

MODERN INDIA LIMITED

**GENERAL CODE OF CONDUCT FOR EXECUTIVE DIRECTORS
AND SENIOR MANAGEMENT PERSONNEL**

Mumbai, 15th January, 2009

MODERN INDIA LIMITED

GENERAL CODE OF CONDUCT FOR EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

CONTENT

<u>PARTICULARS</u>	<u>Page Nos.</u>
CODE	1 to 5
DECLARATION	6

MODERN INDIA LIMITED

CODE OF CONDUCT FOR EXECUTIVE DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1. TERM

This Revised Code of Conduct (the “Code”) shall be effective from 15th January, 2009.

2. APPLICABILITY

This Code shall be applicable to the Managing Director/Executive Director (hereinafter referred to as “ED”), of Modern India Limited (the “Company”), as well as Senior Management Personnel in the grade of President, General Manager and Functional Heads of the Company, being members of the “Senior Management” of the Company, and such other Managers of the Company (hereinafter referred to as “Members of Senior Management”) as may be designated for the purpose of this Code by the Chairman & Managing Director of the Company from time to time.

3. OBJECTIVE

- a. To enhance the standards of ethical conduct, which are based on good Corporate Governance practices.
- b. To evolve as good corporate citizens by implementing highest degree of transparency, integrity, accountability and corporate social responsibility.
- c. To further achieve good corporate governance by complying with all laws, rules, and regulations applicable to the Company and fulfilling responsibilities towards stakeholders.
- d. To serve as guiding principles for the Senior Management.

4. THE CODE

Every person to whom this Code applies will be bound by the following to the extent applicable:

A. Regulatory Compliances

- i) To comply with all applicable laws, rules, regulations and regulatory orders.
- ii) To acquire appropriate up to date knowledge of requirements of compliances under various applicable statutes.
- iii) To ensure that proper legal compliance management system is in place for reviewing and reporting the status of compliances under various laws.

B. Honest and Ethical Conduct

To act in utmost good faith and in accordance with highest standards of personal and professional integrity, honesty and ethical conduct in respect of all transactions relating to the Company's business.

C. Conflict of Interest

To avoid scrupulously 'conflicts of interest' with the Company. A conflict of interest exists where the interest or benefits of a Director or Member of Senior Management conflict with those of the Company.

D. Corporate Opportunities

- i) Not to exploit for their own personal gain, opportunities that are discovered through the use of the Company's property (including intellectual property), information or position.
- ii) Not to divert to his/her own advantage any business opportunity that the Company is pursuing.

E. Fair Dealing

To deal fairly with the stakeholders and employees of the Company.

F. Protecting Company's Confidential Information

- i) To maintain the confidentiality of sensitive information of the Company or that of any customers, suppliers or business associates of the Company or that of any stakeholder to which the Company has a duty of confidentiality to maintain, except when disclosure is authorised or legally mandated. The confidential information includes all information not in the public domain (including private, proprietary and other) that might be of use to competitors or harmful to the Company or its associates, if disclosed.
- ii) Not to use confidential information for own advantage or profit.

G. Use and Protection of Company's Assets

- i) To protect Company's assets and properties, including intellectual property and ensure its efficient use.
- ii) To ensure the use of Company's property for legitimate business purposes.

H. Responsibilities towards Stakeholders

To ensure to have a proper system of safeguarding the interest of all stakeholders.

I. Disclosure of Interest

To disclose necessary information to the Company, at regular intervals in respect of various declarations under the various acts, rules and regulations, including the Companies Act, 1956, and the details of related parties from time to time.

J. Compliance of Code of Conduct for Prevention of Insider Trading

To comply with the provisions of the Code of Conduct for Prevention of Insider Trading, as per the guidelines issued by SEBI annexed hereto as Annexure.

K. Favours & Gifts

Senior Management shall not seek or accept any favour from any business associate, customer and supplier which might put it and/or the Company under any potentially injurious obligation.

Senior Management and its immediate family members should not accept any gift, gratuity, fee or other benefits of any kind from suppliers, customers, competitors and related business parties if it is known, believed or suspected that its purpose is to influence the transaction and/or if the value of such an item is significant and/or might cause embarrassment to the Company.

Clarification : Gift of nominal value which are customary in nature may be accepted on special events/occasions.

L. To act as Trustee

- i) At all times, to exercise powers for the purposes they were conferred, for the benefit and prosperity of the Company.
- ii) To discharge the fiduciary duty as a Trustee in a fair impartial manner.

M. Financial Reporting and Records

To ensure that:

- a. Financial statements and accounts are prepared in accordance with accounting standards, laws and regulations and the same reflect true and fair view of the affairs of the Company.
- b. Adequate accounting Systems & Procedures are introduced to reflect true and fair position of all business transactions.

N. Concurrent Employment

The members of Senior Management shall not engage in any activity that interferes with their performance as responsibilities to the Company, or is otherwise in conflict with or prejudicial to the interest of the Company nor provide any freelance service to anyone without prior approval of the Chairman & Managing Director. In case of ED, such prior approval must be obtained from the Board of Directors of the Company.

