

INDSIL HYDRO POWER AND MANGANESE LIMITED

Regd Off : "INDSIL HOUSE", T.V.Samy Road (West), R.S.Puram, Coimbatore 641 002

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

INDEX

SR. NO.	TOPIC	PAGE NO.
I	INTRODUCTION	1
II	DEFINITIONS	1 & 2
III	COMPLIANCE OFFICER	3
IV	PROHIBITION OF INSIDER TRADING	4 & 5
	a) Reporting requirements for transactions in securities	
	b) Pre-clearance of trade	
	c) Other restrictions	
V	PRESERVATION AND PREVENTION OF MISUSE OF UNPUBLISHED PRICE SENSITIVE INFORMATION (UPSI)	6 & 7
	a) Preservation of Price Sensitive Information	
	b) Need to know basis	
	c) Limited access to confidential information	
	d) Prevention of misuse of Price Sensitive Information	
	d) Trading window	
VI	INVESTIGATION	7
VII	PENALTY FOR CONTRAVENTION OF THE CODE	7 - 9
	a) Information to SEBI in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 1992	
VIII	AMENDMENT TO THIS CODE	9

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CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

I. INTRODUCTION

The Securities Exchange Board of India (SEBI) with an aim to guard the interests of general investors has formulated the SEBI (Prohibition of Insider Trading) Regulations, 1992 (hereinafter referred to as 'the Regulations')

These Regulations came into force effective November 19, 1992 and were made applicable to all Listed Companies. It is mandatory in terms of the Regulations for every listed company to adopt a Code of Conduct for Prevention of Insider Trading for its Directors, Officers and Employees and their Dependent Family Members as also a Code of Corporate Disclosure Practices.

This document manifests the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('the Code') to be adopted by Indsil Hydro Power and Manganese Limited. The Code shall be applicable to Directors, whether Executive or Non-Executive, all Employees and persons holding professional or business relationships with the Company, and who may reasonably be expected to have access to unpublished price sensitive information in relation to the Company. Further, the Code also seeks to ensure timely and adequate disclosure of price sensitive information to the investor community, by the Company to enable them to take informed investment decisions with regard to its securities.

Any information that relates directly or indirectly to the Company, which, if published, is likely to materially affect the price of securities of the Company, is considered price sensitive.

II. DEFINITIONS

In this Code unless the context otherwise requires;

1. "Board" means the Board of Directors of Indsil Hydro Power and Manganese Limited and shall include any Committees of the Board.
2. "Code" means this Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices, as applicable and modified from time to time.
3. "Company" means Indsil Hydro Power and Manganese Limited and includes its successors, assigns.
4. "Compliance Officer" means the Company Secretary of the Company.

5. "Dependant Family Members" shall include:
 - a. Spouse
 - b. Children
 - c. Parents
 - d. Other family members of the Directors / Designated Employees as may be notified by him/her (Insider).

6. "Designated Employees" means:
 - (a) Such employees in the top management, as may be identified by the Managing Director of the Company.
 - (b) Any other employee, as may be designated from time to time, for the purpose of this Code, by the Managing Director of the Company.

7. "Director" means a member of the Board of Directors of the Company.

8. "Insider" means a person who is or was either a Director or a Designated Employee of the Company, or with whom the Company has, directly or indirectly, a professional or business relationship, because of which he may reasonably be expected to have access to or be in the possession of Unpublished Price Sensitive Information and such person shall be considered as insider for a period of six (6) months after his ceasing to have any aforesaid relationship with the Company.

9. "Insider Trading" means dealing by an Insider in any manner in the Company's securities on the basis of confidential information i.e. "Unpublished Price Sensitive Information (UPSI)" used to make profit or avoid loss in the transactions in securities of the Company.

10. "Securities" means any of the following instruments issued, or to be issued or created, or to be created, for the benefit of the Company :
 - a. shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of like nature of the Company;
 - b. rights or interests in the above.
 - c. such other instrument recognized as securities and issued by the Company from time to time.

