard, I would like to further inform that at the time of buying the above shares, I was under 'Home Quarantine' due to infection of some infectious disease. Further, due to the downward movement in the price of some of the scrips of Power Sector companies on stock Exchange, I had bought shares of few companies including 2,500 shares of REC for the purpose of long term investment from my own resources ,without realizing that the Trading Window for dealing in equity shares of REC is closed.

Further, I would like to confirm you that at the time of purchase of shares of REC, I was not in a possession of any Unpublished Price Sensitive information (UPSI) which had bearing on the share price of REC, whether at present or in future. Further, it is also informed that the said '*small*' transaction was carried out inadvertently, for investment purpose, neither with any intent of reaping abnormal gains nor based on any price sensitive information or violating the norms for Insider Trading in any manner whatsoever.

In view of the above, it is requested to condone the procedural violation in making above inadvertent transaction in securities of REC Limited. I further assure you that such kind of violations of the SEBI (PIT) Regulations will not happen again in future.

Thanking You,

Yours faithfully,

(Praveen Kumar Singh)
Nominee Director of PFC

**Annexure A**

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

**As per Schedule B read with Regulation 9 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015**

| Sr. No. | Particulars | Details |
|---|---|---|
| 1 | Name of the listed company | REC LIMITED |
| 2 | Please tick appropriate check box Reporting in capacity of:<br>☑ Listed Company<br>☐ Intermediary<br>☐ Fiduciary | Listed company |
| 3 | A. Details of Designated Person (DP) | |
| | i. Name of the DP | Shri Praveen Kumar Singh |
| | ii. PAN of the DP | ARVPS2332K |
| | iii. Designation of DP | Nominee Director |
| | iv. Functional Role of DP | Shri Praveen Kumar Singh is Nominee Director of Power Finance Corporation Limited (PFC) on the Board of REC since June 18, 2019. It is pertinent to mention that PFC holds 52.63% shareholding of REC and is also the Promoter & Holding Company of REC.<br><br>Shri Singh as nominee Director of PFC is only involved in deliberations and decision taken in Meetings of Board and Board-level Committees of which he is the Chairperson / Member. He is not involved in the day-to-day management and functioning of REC. |
| | v. Whether DP is Promoter or belongs to Promoter Group | Yes |

<table>
<tr><td></td><td colspan="2">B. If Reporting is for immediate relative of DP</td></tr>
<tr><td></td><td>i. Name of the immediate relative of DP</td><td>N.A.</td></tr>
<tr><td></td><td>ii. PAN of the immediate relative of DP</td><td>N.A.</td></tr>
<tr><td></td><td colspan="2">C. Details of transaction(s)</td></tr>
<tr><td></td><td>i. Name of the scrip</td><td>REC Limited Scrip Code : RECLTD (NSE) and 532955 (BSE)</td></tr>
<tr><td></td><td>ii. No of shares traded and value (Rs.) (Date- wise)</td><td><table><tr><td>Date</td><td>No. of shares traded</td><td>Value (Rs.)</td></tr><tr><td>05.10.2020</td><td>2,500</td><td>2,51,000</td></tr></table></td></tr>
<tr><td></td><td colspan="2">D. In case value of trade(s) is more than Rs.10 lacs in a calendar quarter</td></tr>
<tr><td></td><td>i. Date of intimation of trade(s) by concerned DP/ director/ promoter/ promoter group to Company under regulation 7 of SEBI (PIT) Regulations, 2015.</td><td rowspan="2">Not Applicable</td></tr>
<tr><td></td><td>ii. Date of intimation of trade(s) by Company to stock exchanges under regulation 7 of SEBI (PIT) Regulations, 2015.</td></tr>
<tr><td>4</td><td>Details of violations observed under Code of Conduct</td><td>Purchase of 2,500 equity shares of REC Limited during the period of closure of Trading window.</td></tr>
<tr><td>5</td><td>Action taken by REC</td><td>As a penalty for inadvertent trade during period of closure of trading window, Shri Praveen Kumar Singh has been advised to dispose off 2,500 shares of REC through stock market mechanism within a period of 7 days from the date of communication to him.<br>Further, the profit, if any, arising out of the said transaction including by way of any corporate action shall be remitted to REC, for onward remittance to SEBI (Investor Protection and Education Fund).</td></tr>
<tr><td>6</td><td>Reasons recorded in writing for taking action stated above</td><td>Shri P.K. Singh has conveyed in his letter dated October 28, 2020 that at the time of entering into the transaction, he was under ‘Home Quarantine’ due to infection of some infectious disease. Further, due to downward movement in the share price of some Power sector companies, he purchased equity shares of few companies including REC, for long term investment from his own resources,</td></tr>
</table>

| | | |
|---|---|---|
| | | without realizing that the Trading Window for shares is closed.<br><br>Shri Praveen Kumar Singh has declared that at the time of entering into the transaction, he was not in possession of any Unpublished Price sensitive information and the said trade was carried out inadvertently without any intent of reaping abnormal gains. |
| 7 | Details of the previous instances of violations, if any, since last financial year | None |
| 8 | If any amount collected for Code of Conduct violation(s) | Details will be intimated separately. |
| | (i) Mode of transfer to SEBI - IPEF (Online/Demand Draft) | |
| | (ii) Details of transfer/payment | |

Yours faithfully,

Date : November 9, 2020
Place : New Delhi

**(J.S. Amitabh)**
**Executive Director & Company Secretary and Compliance Officer**
PAN: AAIPJ4937F
Email ID: jsamitabh@recl.in