5. PERIODIC REVIEW

The Code shall be reviewed as and when deemed fit by the Board and necessary amendments may be made thereto. Any such amendment shall be notified to all the members of the Senior Management.

6. CERTIFICATION

The Managing Director/Executive Directors and the Members of the Senior Management of the Company to whom this Code is made applicable, shall every year file with the Company Secretary a certificate addressed to the Chairman & Managing Director of the Company, within 10 days from the closure of the accounting year ending 31st March, starting from 1st April 2008 onwards, confirming his/her compliance with the provisions of this Code.

For and on behalf of the Board of Directors of
Modern India Limited

(Vijay Kumar Jatia)
Chairman & Managing Director

Date: 15th January, 2009

MODERN INDIA LIMITED

CODE OF CONDUCT FOR EXECUTIVE DIRECTORS, SENIOR MANAGEMENT PERSONNEL AND DESIGNATED EMPLOYEES

Acknowledgment of Receipt of Code of Conduct :

I have received and read the Company's Code of Conduct and ethics for Executive Directors and Senior Management Personnel. I understand the standards and policies contained in the said Code of Conduct & ethics and understand that there may be Additional Policies or Laws specific to my job. I further agree to comply with the said Additional Policies or Laws of the said Code of Conduct.

If I have questions concerning the meaning or application of the said Code of Conduct, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult Board of Directors, knowing that my questions or reports to these sources will be maintained in confidence.

Director / Senior Management Personnel Name :

Signature: _____

Designation :

Place : Mumbai

Date : - - 2009

(Please sign and return this form to the Secretarial Department)

ANNUAL AFFIRMATION OF COMPLIANCE

(TO BE SUBMITTED BY 10TH APRIL EACH YEAR)

I, _____, do hereby affirm that to the best knowledge and belief, I have fully complied with the provisions of the Code of Conduct for Executive Directors and Senior Management Personnel of Modern India Limited during the financial year ending 31st March, 2009.

Signature : _____

Name :

Designation :

Place : Mumbai

Date : - - 2009

(Please sign and return this form to the Secretarial Department)

MODERN INDIA LIMITED

**CODE OF CONDUCT FOR EXECUTIVE DIRECTORS
AND SENIOR MANAGEMENT PERSONNEL**

List of Executive Director, Non-Executive Director and Designated Employees covered under the Code of Conduct		
Executive Director :		
1	Shri Vijay Kumar Jatia	Chairman & Managing Director
Senior Management Personnel :		
1	Shri S.C.Kedia	President
2	Shri Vedant Jatia	Executive
3	Shri Mudit Jatia	Executive

List of Non-Executive Directors covered under the Code of Conduct

1	Shri Rusi Sethna
2	Shri Dilip J. Thakkar
3	Shri Rajas Doshi
4	Shri Anand Didwania
5	Smt. Gauri Jatia
6	Shri Pradip Kumar Bubna

List of other Designated Employees' covered under the Code of Conduct

1	Shri N.K.Deora – Financial Controller	11	Shri Ramgopal Surolia
2	Shri Ajit P. Walwaikar – GM (Legal) & C.S.	12	Shri Sanjay Sharma
3	Shri A.R.Birla - Asst. GM (Projects)	13	Shri Sushil Fatehpuria
4	Smt. Archana Mandale	14	Shri Kedar Oak
5	Smt. Shikha Rastogi	15	Shri Ajay Sharma
6	Smt. Shreya Sanyashi	16	Shri Ajay Kumar Purohit
7	Shri Binoy Thomas	17	Shri Satish Singh
8	Shri N.K.Doreswamy	18	Shri Mahendra Dhumal
9	Shri Ravi Walecha	19	Shri R.G.Naphde
10	Shri S. C. Bajaj	20	Shri Ravi Warriar

MODERN INDIA LIMITED

GENERAL CODE OF CONDUCT FOR NON-EXECUTIVE DIRECTORS

Mumbai, 15th January, 2009

MODERN INDIA LIMITED

GENERAL CODE OF CONDUCT FOR NON-EXECUTIVE DIRECTORS

CONTENT

<u>PARTICULARS</u>	<u>Page Nos.</u>
CODE	1 to 2
DECLARATION	3

MODERN INDIA LIMITED

CODE OF CONDUCT FOR NON-EXECUTIVE DIRECTORS

I. CODE OF CONDUCT FOR NON-EXECUTIVE DIRECTORS

1. TERM

This Code of Conduct (the "Code") shall be effective from 15th January, 2009

2. APPLICABILITY

This Code of Conduct (hereinafter referred to as the "Code") of Modern India Limited (the "Company") is applicable to all its Non-Executive Directors (hereinafter referred to as "NEDs"). It is intended to serve as guiding principles for the NEDs.

The NEDs shall affirm compliance with this code on an annual basis as at the end of each financial year.

3. OBJECTIVE

Within the bounds of fiduciary authority conferred upon them, NEDs are expected to make and enact informed decisions and policies in the best interests of the Company and its stakeholders, and in doing so, are encouraged to raise questions about particular circumstances that may involve one or more of the provisions of this Code, or any other issue of ethical risk, to the attention of the Company Compliance Officer.

