



## **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

(As approved by the Board of Directors of the Company)

### **I. PREAMBLE**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, (hereinafter referred to as the 'Regulations') requires a Company to frame a Code of Conduct for prevention of insider trading by employees of the Company, including the Directors, in relation to the securities of the Company.

In line with the said Regulations, this Code for Prevention of Insider Trading has been formulated and adopted by the Board of Directors of the Company to be effective from July 24, 2006.

### **II. DEFINITIONS**

1. 'Code' means this Code for Prevention of Insider Trading
2. 'Company' means Monnet Ispat & Energy Limited
3. 'Compliance Officer' shall mean Company Secretary of the Company.
4. 'Dealing in Securities' means subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities either as principal or agent.
5. 'Designated Employee' shall mean:-
  - a) All Directors, Executive and Non-Executive;
  - b) All Presidents/Vice Presidents;
  - c) All General Managers, Dy./Asstt. General Managers
  - d) All Managers & Deputy Managers;
  - e) All employees of Corporate Affairs, Corporate Planning, Corporate Communications, Marketing, Finance & Accounts Department; and
  - f) Other employees as designated by the Board of Directors from time to time to whom the trading restrictions shall be applicable.
6. 'Dependent Family Members' shall mean a relative of the designated employee who is dependent on designated employee.



7. **Price Sensitive Information** shall mean 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. The following is deemed to be price sensitive information:-
- a) Periodical financial results of the company;
  - b) Intended declaration of dividends (both interim and final);
  - c) Issue of securities by way of public/rights/bonus etc. 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; and
  - g) Any significant changes in policies, plans or operations of the company.
8. **Relative** shall mean any of the following persons:-
- a) Husband
  - b) Wife
  - c) Father
  - d) Mother (including step-mother)
  - e) Son (including step-son)
  - f) Son's wife
  - g) Daughter (including step-daughter)
  - h) Father's father
  - i) Father's mother
  - j) Mother's mother
  - k) Mother's father
  - l) Son's son
  - m) Son's son's wife
  - n) Son's daughter
  - o) Son's daughter's husband
  - p) Daughter's husband
  - q) Daughter's son
  - r) Daughter's son's wife
  - s) Daughter's daughter
  - t) Daughter's daughter's husband
  - u) Brother (including step-brother)
  - v) Brother's wife
  - w) Sister (including step-sister)
  - x) Sister's husband
  - y) **Members of a Hindu Undivided Family**



### III. INTERPRETATION

1. Terms that have not been defined in this Code shall have the same meaning assigned to them in the Companies Act, 1956 and/or any other SEBI Regulation(s) as amended from time to time.
2. This Code can be modified/amended/alterd only by Board of Directors of the Company.

### IV. APPLICABILITY

1. This Code shall come into force with effect from July 24, 2006 and shall be applicable on all the designated employees, present and future.

### V. CODE

#### 1.0 PROHIBITION TO BUY / SELL SECURITIES OF THE COMPANY BY DESIGNATED EMPLOYEES

1.1 Designated Employees when in possession of any unpublished price sensitive information pertaining to the Company, shall not:

1.1.1 Buy/sell securities of the Company, either on their own behalf or on behalf of any other person.

1.1.2 Communicate, counsel or procure any unpublished price sensitive information to/from any person.

#### 2.0 RESTRICTION TO BUY / SELL SECURITIES BY DESIGNATED EMPLOYEES

2.1 Designated Employees shall not buy/sell securities of the Company during Closure of the 'Trading Window', i.e. the period during which trading in the securities of the Company is prohibited.

2.2 The closure of trading Window shall commence as follows:

Nature of financial results	Date of Declaration	Commencement of closure of Trading Window
Financial Results Unaudited/Audited Quarterly/Annual	On or before: – - August, 14 - November, 14 - February, 14 - May 15 (Unaudited) - May 30 (Audited)	7 calendar days before the date of meeting of the Board of Directors intimated to stock exchanges pursuant to Clause 41(III) (a) of listing Agreement
Price Sensitive Information in Para II (7) above requiring making announcement to the stock exchanges	As may be declared by the company from time to time	From the beginning of next trading session of stock exchanges after the announcements made to the stock exchanges
Price Sensitive Information in Para II (7) above not requiring making announcement to the stock exchanges		Immediately upon Designated Employee coming in possession of price sensitive information
Any other information which can be considered to be price sensitive		As may be advised by the Compliance Officer

The Trading Window shall be opened after passing of 24 hours of “Price Sensitive Information” defined in Para II (7) above is made public.