11. "Trading Window" shall mean that period specified by the Compliance Officer during which Insiders and their Dependant Family Members are prohibited from any form of dealing in the Company's Securities. The Closed Period shall be announced by the Compliance Officer from time to time.

12. "Unpublished Price Sensitive Information" (UPSI) means any information which relates to the following matters or is of concern, directly or indirectly, to the Company, and is not generally known or published by the Company, but which if published or known, is likely to materially affect the price of securities of the Company:

(i) Periodical financial results of the Company (quarterly, half-yearly and annual).

(ii) Intended declarations of dividend (interim and final).

(iii) Issue of securities by way of rights/ bonus etc. or buy-back of securities.

(iv) Any major expansion plans or execution of new projects.

(v) Amalgamation, mergers or takeovers.

(vi) Disposal of the whole or substantial part of the Company's business.

(vii) Major orders exceeding 5% of the audited Sales Income of the Company during the preceding financial year received by the Company.

(viii) Any significant changes in policies, plans or operations of the Company.

III. COMPLIANCE OFFICER:

The Company Secretary shall be the Compliance Officer to ensure compliance and effective implementation of the Regulations and also the Code across the Company. The Compliance Officer shall hold the position so long as he/she is in the employment of the Company.

The Compliance Officer shall act as a focal point for dealings with SEBI, in connection with all matters relating to the compliance and effective implementation of the Regulations and this Code.

The Compliance Officer shall maintain a record of the designated employees and any changes made in the list thereto.

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 Code adopted by the Company.

IV. PROHIBITION OF INSIDER TRADING

(i) Insiders Trading at any time by an Insider or his/her Dependant Family Members on the basis of UPSI is prohibited.

(ii) Insiders and their Dependant Family Members are prohibited at all times from counseling or procuring any person (including a body corporate) to deal in the Company's securities on the basis of UPSI.

(iii) Insiders and their Dependant Family Members are prohibited at all times from directly or indirectly communicating UPSI to any person including a body corporate.

a) Reporting requirements for transactions & securities

- (i) Insiders shall disclose to the Compliance Officer in writing, the details of the securities held by him / her and his / her Dependant Family Members, the date from which securities are held, the number of securities held at the time of implementation of the Code of Conduct for prevention of the Insider Trading or joining the Company or becoming the Director of the Company and such other information relating to the Securities as the Compliance Officer may require.
- (ii) Insiders shall furnish a periodic statement of any transactions in securities by them and their Dependant Family Members.
- (iii) Insiders shall disclose biannually their holding including of Dependant Family Members, if any, in the Company's securities.
- (iv) Insiders and their Dependant Family Members shall notify to the Company the details of securities held by him / her within 2 working days of becoming a director / designated employee of the company.
- (v) Insiders holding more than 5% shares or voting rights in the Company shall notify the same to the Company within 2 working days of the receipt of allotment advice or acquisition of shares or voting rights.
- (vi) Insiders shall notify details of the change in shareholding or voting rights held by him and his dependents in the Company from the last disclosure made if the change is of 1% of the Company's paid up capital or of 5,000 shares or Rs. 5 lakh in value, whichever is lower, within 2 working days of the receipt of allotment advice or acquisition of shares or voting rights.
- (vii) The Compliance Officer shall maintain records of all disclosures made by the Insiders and their Dependant Family Members.

- (viii) The Compliance Officer shall place before the Managing Director on a monthly basis all the details of the dealing in the Securities by insiders and their dependent family members and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

b) Pre-clearance of trades

(i) Insiders and their Dependant Family Members who intend to deal in the securities of the Company (above minimum cumulative threshold of 5000 and above equity shares from the last disclosure) should seek pre-clearance from the Compliance Officer.

(ii) 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 (demat) 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.