4. THE CODE

In performing their Board and the Board Committee functions, the NEDs shall adhere to certain principles as enumerated below :

- (i) The NEDs shall endeavour to attend and actively participate in the meetings of the Board and of the Board Committee(s) of which they are members.
- (ii) The NEDs shall not participate in the discussion of any subject matter in which any conflict of interest exists or arises, whether pecuniary or otherwise, and such cases the same shall be disclosed and recorded in the minutes of the meeting.
- (iii) The NEDs shall endeavour that the Company abides by all the provisions of the relevant legislations as applicable to it from time to time.
- (iv) The NEDs shall act in good faith, with due care, and with competence and diligence, to not misrepresent material facts or allow their independent judgement to be subordinated.

MODERN INDIA LIMITED

CODE OF CONDUCT FOR NON-EXECUTIVE DIRECTORS

- (v) The NEDs shall submit the necessary disclosures of interest/statement of holdings/dealings in securities as required under the law.
- (vi) Unless otherwise required by law, the NEDs shall maintain confidentiality and shall not divulge/disclose any information obtained in the discharge of their duties and that no such information shall be used by them for their personal gains.
- (vii) The NEDs shall maintain the highest standards of personal integrity, truthfulness, honesty and fortitude in the discharge of their duties in order to inspire stakeholders confidence. The NEDs shall perform their duties in an independent and objective manner and avoid activities that may impair, or may appear to impair their independence or objectivity.
- (viii) The NEDs shall not associate with the Company's competitor in a manner prejudicial to the interest of the Company.
- (ix) The NEDs shall protect the Company's interest and shall not utilise their position to the detriment of the Company's interest.
- (x) The NEDs shall not engage in any act involving moral turpitude, dishonesty, fraud, deceit, or misrepresentation or any other act prejudicial to the Company.

II. COMPLIANCE OFFICER

For the purpose of the Code, the Company has appointed the Company Secretary as the Compliance Officer, who shall be available to the NEDs to answer their queries and help them comply with the Code.

III. REVIEW OF THE CODE

The Code shall be reviewed as and when deemed fit by the Board and necessary amendments may be made thereto. Any such amendment shall be notified to all NEDs by the Compliance Officer.

Place : Mumbai
Date : 15th January, 2009

(Vijay Kumar Jatia)
Chairman & Managing Director

MODERN INDIA LIMITED

CODE OF CONDUCT FOR NON-EXECUTIVE DIRECTORS

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT

I have received and read the Code of Conduct for Non-Executive Directors of Modern India Limited. I understand the standards and policies in the said Code of Conduct and agree to comply with it.

Name of the Non-Executive Director : _____

Signature : _____

Place : _____

Date : _____

(Please sign and return this form to the Secretarial Department.)

ANNUAL AFFIRMATION OF COMPLIANCE (TO BE SUBMITTED BY 10TH APRIL EACH YEAR)

I, _____ do hereby affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the Code of Conduct for Non-Executive Directors of Modern India Limited during the financial year ending 31st March, _____.

Name : _____

Signature : _____

Place : _____

Date : _____

(Please sign and return this form to the Secretarial Department.)

MODERN INDIA LIMITED

ANNEXURE TO GENERAL CODE OF CONDUCT

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

(Refer Para-J of General code of Conduct)

CONTENT:

<u>PARTICULARS</u>	<u>Page Nos.</u>
INTRODUCTION	1
OBJECTIVE	1
CODE OF CONDUCT	1
COMPLIANCE OFFICER	2
DEFINITIONS (IMPORTANT)	2
TRADING WINDOW	5
PRE-CLEARANCE OF TRADES	5
MINIMUM HOLDING PERIOD	6
WAIVER OF HOLDING PERIOD	7
DISCLOSURE & REPORTING REQUIREMENTS	7
INFORMATION TO SEBI IN CASE OF VIOLATION	8

LIST OF DIRECTORS AND DESIGNATED EMPLOYEES

COVERED UNDER THE CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING - (ANNEXURE – A) (DETAILED LIST TO BE PREPARED)

ANNEXURE (B)

PROFORMA

APPLICATION FORM FOR PRE-CLEARANCE OF TRADES IN
COMPANY'S SECURITIES (CLAUSE VIII (a)) I

DRAFT LETTER OF APPROVAL FROM COMPLIANCE OFFICER
FOR PRECLEARANCE OF TRANSACTIONS IN COMPANY'S
SECURITIES (CLAUSE VIII (a)) II

DRAFT UNDERTAKING TO BE ACCOMPANIED WITH EVERY
PRE-CLEARANCE APPLICATION (CLAUSE VIII (b)) III

LETTER FOR CONFIRMATION OF DATE OF COMPLETION OF
TRANSACTION (CLAUSE IX) IV

APPLICATION FORM FOR WAIVER OF MINIMUM
HOLDING PERIOD (CLAUSE XI) V

Contd..-2-

**STATEMENT OF INTIAL DISCLOSURE OF SHARES HELD IN THE
COMPANY BY DIRECTORS/DESIGNATED EMPLOYEES/
DEPENDENT FAMILY MEMBERS (CLAUSE XII (A) (i)) VI**