2.3 All Securities acquired by Designated Employees must be held for a minimum period of 30 days. However, in circumstances of personal emergency, an application may be made to the Compliance Officer requesting for a waiver of the holding period, explaining reasons for the same. The application for permission to sell securities within 30 days of purchase shall be made to Compliance Officer of Company in format specified in Annexure II

of the Code. The Compliance Officer, on being satisfied of the reasons may grant a waiver from this condition.

- 2.4 Designated Employees are required to obtain the pre-clearance of the proposed acquisition/purchase/sale transactions by themselves or through their dependent family members as per the procedure described hereunder if the said transaction of the securities of Company is in excess of 5,000 in number or Rupees One Lac in market value, whichever is lower, in transaction(s) in a single day. The application for pre-clearance shall be made to compliance officer of Company in format specified in Annexure II of the Code.
- 2.5 The Compliance Officer will scrutinize the application within 2 working days of submission and communicate the approval/refusal (along with reasons therefor) to the applicant. The decision of the Compliance Officer in this regard will be final. In the absence of the Compliance Officer, the pre-clearance application will be decided upon by the Chairman & Managing Director.
- 2.6 The pre-clearance approval shall be valid only for one week from the date of communication and shall lapse thereafter. If the transaction is not consummated within one week from the approval date, the employee/ director will be required to follow the process of pre- clearance again.
- 2.7 The requirements of pre-clearance of a proposed transaction shall not apply in the following cases:
  - 2.7.1 In the event of participation of a public event i.e. a rights or a bonus issue.
  - 2.7.2 In the case of any acquisition of shares through transmission or inheritance, or like mode.
  - 2.7.3 By way of any court settlement or award thereof.
- 2.8 All directors/ officers/ 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/ designated employees shall also not take positions in derivative transactions in the shares of the company at any time.

### 3.0 STRICT ADHERENCE OF REGULATIONS

- 3.1 Employees/directors shall ensure compliance Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and keep themselves conversant with its provisions including any amendment therein.
- 3.2 Employees/directors shall maintain the confidentiality of all Price Sensitive Information.
- 3.3 Employees/Directors 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.
- 3.4 Shall handle the Price Sensitive Information on a “need to know” basis, *i.e.*, shall be disclosed only to those within the company who need the information to discharge their duty.
- 3.5 Shall ensure that files containing confidential information are kept secure and the computer files have adequate security of login and password etc.

## 4.0 DISCLOSURES

- 4.1 Designated Employees shall make the following disclosures of shares and other securities held in the Company by them and their dependent family members, to the Company and to the stock exchanges as applicable:

Periodicity of Disclosure	Disclosure Requirement	Time period within which disclosure is to be made
Initial Disclosure by Designated Employee	Number of Securities or voting rights held by them & their dependent family members (as per format specified in Annexure I of this Code).	Within 2 working days of his becoming designated employee of the Company. In case of existing designated employee within 2 working days of coming into effect of this Code.
Annual Disclosure by all Designated Employees	Number of Securities or voting rights held by them & their dependent family members (as per format specified in Annexure I	Annual disclosure of number of securities held as on 31 <sup>st</sup> March shall be made within 30 days.

	of this Code).	
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Periodicity of Disclosure	Disclosure Requirement	Time period within which disclosure is to be made
Disclosure by Promoter or part of Promoter Group or Designated Employee to the Company and stock exchanges in Form D if there has been Change in shareholding and such change exceeds Rs. 5 lacs in market value or 25,000 shares or 1% of the total shareholding of the Company or any other limit notified by SEBI, whichever is lower	Number of Securities or voting rights held by them & their dependent family members (as per format specified in Annexure III of this Code).	Within 2 working days of acquisition/sale/transfer of shares.

## 4.0 PENALTIES FOR CONTRAVENTION

4.1 Violation of this Code will invite severe disciplinary action. Such disciplinary action will be irrespective of action that may be taken by SEBI under the Regulations.