(iii) Insiders and their Dependant Family Members are required to submit an undertaking to the Compliance Officer at the time of pre-clearance to the effect that (a) he / she has no access to UPI upto the signing of the undertaking; (b) in the event he / she access to UPI after the date of the undertaking but before the execution of the transaction, he / she shall not deal in the security; and (c) he / she has made full disclosure.

c) Other restrictions

(i) Insiders and their Dependant Family Members are required to complete the transaction **within a week** of the pre-clearance. If the transaction is **not completed within a week**, fresh pre-clearance is to be obtained from the Compliance Officer.

(ii) All directors/officers/designated employees who buy or sell any number of securities of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the **next 6 months** following the prior transaction. All director/officers/designated employees shall also not take positions in derivative transactions in the shares of the company at any time.

(iii) In the case of 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.

(iv) In the case of IPO / FPO, the insider or his / her Dependent Family Members shall hold the securities allotted for a minimum period of 30 days after the date of allotment of securities.

(i) PRESERVATION AND PREVENTION OF MISUSE OF UPSI

(i) To prevent the misuse of UPSI the departments / designations , the concerned Directors, employees shall be known as “Inside Areas / Insiders” and the other departments/ designations / officials shall be the “Public Areas”.

(ii) The Compliance Officer shall add or delete departments from either ‘Areas’ on case to case basis, subject to the approval of the Managing Director.

a) Preservation of “Price Sensitive Information”

Each Insider shall maintain full confidentiality of all UPSI and shall not pass on any UPSI to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

b) Need to Know Basis

Notwithstanding anything contained in this Code, Insiders may after getting clearance from the Compliance Officer, disclose UPSI on a need to know basis to only those within the Company who need the information to discharge their duty.

c) Limited access to confidential information

Files containing UPSI shall be kept secure. Computer files must have adequate security of login and password protection.

d) 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:-

Subject to compliance with the formalities prescribed under this Code and provided that Insider Trading is not influenced by UPSI and also provided that the transaction is not effected when the Trading Window is closed, Insiders and their Dependant Family Members shall be entitled to purchase or sell Securities of the Company after getting a pre-clearance from the Compliance Officer in respect of each transaction. Pre-clearance application forms will be available with the Compliance Officer.

e) Trading Window

Trading Window will be closed 7 days prior to any matter related or concerning UPSI is to be considered by the Board. The Trading Window shall remain closed till such time UPSI is published. During the period when the Trading Window is closed, the Insiders and their Dependant Family Members shall be prohibited from Trading provided that for compelling reasons the Chairman and / or the Managing Director may in its discretion permit the sale of Securities. The exact dates of each closure of the Trading Window shall be intimated to each Insider and it is the responsibility of each Insider to ensure compliance with this Code and by each of Insiders' Dependant Family Members. The Trading Window shall open after the expiry of 24 hours from the time of publication of UPSI.

VI. INVESTIGATION

(i) The Compliance Officer shall have the power to investigate suspected contraventions of this Code.

(ii) The Compliance Officer shall submit a report of his findings to the Managing Director within 7 days of commencement of investigation or such extended time period as the Managing Director may approve.

(iii) Based on the report of the Compliance Officer, the Managing Director shall be entitled to appoint any person to investigate a suspected contravention of this Code.

(iv) The Managing Director shall have the power to delegate to a person so appointed, all the powers including powers to call for information, examination, interrogation, recording evidence, etc.

(v) In any investigation of suspected contravention of this Code the onus to prove that there is no violation of this Code, shall be on the concerned Insiders or their Dependant Family Members.

(vi) The Company's investigating officer shall, within 7 working days from the conclusion of the investigation, submit a report to the Chairman and/or the Managing Director.

(vii) The Managing Director after consideration of the investigation report shall communicate the findings to the person being investigated and accord him an opportunity of being heard before taking any action as contemplated in these rules.