**DISCLOSURE OF CHANGE IN HOLDING OF SHARES BY
DIRECTORS (CLAUSE XII (A) (ii)) -* VII**

**DISCLOSURE OF CHANGE IN HOLDING OF SHARES BY
DESIGNATED EMPLOYEES (CLAUSE XII (A) (ii) VIII**

**ANNUAL DISCLOSURE OF SHARES HELD IN THE COMPANY BY
DIRECTORS (CLAUSE XII (A) (v)) IX**

**ANNUAL DISCLOSURE OF SHARES HELD IN THE COMPANY BY
DESIGNATED EMPLOYEES (CLAUSE XII (A) (v)) X**

INTRODUCTION:

The Securities & Exchange Board of India (SEBI), in its endeavor to protect the interests of investors in general, formulated the SEBI (Prohibition of Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992. These regulations came into force with effect from 19th November, 1992 and the same were made applicable to all companies whose shares were listed on the Indian Stock Exchanges.

SEBI has subsequently amended the regulations from time to time and last said amendment was made on 19th November 2008. The Regulations not only regulate insider trading but also seek to prohibit inside trading.

OBJECTIVE :

The objective of this part of Code of Conduct is to give basic law relating to Preventing of Insider Trading and communicate to employees of the Company, the Code of Conduct for dealing in securities of the Company. It is intended to serve as a guideline to the employees, which they should understand and practice, while dealing in securities of the Company.

It is mandatory in terms of the Regulations for every listed company / entity to formulate a Code of Conduct for Prevention of Insider Trading for its Directors and Designated Employees.

In order to comply with the mandatory requirements of the Regulations, it was necessary to formulate a specific Code of Conduct for Modern India Limited, (hereinafter referred to as 'the Company') for use by its Directors and Designated Employees.

I. CODE OF CONDUCT :

- 1 **TRADING**" (hereinafter referred to as 'the Code of Conduct'). . This Code of Conduct shall be called **"MODERN INDIA LIMITED" CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**".
2. The Code of Conduct shall come into force with effect from 15th January, 2009.
3. **Applicability** – Directors & Designated Employees. *

Directors

- (i) All the existing Directors of the Company including the Chairman & Managing Director.
Designated Employees *
- (ii) The Designated Employees coming under following sub-categories.
 - (a) President, All General Managers, Dy. General Managers and Managers and their PA's and Technical Assistants;
 - (b) All the employees in the Finance and Accounts departments, Mumbai, all the employees in the Secretarial department and employees in the Administration Department,

- (c) PA to CMD,
- (d) Any other person(s) or employee(s) who may be covered under this category, if required, from time to time by the Chairman & Managing Director.

*(hereinafter to be referred to as Designated Employees' for 'the purpose of these Regulations.)

Dependents of above 1) and 2) i.e. spouse, dependent parents and dependent children.

(iii) Nothing contained in this Code of Conduct shall apply to the divestment of holding by the Promoters of the Company pursuant to increasing public holding as per the Clause 40A of the Listing Agreement.

II COMPLIANCE OFFICER :

A. The Company has appointed the Company Secretary as the Compliance Officer, under this Code, who shall report to the Chairman and Managing Director.

B. Duties and Responsibilities :

1. The Compliance Officer shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Unpublished Price Sensitive Information", pre-clearing of designated employees' and their dependents' trades (directly or through respective department heads as decided by the Company), monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board of Directors of the Company.

2. The Compliance Officer shall maintain a record of the Directors and the Designated employees and any changes therein.

3. The Compliance Officer shall assist all the Designated Employees in addressing any clarifications regarding the Regulations and the Company's Code of Conduct.

4. In order to discharge his functions effectively, the Compliance Officer shall be adequately empowered and provided with adequate manpower and infrastructure to effectively discharge his function. In the performance of his duties, the Compliance Officer shall have access to all information and documents relating to the Securities of the Company.

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

III DEFINITIONS:

a. 'Unpublished Price Sensitive Information'

'Price Sensitive Information' means any information that relates directly or indirectly to the company and which if published is likely to materially affect the price of the company's shares/securities. Contd..

'Unpublished' means information which is not published by the company or its agents and is not specific in nature. Speculative reports in print or electronic media are not considered as published information.

Thus, 'Unpublished Price Sensitive Information' means any information which relates directly or indirectly, to a company and is **not generally known or published by such company** for general information, but which if published or known, is likely to **materially affect the price** of shares of that company in the market.

