

*MUNDRA PORT AND SPECIAL ECONOMIC ZONE LTD.*



*Code of Conduct for Prevention of Insider Trading*

*[Pursuant to Regulation 12(1) of the SEBI (Prohibition of Insider Trading)*

*Regulations, 1992 as amended by Notification dated 19.11.2008*

*Approved by the Board at its meeting held on 30.01.2009*

*CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING  
TO BE OBSERVED BY THE DIRECTORS, OFFICERS AND DESIGNATED  
EMPLOYEES OF THE COMPANY PURSUANT TO REGULATIONS 12(1)  
AND SCHEDULE I OF SEBI (PROHIBITION OF INSIDER TRADING)  
REGULATIONS 1992 AS AMENDED BY NOTIFICATION DATED 19.11.2008*

## **1. PREAMBLE**

*Insider trading means dealing in securities of a listed company traded on any Stock Exchange in India by insiders which term includes Directors, Officers and Designated Employees of the Company based on or when in possession of unpublished price sensitive information (UPSI). Such dealings by Insiders erode the investors' confidence in the fairness and integrity of the management. Rampant Insider Trading deters investment from capital market which in turn effects growth of economy.*

*The Securities and Exchange Board of India (SEBI), as part of its efforts to protect the interest of investors in general, had issued the SEBI (Insider Trading) Regulations, 1992, under the powers conferred on it by the SEBI Act, 1992. Applicable to all listed companies, these Regulations came into force with effect from 19.11.1992.*

*The Regulations prohibit insider trading. Regulation 3 of the Regulation, which prohibits insider trading, is quoted here under:*

*"No Insider shall-*

- (i) either on his own behalf or on behalf of any other person, deal in securities of a company listed on any stock exchange when in possession of any unpublished price sensitive information; or*
- (ii) Communicate or counsel or procure, directly or indirectly, any unpublished price sensitive information to any person who while in possession of such unpublished price sensitive information shall not deal in securities.*

*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."*

*Under the Regulations, it is mandatory for every listed Company to adopt a Code of Conduct for Prevention of Insider Trading, for it Directors, Officers and Designated Employees.*

*The Directors, Officers and Designated Employees of the Company owe a fiduciary duty to all the stakeholders of the Company whereby the interests of such stakeholders have to be placed above the interest of the said Directors, Officers and Designated Employees. In view of this, this Code lays down*

*that these persons shall deal in the securities of the Company in a manner that does not create any conflict of interest. This code shall come into effect from December 1, 2008.*

*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.*

*This Code can be modified/amended/alterd by Directors/Compliance Officer authorized by the Board.*

*But in case of any statutory modification or amendment or alteration of the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 1992, the newly modified/amended/alterd provisions of the Regulation shall be deemed to be implemented in the Code immediately with effect from the date of the statutory notification for modification or amendment or alteration etc. without prior approval of the Board of Directors.*

*The amended code should be placed before the Board of Directors of the Company in the Board Meeting held immediately after the date of statutory notification for modification/amendment/ alteration etc. of the Regulation for noting.*

## **2. APPLICABILITY**

*This code shall be applicable to all the Directors, Officers and Designed Employees, present and future.*

## **3. DEFINITIONS**

- 1. "Act" means the Securities & Exchange Board of India Act, 1992 as may be amended from time to time.*
- 2. "Board" means Board of Directors of the Company.*
- 3. "Code" means this Code of Conduct for Prevention of Insider Trading including modifications made thereto from time-to-time.*
- 4. "Company" means Mundra Port And Special Economic Zone Limited.*

5. **“Compliance Officer”** shall mean Company Secretary of the Company.
6. **“Dealing in Securities”** means subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities either as principal or agent.
7. **“Dependent Family Members”** shall mean dependant spouse, dependent parents, dependent children(s) and includes any other person(s) dependent on the earnings of Directors, Officers and Designated Employees of the Company.
8. **Designated Employees** shall mean and include –
  1. Top three tier of the Company Management, namely :-
    - a) Managing Director, Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO)
    - b) Vice President and above of all department of the Company
    - c) Sr. Manager and above of Finance and Accounts, Secretarial, Banking and MIS Department of the Company
9. **“Officer”** shall mean and include
  - a. Statutory and Internal Auditor of the Company
  - b. Person occupying 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.
  - c. Any other person as decided by the Board of Directors of the Company

*Explanation: — For the purpose of this definition, the words “connected person” shall mean any person who is a connected person six months prior to an act of insider trading*
10. **“Director”** means Directors on the Board of the Company both Executive and Non-Executive.
11. **“Insider”** means any person who,

1. *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 the company, or*
2. *has received or has had access to such unpublished price sensitive information.*

12. **"Unpublished"** means information which is not published by the Company.

13. **"Regulation"** means Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations 1992 as amended from time to time.

14. **"Price Sensitive Information"** means an information which relates directly or indirectly to a Company and which if published is likely to materially affect the price of the securities of Company. Following Information 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 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 changes in policies, plans and operation of the Company.*

15. **"Securities"** shall mean the Equity Shares of the Company and such other securities of the Company issued from time to time as may be specified by the Board or the Managing Director or the CEO as the case may be of the Company.