VII. PENALTY FOR CONTRAVENTION OF THE CODE

(i) Every designated employee shall be individually responsible for compliance with the provisions of this Code (including to the extent the provisions hereof are applicable to his/her Dependents).

(ii) Any employee/officer/director who trades in securities or communicates any information for trading in securities in contravention of the Code may be penalised and appropriate action may be taken by the Company.

(iii) Employees / officers / directors of the Company who violate the code 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.

(iv) The action by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

(v) The Managing Director shall upon receipt of the report as above and based on the finding contained therein be entitled to take action against the person found guilty for violation of this Code as he may in his absolute discretion deem fit including but not restricted to:

a) Issue letter of warning stating that consequence of contravention / nonadherence would result in dismissal from services.

b) Any other suitable action, to facilitate the implementation of the spirit of the Code.

(vi) Under Section 15G of the SEBI Act, any Insider who indulges in insider trading in contravention of Regulation 3 is liable to a maximum penalty of Rs.25 crore or three times the amount of profits made out of insider trading, whichever is higher. Under Section 24 of the SEBI Act, any one who contravenes the Regulations is punishable with imprisonment for a maximum period of ten years or with fine which may extend to Rs.25 crore or with both.

(vii) Without prejudice to its rights under Section 24 of the SEBI Act, under Regulation 11, SEBI can also pass any or all of the following orders to an Insider found indulging in insider trading –

- directing him / her not to deal in the Company's Securities in any particular manner.
- prohibiting him/her from disposing of any of the Securities acquired in violation of the Regulations.
- restraining him/her from communicating or counselling any other person to deal in Company's Securities.
- declaring the transactions in Securities as null and void.

- directing the person who acquired Securities in violation of the Regulations, to deliver the Securities back to the seller or alternatively pay the Seller the price as provided.
- directing him/her to transfer specified amount to investor protection fund of a recognized Stock Exchange.

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

In case it is observed by the Company/Compliance Officer that there has been a violation of the Regulations, SEBI shall be informed by the Company.

VIII. AMENDMENTS TO THIS CODE

The Board reserves the right to amend this Code as and when it deems appropriate.

For & on Behalf of the Board of Directors of
INDSIL HYDRO POWER AND MANGANESE LIMITED

**VINOD NARSIMAN
MANAGING DIRECTOR**

INDSIL HYDRO POWER AND MANGANESE LIMITED

SPECIMEN OF APPLICATION FOR PRE-DEALING APPROVAL

Date : _____

To

The Compliance Officer
 Indsil Hydro Power and Manganese Ltd
 "INDSIL HOUSE"
 T.V.Samy Road (West)
 R.S.Puram
 Coimbatore 641 002

Internal Use

Recd date and time :
 Sign :

Dear Sir/Madam

APPLICATION FOR PRE-DEALING APPROVAL IN SECURITIES OF THE COMPANY

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for Prevention of Insider Trading, I seek approval for purchase/sale/subscription of the _____ Securities (give description) of the Company as per the details given below :

Name : _____

State Whether

* Director * Officer * Designated Employee * Designated Group Person

If yes, Company Name _____

EMPL NO. _____ DESIGNATION _____
 DEPARTMENT _____ LOCATION _____

Nature of Transaction (Buy/sell/Subscribe)	*Name of proposed Buyer/Seller	No. of Securities	**Date of purchase / allotment	***Previous Approval no. and Date for Purchase/allotment	DP/BEN ID of the account/Folio no. where the securities will be credited / debited	No. of Securities held in such Account/Folio No.
					DP ID____ BEN ID __ FOLIO NO. _____	

- * applicable for off market transaction
- ** applicable only if the application is in respect of sale of Securities
- *** applicable only if the application is in respect of sale of Securities for which an earlier purchase sanction was granted by the Compliance Officer

I enclose herewith the form of Undertaking signed by me.

Yours faithfully,

(Signature of Employee)

Note : This application has to be necessarily submitted through electronic mail at the dedicated email id indsilho@indsil.com and followed by a hard copy.