The following shall be deemed to be the Price Sensitive Information:

- (i) periodical audited or Unaudited financial results of the Company;
- (ii) intended declaration of dividends (both interim and final);
- (iii) issue of Securities by way of bonus, right, public issue 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 a substantial part of the undertaking;
- (vii) any significant changes in policies, plans or operations of the Company;

b. Insider :

'Insider' means any person –

who is/was connected with the company or who 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 Securities of the company or who has received or has had access to such Unpublished Price Sensitive Information.

c. Connected Person : means any person who is a director of the Company or occupies 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 MIL and shall include the following persons :

- a) Company/Companies under the same management as defined under The Companies Act, 1956 and/or any subsidiary Company thereof;
- b) Company's Bankers, Merchant Bankers, Lenders and Debenture Trustee (s)
- c) Company's Share broker, sub-broker, portfolio Manager, Investment Advisor, Investment Company or an employee thereof.
- d) Share Transfer Agent, Registrar to any issue of securities;
- e) Statutory Auditors, Internal Auditors, Cost Auditors and Tax Auditors;
- f) Member of the Board of Trustee of a Mutual Fund or Board of Directors of the Asset Management Company of a Mutual Fund or an employee thereof who has a fiduciary relationship with the Company;
- g) Dependent Relatives of any of the aforementioned Persons;
- h) A concern, firm, trust, HUF, Company or Association of persons wherein any of the persons mention hereinabove have more than 10% of the holding or interest.

Connected Person shall also include any person who is a connected person six months prior to an act of insider trading.

Contd..-4-

d. Insider – Trading

'Insider Trading' means dealing by way of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in the securities of the Company by any person either as principal or Agent or directly or on behalf of any other person in the shares/securities of the company by persons connected with the company, with the intention of making profit or reducing loss, on the basis of Unpublished Price Sensitive Information or Insider Information regarding the working of the company which they possess but which is not available to others. Insider Information means any information which is not a public knowledge and which can be used to influence an investors' decision to purchase, sell or keep a security.

e. 'Dealing in Securities' means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the Securities of the Company by any person either as principal or agent.

f. "Securities" includes:

- (i) shares, scrips, bonds, debentures, debenture stock or other marketable securities of a like nature.
- (ii) such other instruments recognised as securities and issued by the Company from time to time.

All terms used in this Code but not defined hereinabove shall have the meanings assigned to them under the SEBI Regulations or The Companies Act, 1956.

IV. PRESERVATION OF UNPUBLISHED PRICE SENSITIVE INFORMATION :

The Directors and Designated Employees shall maintain confidentiality of all **'Unpublished Price Sensitive Information'**. The Directors 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 of the Company based on the same.

V. NEED TO KNOW :

a. **'Unpublished Price Sensitive Information'** shall be handled on a **'need to know' basis**. Such information should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

b. All non-public information directly received by any Director/Designated Employee should be reported to the head of his/her department/Compliance Officer.

VI. LIMITED ACCESS TO CONFIDENTIAL INFORMATION :

All files containing confidential information shall be kept secure under lock and key. Computer files shall have adequate security of login and passwords. **Files containing confidential information should be deleted/destroyed after its use. Shredder should be used for the destruction of physical files.**

VII. TRADING WINDOW :

All Directors and Designated Employees shall be subject to certain trading restrictions as enumerated below;

a. The Company has designated a 'Trading Window ' period being the period during which transactions in the securities of the Company can be effected by the Directors and the Designated Employees (hereinafter referred to as 'Trading Window') for trading in the Company's securities;

(b) In all cases the "Trading Window" shall remain closed from the date of notice given to the Stock Exchanges for convening the meeting of the Board of Directors of the Company to consider the following items and shall be opened 24 hours after the information referred hereinbelow is made public:

- i. Declaration of Financial results (quarterly, half-yearly and annual) whether audited or un-audited;
 - ii. Declaration of dividends (interim and final);
 - iii. Issue of securities by way of public/ rights/bonus etc.;
 - iv. Any major expansion plans or execution of new projects;
 - v. Amalgamation, mergers, takeovers and buy-back;
 - vi. Disposal of whole or substantially whole of the undertaking; and
 - vii. Any changes in policies, plans or operations of the Company.
- c. The Directors/Designated Employees shall not trade in the Company's securities during the period when the **TRADING WINDOW** is closed.
- d. The trading window shall be opened 24 hrs after the aforementioned information is made public.
- e. All Directors and Designated Employees shall conduct all their dealings in the securities of the Company only in a valid **TRADING WINDOW** and shall, not deal in any transaction involving the purchase or sale of the Company's securities during the periods when Trading Window is closed or during any other period as may be specified by the Company from time to time.

VIII. PRE-CLEARANCE OF TRADES :

All Directors, Designated Employees and their dependents who intend to deal in the securities of the Company for and above **2000 (Two Thousand)** Shares within a span of six months, during the period, other than the trading window closure period, shall get the transactions pre-cleared in the manner enumerated below :