16. **"Trading Window"** means the period during which the Directors, Officers and Designated Employees of Company may trade in the Company's securities.

17. **"Working Day"** shall mean the working when the regular trading is permitted on the concerned stock exchange where securities of the company are listed.

#### **4. CODE**

##### **1.0 Compliance Officer**

- 1.1 *The Company has appointed the Company Secretary as the Compliance Officer who shall report to the Managing Director/Chief Executive Officer/Chief Financial Officer.*
- 1.2 *The compliance officer shall be responsible for setting policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing trades of Directors, Officers and Designated Employees' and their dependents (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.*
- 1.3 *The compliance officer shall maintain a record of the designated employees and any changes made in the list of designated employees.*
- 1.4 *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 as amended from time to time and the company's code of conduct.*

##### **2.0 Preservation of Price Sensitive-Information**

- 2.1 *Directors, Officers and Designated Employees shall maintain the confidentiality of all Price Sensitive Information. Directors, Officers and Designated Employees 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.*
- 2.2 ***Need to know***
- 2.2.1 *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.*

## **2.3 *Limited access to confidential information***

**2.3.1** *Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password etc.*

## **3.0 *Preservation of misuse of "Price Sensitive Information".***

**3.1** *All Directors, Officers and Designated Employees of the company shall be subject to trading restrictions as enumerated below.*

## **3.2 *Trading Window***

**3.2.1** *When the trading window is closed, the Directors, Officers and Designated Employees on their own or on behalf of their Dependents shall not trade in the company's securities in such period.*

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

- 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.*

**3.2.3** *Closure of trading window shall commence 48 hours before the date of meetings of Board of Directors of the Company are held to consider any of the items referred to in paragraph 3.2.2 hereinabove, unless decided otherwise by the board.*

**3.2.4** *The trading window shall be re-opened 24 working hours after the information referred to in para 3.2.2 is made public.*

**3.2.5** *All directors/officers/designated employees of the company shall conduct all their*

*dealings in the securities of the Company only during trading window is open.*

**3.2.6** *All Directors, Officers and Designated Employees shall not engage in dealing in securities, whether on their own account or on behalf of the Dependent and shall ensure that their Dependent shall also not engage in Dealing in Securities on their own account, if such Director, Officer or Designated Employees is in possession of any unpublished price sensitive information.*

### **3.3 Pre-clearance of trades**

**3.3.1** *All Directors, Officers, Designated employees of the Company and their dependents who intend to deal in the securities of the Company above a minimum threshold limit of Rs. 5 Lacs or 25000 shares or 1% of total shareholding or voting rights, whichever is lower should pre-clear the transaction as per the pre-dealing procedure as described hereunder.*

**3.3.2** *An application may be made in prescribed format (Annexure 1) to the Compliance Officer indicating the estimated number of shares that the Insider intends to deal in, the depository with which he/she has an account and the details as to his/her shareholding before and after the intended transaction.*

**3.3.3** *An undertaking (Annexure 2) shall be executed in favour of the company by such directors, officers, designated employees incorporating, inter alia, the following clauses, as may be applicable :*

- a) That the directors, officers, designated employees does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.*
- b) That in case the 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.*

- c) *That he/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/she has made a full and true disclosure in the matter.*

#### **4.0 Other restrictions**

**4.1** *All directors, officers, 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, designated employees must pre-clear the transaction again.*

**4.2** *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.*

*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. The holding period would commence when the securities are actually allotted.*

**4.3** *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.*

#### **5.0 Reporting requirements for transactions in securities**

**5.1 (a)** *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:*

- a) *all holdings in securities of that company by directors, officers, designated employees at the time of joining the company;*

*The disclosure shall be made within two working days of joining of the company in Form B.*

- (b) *Any person who is a director, officer, designated employee of the company, shall disclose to the company and to the stock exchange where the securities of the Company are listed in Form D, the change in the total number of shares or voting rights held and the change exceeds Rs. 5 lakh in value or 25,000 shares or 1% of total shareholding or voting rights, whichever is lower.*

*The disclosure mentioned above shall be made within 2 working days of:*

- (a) *the receipts of intimation of allotment of shares, or*  
(b) *the acquisition or sale of shares or voting rights, as the case may be.*

- (c) *Annual statement of all holdings in securities.*

*The disclosure shall be made within thirty days from the close of each financial year.*

5.2 *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.*

5.3 *The Compliance Officer shall place before the Managing Director / Chief Executive Officer or Chief Financial Officer or a committee specified by the company, on a monthly basis all the details of the dealing in the securities by Director, Officer, Designated Employees of the company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.*

## **6.0 *Penalty for contravention of code of conduct***

6.1 *Any Director, Officer, Designated Employees who trades in securities or communicates any Information for trading in securities in contravention of the code of conduct may be penalized and appropriate action may be taken by the company.*

6.2 *Any Director, Officer, Designated Employees of the company who violate the code of conduct shall also be subject to disciplinary action by the company, which may include wage/salary freeze, suspension, ineligible for future participation in employee stock option plans, etc.*