INDSIL HYDRO POWER AND MANGANESE LIMITED

**FORMAT OF UNDERTAKING TO BE ACCOMPANIED WITH THE
APPLICATION FOR PRE-DEALING**

UNDERTAKING

To
Indsil Hydro Power and Manganese Ltd
"INDSIL HOUSE"
T.V.Samy Road (West)
R.S.Puram
Coimbatore 641 002

I, _____ resident of _____ hereby declare that I am Director/Employee of Indsil Hydro Power and Manganese Ltd (the Company).

I further declare that I am not in possession of or otherwise privy to any unpublished Price Sensitive Information (as defined in the Company's Code of Conduct for Prevention of Insider Trading (the Code) upto the time of signing this Undertaking.

In case I have access to or I receive any Price Sensitive Information after signing this Undertaking but before execution of the transaction, I shall inform the Compliance Officer of the change in my position and I would completely refrain from Dealing in the Securities of the Company till the time such Price Sensitive Information becomes public.

I declare that I have not contravened the Code as notified by the Company from time to time.

I undertake to submit the necessary report within four days of execution of the transaction/a "Nil" report if the transaction is not undertaken.

I am aware that, I shall be liable to face penal consequences as set forth in the Code including disciplinary action under the Code of the Company, in case the above declarations are found to be misleading or incorrect at any time.

I hereby agree to indemnify and keep the Company and its Directors indemnified from and against all and any penalties / fines that may be imposed on them by the Securities and Exchange Board of India and/or any other statutory authorities as a result of violation by me of the SEBI (Prohibition of Insider Trading) Regulations 1992 and the Code prescribed by the Company.

I declare that I have made full and true disclosure in the matter.

(Signature of the Employee)

Date :

INDSIL HYDRO POWER AND MANGANESE LIMITED

FORMAT FOR PRE-DEALING APPROVAL LETTER

Date :

Approval No. _____ of _____

To

Mr/Mrs. _____

Emp No. _____

Designation _____

PRE-DEALING APPROVAL/DISAPPROVAL - Your application dtd _____

Dear Mr/Mrs _____

With reference to your above application seeking approval for undertaking certain transactions in Securities of the Company detailed therein, please be informed that you are hereby authorised/not authorised to undertake the transaction(s) as detailed in your said application.

This approval is being issued to you based on the various declarations, representations and warranties made by you in your said application.

This approval letter is valid till _____ (i.e for (1) week). If you do not execute the approved transaction/deal on or before this date you would have to seek fresh pre-dealing approval before executing any transaction/deal in the Securities of the Company. Further, you are required to file the details of the executed transactions in the attached format within four(4) days from the date of transaction /deal. In case the transaction is not undertaken a “Nil” report shall be necessary.

Yours truly,

Compliance Officer

Encl : Format for submission of details of transaction

INDSIL HYDRO POWER AND MANGANESE LIMITED

FORMAT FOR DISCLOSURE OF TRANSACTIONS (To be submitted within 4 days of transaction/Dealing in Securities of the Company)

Date :

To

The Compliance Officer
INDSIL HYDRO POWER AND MANGANESE LTD
"INDSIL HOUSE"
T.V.Samy Road (West)
R.S.Puram
Coimbatore 641 002

Dear Sir

DETAILS OF TRANSACTION

Ref : Your Approval Letter No. _____ dated _____ (in case of
Pre-approved transaction)

I hereby inform you that I

- Have not bought/sold/subscribed any Securities of the Company
- Have bought/sold/subscribed to the _____ Securities (give description)
as mentioned below on _____ (insert date)

Name of holder	**First or Joint holder	No. of Securities Dealt with	Bought/ Sold/ Subscribed	DP ID/CLIENT ID (electronic form) or Folio no. for physical where the Sec. will be debited or credited	Price (Rs)

** "F" - first holder "J" - joint holder

In connection with the aforesaid transaction(s), I hereby undertake to preserve, for a period of 3 (three) years and produce to the Compliance Officer/SEBI any of the following documents :

1. Broker's Contract Note
2. Proof of payment to/from brokers
3. Extract of bank passbook/statement (to be submitted in case of demat transactions)
4. Copy of Delivery instruction slip (applicable in case of sale transaction)

I declare that the above information is correct and that no provisions of the Company's Insider Trading Code and/or applicable laws/regulations have been contravened for effecting the above said transaction (s).