## 5.0 GENERAL

5.1 Employees are advised to peruse the Code and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time, carefully and acquaint themselves with all the provisions contained therein. The Compliance Officer will be available for clarification / assistance that may be necessary.



**Annexure I**

Date :

Compliance Officer  
Monnet Ispat & Energy Limited  
Monnet House, 11 Masjid Moth,  
Greater Kailash Part-II,  
NEW DELHI-110048

**Sub : Initial Disclosure/Annual Disclosure of Securities held pursuant to Code for Prevention of Insider Trading**

Dear Sir,

I, hereby disclose that I am holding \_\_\_\_\_ Number of Securities of Monnet Ispat & Energy Limited (including those held by dependent family members) as per following details as on July 24, 2006/\_\_\_\_\_ (date of joining/date of April each year/date of leaving the organization)

1. Name :
2. Designation, Department & Employee Code :
3. Client Id & Details of Depository :
4. PAN No. :
5. Name(s) of Account Holder(s)\*\* :
6. Relation with Designated Employee\*\* :
7. Number of securities held (including those held by dependent family members) :

Thanking you,

(Signature)

**Notes:**

1. \*\* applicable in case of dependent family member of Designated Employee
3. A separate statement should be attached in respect of number of Shares held by dependent family members.





Date :

Compliance Officer  
Monnet Ispat & Energy Limited  
Monnet House, 11 Masjid Moth,  
Greater Kailash Part-II,  
NEW DELHI-110048

**Sub : Application for Selling before 30 days of Purchase of Security pursuant to Clause 2.3 of Code for Prevention of Insider Trading/Pre-clearance of the Transaction pursuant to Clause 2.4 of Code for Prevention of Insider Trading\***

Dear Sir,

I intend to deal in the Securities of Company. Detailed particulars of Proposed Transaction are as follows:

1. Name :
2. Designation, Department & Employee Code :
3. Client Id & Details of Depository :
4. Name(s) of Account Holder(s)\*\* :
5. PAN No. :
6. Relation with Designated Employee\*\* :
7. No of securities held (including those held by dependent family members) before proposed Transaction :
8. Nature of Proposed Transaction :
9. Estimated number of securities to be dealt in proposed Transaction (including by dependent family members) :
10. Reason for proposed Transaction :

You are requested to pre-clear the above transaction.

Thanking you,

(Signature)

**Notes:**

1. \* Strike out whichever is not applicable
2. \*\* applicable in case of dependent family member of Designated Employee
3. A separate statement should be attached in respect of number of Shares held by dependent family members.



Date :

Compliance Officer  
Monnet Ispat & Energy Limited  
Monnet House, 11 Masjid Moth,  
Greater Kailash Part-II,  
NEW DELHI-110048

**Sub : Disclosure Pursuant to Clause 4.1 of Code for Prevention of Insider Trading of Monnet Ispat & Energy Limited for change in shareholding in excess of Rs. 5 lacs in market value or 25,000 shares or 1% of the total shareholding of the Company or any limit notified by SEBI, whichever is lower**

Dear Sir,

I am disclosing herewith details of securities held by me (including those held by dependent family members) pursuant to Clause 4.1 of Code for Prevention of Insider Trading of Monnet Ispat & Energy Limited.

1. Name :
2. Designation, Department & Employee Code :
3. Client Id & Details of Depository :
4. Name(s) of Account Holder(s)\* :
5. PAN No. :
6. Relation with Designated Employee\* :
7. Shareholding prior to acquisition/sale (including those held by dependent family members) :
8. Number and % of shares/voting rights acquired /sold :
9. Date of Receipt of allotment/advice/ acquisition of shares/sale of shares :
10. Mode of acquisition (market purchase/ public/rights/preferential offer etc.) :



11. Trading member through whom the trade was executed with SEBI Registration No. of Trading Member :
12. Exchange on which the trade was executed :
13. Buy quantity :
14. Buy Value :
15. Sell quantity :
16. Sell Value :

You are requested to pre-clear the captioned transaction.

Thanking you,

(Signature)

**Notes:**

1. \*\* applicable in case of dependent family member of Designated Employee
2. A separate statement should be attached in respect of number of Shares held by dependent family members.