**6.3** *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.*

**7.0** *Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992*

**7.1** *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.*

**V. GENERAL**

*Employees are advised to pursue 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-1*

*Application for pre-clearance of trade*  
*(Regulation 12(1) of SEBI (PIT) Regulations, 1992)*  
*(when dealing in securities beyond the threshold limit)*

**Compliance Officer**

*Mundra Port And Special Economic Zone Ltd.*

*Dear Sir,*

**Pre-clearance of trade**

Ref: DP's name :

DP ID:

CLIENT ID:

Name of insider:

Address :

*Your approval is solicited for purchase/sale of\_\_\_\_\_ securities of the Company in physical /demat form.*

*I state on solemn affirmation :*

- 1. that I am Director/employee/Designated Employee of the Company who may reasonably be expected to have an access to unpublished price sensitive information in relation to the Company;*
- 2. that I intend to purchase/sale\_\_\_\_\_ (state No. of securities) securities of the Company in physical/demat form immediately on receipt of clearance for trade;*
- 3. that I am aware of the code of conduct for Prohibition of Insider Trading (PIT) and that the provisions are applicable to me.*
- 4. that at this point of time trading window is open and I am permitted to trade in securities;*

5. *that I do not have access to the unpublished price sensitive information and also have not received unpublished price sensitive information till today;*
6. *that in case I have access to the price sensitive information or receives it after signing this undertaking, I shall inform the change and refrain from dealing in securities till the information becomes public;*
7. *that I have not contravened the code of conduct for prevention of insider trading as notified by the Company;*
8. *that whatever is stated above is true and correct to the best of knowledge and nothing has been concealed.*

*Yours truly*

*Signature*

*Name*

*Designation*

*(You are requested to use the above format for pre-clearance of trade of your dependents i.e. dependent parents, dependent spouse, dependent children)*

*Annexure- 2*

**UNDERTAKING**

I \_\_\_\_\_ . aged about \_\_\_\_\_ , Son of \_\_\_\_\_ working in the capacity of [ ] in Mundra Port and Special Economic Zone Limited (hereinafter referred to as 'Company') do hereby solemnly declare and undertake as under -

1. That I am working with the company with effect from [ ]... My personal details are separately provided in **Annexure –A** to this Undertaking.
2. That as on date (i) I have not been allotted any shares from preferential employee quota of the company or (ii) I have been allotted \_\_\_\_\_ nos. of shares from preferential employee quota with reference to company's Initial Public Offer (IPO) dated \_\_\_\_\_ (strike out (i) or (ii) which is not applicable)
3. That as on date (a) I do not possess/own any shares of the company or (b) I have purchased \_\_\_\_\_ nos. of shares of the Company from open market. (strike out (a) or (b) which is not applicable)
4. That as on date I possess \_\_\_\_\_ nos. of shares of the Company i.e. total of 1 & 2 above. (Strike out if not applicable)
5. That I have received and read the Company's code of conduct and agree to comply with the Company's code of conduct and ethics from time to time.
6. That I do not have any access nor do I have any information that could be constructed as "Price Sensitive Information" upto the time of signing the undertaking .
7. In the event that I have access to or receive "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction for which approval is sought, I shall inform the compliance officer of the Company of the change in my position and that I would completely refrain from dealing in the securities of the company till the time such information becomes public.

8. *That I shall not communicate counsel or procure directly and indirectly any unpublished Price Sensitive Information (PSI) as mentioned in Company's code of conduct to any person who while in possession of such unpublished PSI I shall keep the confidential information which is in my possession secured and shall keep computer files containing the PSI under the securities of log or password.*
9. *That I shall provide Initial disclosure about shareholding in the requisite form to the compliance officer of the Company.*
10. *That I shall undertake to seek pre-clearance of the compliance officer for any transaction value of which is likely to be Rs. 5 Lakhs or 25, 000 shares or 1% of total share capital of the company or voting rights, whichever, is lower, I shall submit Form 'D' duly filled and signed with a copy to HR Department. I am aware that if I intend to deal in securities above threshold limit of 25,000 shares then I shall make an application and shall follow procedure as mentioned in code of conduct.*
11. *That I shall give annual statement of shareholding in Company's securities by 30th April of every year along with my dependent spouse, parents and dependent children, i.e. children up to the age of 21 / children pursuing higher studies and not employed / children not gainfully employed in any manner and fully dependent upon me.*
12. *That I have read the SEBI guidelines and code of conduct in respect to insider trading and agree to fully abide by the same.*
13. *That I has not contravened the code of conduct for prevention of insider trading as notified by the company from time to time I shall be fully liable in any event of contravention/non-compliance of the same.*
14. *That I have made a full and true disclosure in the matter.*

Date:

Signature:

Place:

Name:

Emp.Code:

*ANNEXURE-A*

*DETAILS*

*Name* :

*Company Name* : *Mundra Port and Special Economic Zone Ltd.*

*Location* : *Mundra /Ahmedabad /Other \_\_\_\_\_ (please specify)*

*Employee Code No.* :

*Date of Joining* :

*Department* :

*Section* :

*Designation* :

*Date of Birth* :

*Age* :

*Current Residential Address* :

*Permanent Residential Address:*