- a. an application in the **prescribed form** shall be made to the Compliance Officer by the Director/Designated Employees indicating the estimated number of securities that such person intends to deal in, details of depository and such other information as prescribed in Proforma I and should obtain pre-clearance of the Compliance Officer in Proforma II.
- b. before the deal is executed, the Director/Designated Employee shall execute an undertaking (*Proforma III*) in favour of the Company incorporating inter-alia, the following clauses that :
 - (i) the Director/Designated Employee does not have any access or has not received '**Price Sensitive Information**' upto the date of signing the undertaking; in case the Director/ Designated Employee has access to or receives '**Price Sensitive Information**' after the signing of this undertaking but before the execution of the transaction, he/she shall inform the Compliance Officer of the change in his/her position and that he/she shall completely refrain from dealing in the securities of the Company till such time such information becomes public ;
 - (ii) he/she has not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time; and
 - (iii) he/she has made full and true disclosure in the matter.
- c. The Compliance Officer shall inform his decisions regarding the clearance within 2 working days of receipt of applications for pre-clearance. In absence of the Compliance Officer the said pre-clearance shall be approved by the Officer designated by the Compliance Officer.
- d. The Compliance Officer shall make an application to the CMD in Proforma I for pre-clearance of his dealing in Securities of the Company. The CMD shall inform his decisions regarding the clearance in Proforma – II within two working days of receipt of application for pre-clearance.

IX. PERIOD FOR COMPLETION OF THE TRANSACTION

All Directors/Designated Employees shall execute their order in respect of the securities of the Company **within one week after pre-clearance** approval is received. The date on which the order is executed shall be intimated forthwith to the Compliance Officer in the prescribed format (*Proforma IV*). If the order is not executed within one week after the approval is given, the Director/ Designated Employee **must pre-clear the transaction again** and inform the Compliance Officer in writing within four days thereof.

X MINIMUM HOLDING PERIOD

1. **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.**
2. In 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.

XI. WAIVER OF HOLDING PERIOD

The Compliance Officer may waive the holding period in cases where the sale is necessitated by personal emergency after recording his/her reasons in writing in this regard. An application in this regard shall be made to the Compliance Officer in the prescribed format (*Proforma V*).

XII. DISCLOSURE & REPORTING REQUIREMENTS

A. By existing Directors / Designated Employees and their Dependents:

(i) All Directors and the Designated Employees including that of dependent family members shall disclose to the Company immediately, the number of shares held by them. These details should be given as per Proforma VI. 'NIL' statement shall be given if there is no holdings.

(ii) All Directors and/or Designated Employees of the Company shall disclose to the Company on a continuing basis, the total number of shares or voting rights held and any change therein from the last disclosure, if such change exceeds **Rs.5 lakhs in value or 25000 shares or 1% of total shareholding or voting rights, whichever is lower.** (*Proforma VII and VIII*, as the case may be); and

(iii) The disclosure mentioned in Clause (ii) above shall be made within 2 working days of:

- (i) the receipt of intimation of allotment of shares ; or
- (ii) the acquisition or sale of shares or voting rights, as the case may be.

(iv) All holdings/ dealings in Securities of the Company by the Directors/Designated employees including that of dependent family members should be disclosed in Proforma XIth and XIIth respectively on annual basis, as at **31st March every year, by 15th April** to the Compliance Officer.

B. By new Directors / Officers / Designated Employees:

i) A Director, Designated Employee holding any number of Securities in the Company, shall disclose to the Company (refer as per proforma hereto for format of such disclosure), the number of Securities held by him/her as also by his/her dependant family members, within 2 working days of his/her becoming an Director/Designated Employee of the Company. Such Director/Designated Employee shall also make a disclosure if there is any change in his/her holding of such Securities from last disclosure made, if the change exceeds Rs.5 lacs in value or 25000 Shares or 1% of total Shareholding in Company, whichever is lower.

ii) The disclosure mentioned in Clause (i) above shall be made within 2 working days of :

- (i) the receipt of intimation of allotment of shares; or
- (ii) the acquisition or sale of shares or voting rights, as the case may be.

C. Substantial shareholders

Any person who holds more than 5% shares or voting rights in the Company shall disclose to the Company, the number of shares or voting rights held by such person on becoming such holder, within 2 working days of :

- a) the receipt of intimation of allotment of shares
- b) the acquisition or sale of shares or voting rights, as the case may be. Contd.8

XIII. MAINTENANCE OF RECORDS OF DISCLOSURE

The Compliance Officer shall maintain records of all the declarations in the appropriate forms given by the Directors/Designated Employees for a minimum period of three years.

XIV. REPORTING TO THE BOARD OF DIRECTORS

The Compliance Officer shall place Status Report before the Chairman & Managing Director on a monthly basis containing all the details of dealing in the Securities by the Directors and the designated employees along with the documents that such persons had executed in accordance with the pre-dealing procedure prescribed under the Code.

XV. INFORMATION TO SEBI IN CASE OF VIOLATION :

The Compliance Officer shall inform SEBI the case/s of any violation of this Regulations so that appropriate action may be taken by SEBI in this respect.

XVI. PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT :

a) Any Director or Designated Employee who trades in securities of the Company or communicates any information for trading in the securities of the Company, in contravention of the Code of Conduct shall be held guilty and penalized and appropriate action shall be taken by the Company, which may include wage freeze, suspension, or termination of their employment/contract, ineligible for future participation in employee stock option plans, etc.

b) The penal action taken by the Company shall not preclude SEBI from taking any action in case of violation of the Regulations.

c) Under Section 15G of the SEBI Act, **1992** any insider who indulges in insider trading in contravention of **the Regulations of SEBI Act, 1992** is liable to a penalty of **Rs.25 Crores or three times the amount of profits made out of insider trading, whichever is higher**. Further under Section 24 of the SEBI Act, any one who contravenes the Regulations is punishable with imprisonment which may extend to ten years or with fine, **which may extend to Rs.25 Crores or with both**.