I agree to hold the above Securities for a minimum period of six months. In case there is any urgent need to sell these Securities within the said period, I shall approach the Company (Compliance Officer) for necessary approval (applicable in case of purchase/subscription).

Yours truly,

Signature _____

Name _____

Company (applicable in case of Designated Group Persons) _____

Emp No. _____

Dept / Div.

- Strike out whichever is not applicable

INDSIL HYDRO POWER AND MANGANESE LIMITED

**FORMAT FOR DISCLOSURE OF PARTICULARS BY
DIRECTORS/OFFICERS/DESIGNATED EMPLOYEES/DESIGNATED GROUP
PERSONS**

Date : _____

To

**The Compliance Officer
Indsil Hydro Power and Manganese Ltd
"INDSIL HOUSE"
T.V.Samy Road (West)
R.S.Puram
Coimbatore 641 002**

Internal Use
Recd date and time :
Sign :

Dear Sir

My personal details are as under :

NAME OF DIRECTOR/OFFICER/DESIGNATED EMPLOYEE _____	
DESIGNATED GROUP PERSON _____	
CO. NAME _____	
EMPL. NO _____	GRADE _____ DEPARTMENT _____
LOCATION _____	DATE OF APPOINTMENT _____
DEMAT ACCOUNT : YES/NO (Tick as applicable)	DP ID _____ CLIENT ID _____
All DP IDs and Client IDs to be furnished even if no Securities of the Company are held	

Pursuant to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for Prevention of Insider Trading, I hereby declare that I have the following Dependent (s) :

Sr. No	Name of the dependant	Relationship with Director/Officer/ Designated Employee/Designated Group Person

I hereby declare that I / my dependants

- Do not hold any Securities as on date
- Hold Securities of the Company as per the details given below :

* Name of holder	** First or Joint holder	Folio No. (physical form)	Holding (Physical form)	DP ID/CLIENT ID (electronic form)	Holding (electronic form)

* Include holdings where Director/Officer/Designated Employees/Designated Group Person or dependant is a joint holder.

** Include "F" where the named holder is the first holder of the Securities and "J" where he/she is the joint holder of the Securities.

I hereby undertake to inform the changes in the above details from time to time.

I hereby declare that the above details are true, correct and complete in all respects.

Signature : _____

Name : _____

Note : Please do not submit through electronic mail.

INDSIL HYDRO POWER AND MANGANESE LIMITED

**FORMAT OF ANNUAL STATEMENT OF HOLDINGS BY
DIRECTORS/OFFICERS/DESIGNATED EMPLOYEES/DESIGNATED GROUP
PERSONS AND THEIR DEPENDANTS**

Date :

To

The Compliance Officer
INDSIL HYDRO POWER AND MANGANESE LTD
"INDSIL HOUSE"
T.V.Samy Road (West)
R.S.Puram
Coimbatore 641 002

Dear Sir

STATEMENT OF SHAREHOLDINGS IN THE COMPANY (_____ LTD)

As on _____, I along with my Dependants hold the Securities of the Company, details whereof are as under :

Description of Security :

Name of Holder	Physical Holdings		Electronic Holdings		
	Folio No.	Total Holdings	DP ID	Client ID	Total Holdings

Yours truly

Signature _____

Name _____

Company (applicable to Designated Group Person)

Emp No. _____

Dep/Div _____