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 Companies 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 counseling any other person to deal in Company's Securities.
- Declaring the transactions in Securities as null and void.
- Directing him / her to transfer specified amount to Investor Protection Fund of a recognised Stock Exchange.

In case it is observed by the Compliance Officer that there has been a violation of the Regulations by any Director or Designated Employee, he shall forthwith inform the Board of Directors of the Company. The Compliance Officer shall simultaneously inform SEBI about such violation. The Director or Designated Employee, against whom information has been furnished by the Compliance Officer to SEBI for violations of the Regulations/Code, shall provide all information and render necessary co-operation as may be required by the Company/Compliance Officer or SEBI in this connection.

XVII. The Board of Directors of the Company have the right to change/amend this Code from time to time and/or in pursuance of any amendments made in the SEBI (Prohibition of Insider Trading) Regulations, 1992.

XVIII. The decision of The Board of Directors of the Company / Compliance Officer shall be final, binding and conclusive and shall not be challengeable in any forum.

XIX CORRESPONDENCE AND CLARIFICATION:

All correspondence and queries concerning this Code should be sent to the **Company Secretary/Compliance Officer** and marked '**CONFIDENTIAL**'.

Place : Mumbai

(Vijay Kumar Jatia)

Dated :15th January, 2009

Chairman & Managing Director

THIS POLICY IS ONLY INTERNAL CODE OF CONDUCT AND ONE OF THE MEASURES TO PREVENT INSIDER TRADING. IT WILL BE THE RESPONSIBILITY OF DIRECTOR/DESIGNATED EMPLOYEE OF THE COMPANY TO ENSURE COMPLIANCE OF SEBI GUIDELINES AND OTHER RELATED STATUTES FULLY.

PROFORMA - I

CONFIDENTIAL

Serial No. :

APPLICATION FORM FOR PRE-CLEARANCE OF TRADES IN COMPANY'S SECURITIES

[Clause VIII (a)]

To
The Compliance Officer
Modern India Limited
Mumbai – 400 011

From :

Name of Director/Designated Employee:

Designation:

Department:

Dear Sir,

With reference to the Company's Code for prohibition of Insider Trading I intend to deal in the securities of the Company as per the particulars furnished below:

1. No.of shares proposed to be :
purchased / sold

2. No.,of Shares held :

3. Depository I.D.No. :

4. Client I.D.No. :

5. Particulars of the broker through : Name :
whom the transaction is to be Address :
executed

Phone No.:

6. Singly / Jointly with :

7 Folio No. :

Pursuant to Clause VIII (b) of the Code of Conduct, I enclose duly stamped and executed undertaking in favour of the Company, containing the prescribed particulars.

I request you to kindly pre-clear the above transaction at the earliest.

Thanking you,

Yours faithfully,

Name of the Applicant

Signature

Date :

Place :

PROFORMA – II

CONFIDENTIAL

(draft letter of approval from Compliance Officer)

Date :

To :

Dear Sir,

Sub : Pre-clearance of transaction in Company's Securities

Ref : Your application dated _____, 200 for pre-clearance of transaction for _____ shares of the
Company in your name / in the name of _____
_____.

With reference to your above application pursuant to Clause VIII (a) of MIL Directors and Designated Employees Code of Conduct for Prevention of Insider Trading, seeking pre-clearance of your transaction in shares of the Company, we hereby accord our approval to the proposed transaction. You may kindly note that pursuant to provisions of Clause IX of the said Code of Conduct, the aforesaid transaction shall be executed **within one week** from the date of receipt of this approval letter, failing which, an application seeking pre-clearance to the proposed transaction together with undertaking in the prescribed format, shall be made afresh. As stipulated in Clause X of the Code of Conduct, once the buy or sell of any number of shares of the Company is made, 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.

Thanking you,

Yours faithfully,

For Modern India Ltd.

Compliance Officer

PROFORMA – III

CONFIDENTIAL

(draft undertaking to be accompanied with every pre-clearance application)

[Clause VIII (b)]

The Compliance Officer

Modern India Limited
Modern Centre
Sane Guruji Marg, Mahalaxmi
Mumbai – 400 011.

Dear Sir,

I, _____ being a Director/Designated Employee of the Company, am desirous of dealing in _____ shares of the Company as Clause XIII (b) of the Code of Conduct, I hereby confirm :

a. to maintain confidentiality of all ‘Unpublished Price Sensitive Information’ that may come into my possession in the discharge of my duties with the Company;

not to pass on such information to any person directly or indirectly by way of making a mentioned in my application dated _____ for pre-clearance of the transaction.

b. Pursuant to recommendation for the purchase or sale of securities of the Company based on the same;

c. to report to the Compliance Officer, any non-public information that may be directly received by me;

d. that I did not have any access or received ‘**Unpublished Price Sensitive Information**’ upto the date of signing this undertaking ;

e. that in case I have access to or receive ‘**Unpublished Price Sensitive Information**’ after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I shall completely refrain from dealing in the securities of the Company till such time such information becomes public ;

f. that I have not contravened the Code of Conduct for Prevention of Insider Trading as notified by the Company from time to time; and

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

(Signature)

Name of the Director /Designated Employee :

Division :

Department :

Location :

Place :

Date :

PROFORMA – IV

CONFIDENTIAL

(confirmation of date of completion of transaction)

[Clause IX]

**The Compliance Officer
Modern India Limited
Modern Centre
Sane Guruji Marg, Mahalaxmi
Mumbai – 400 011.**

Dear Sir,

Sub : Date of completion of transaction

I hereby confirm that the transaction for dealing in the shares of the Company for which, pre-clearance was granted on _____, was completed on _____ by purchasing * / selling * _____ (nos.) equity shares of the Company.

Thanking you,

Yours faithfully,

(Signature)

Name of the Director/ Designated Employee :

Division :

Department :

Location :

Place :

Date :

* - strike out whichever is not applicable

PROFORMA – V

CONFIDENTIAL

(application for waiver of minimum holding period)

[Clause XI]

**The Compliance Officer
Modern India Limited
Modern Centre
Sane Guruji Marg, Mahalaxmi
Mumbai – 400 011.**

Dear Sir,

Sub : **Waiver of minimum holding period**

I request you to grant me waiver of the minimum holding period of 6 months as required under Clause XI of the Code of Conduct for prevention of insider trading with respect to _____ (nos.) equity shares of the Company held by me / _____ (name of relative) singly / jointly, acquired by me on _____ (date). I propose to deal in the said shares on account of

Thanking you,

Yours faithfully,

(Signature)

Name of the Director/ Designated Employee :

Division :

Department :

Location :

Place :

Date :

CONFIDENTIAL**SERIAL NO :**

To,
The Compliance Officer
Modern India Limited
Mumbai

**INITIAL DISCLOSURE OF SHARES HELD IN THE COMPANY BY DIRECTORS/
DESIGNATED EMPLOYEES AND DEPENDENT FAMILY MEMBERS**

[Clause XII (A) (i)]

1. Details of shareholding held in own name :

Name of Director/Designated Employee :

Date of joining as a Director
or Employee :

Designation :

No. of shares held as on :

Department :

Folio No./DP ID/Client ID

2. Details of shareholding of relatives/dependent members (as applicable) :

	NAME	FOLIO /CLIENT I.D. NO.	NO. OF SHARES HELD
Spouse			
Father			
Mother			
Son (dependent)			
Daughter (dependent)			

Place :

Date :

(Signature)

PROFORMA – VII

CONFIDENTIAL

SERIAL NO :

To,
The Compliance Officer
Modern India Limited
Mumbai

DISCLOSURE OF CHANGE IN HOLDING OF SHARES BY DIRECTORS
[Clause XII (A) (ii)]

I. DETAILS OF SHARES HELD BY DIRECTOR IN HIS/ HER OWN NAME :

Name	No. of Shares held before transaction	Particulars of Transaction		Date of Transaction	No. of shares transacted	Whether approval obtained	Date of approval	Balance holding on	Folio No./DP/Client ID No.
		Purchase	Sale						

II. DETAILS OF SHARES HELD BY RELATIVES/DEPENDENT FAMILY MEMBERS (As applicable) :

Name	Relationship with Director	No. of shares held before transaction	Particulars of transaction		Date of transaction	No. of shares transacted	Whether approval obtained	Date of approval	Balance holding on	Folio No./DP/Client ID No.
			Purchase	Sale						

I/We declare that I/we have complied with the requirement of the minimum holding period of 180 days with respect to the shares sold.

Place :

Date :

(Signature)

PROFORMA – VIII

CONFIDENTIAL

SERIAL NO :

To,
The Compliance Officer
Modern India Limited.,
Mumbai

**DISCLOSURE OF CHANGE IN HOLDING OF SHARES BY DESIGNATED
EMPLOYEES
[Clause XII (A) (ii)]**

Name of Director/Designated Employee :

Date of joining as a Director
or Employee :

Designation :

No. of shares held as on :

Department :

Folio No./DP ID/Client ID

I. DETAILS OF SHARES HELD BY DESIGNATED EMPLOYEE IN HIS/HER OWN NAME :

Name	No. of shares held before transaction	Particulars of transaction		Date of transaction	No. of shares transacted	Whether approval obtained	Date of approval	Balance holding on	Folio No./DP/ Client ID No.
		Purchase	Sale						

II. DETAILS OF SHARES HELD BY RELATIVES/DEPENDENT FAMILY MEMBERS (As applicable) :

Name	Relationship with Designated Employee	No. of shares held before transaction	Particulars of transaction		Date of transacti on	No. of sha res tra nsa cte d	Whether approval obtained	Date of approval	Balance holding on	Folio No./DP/ Client ID No.
			Purchase	Sale						

I/We declare that I/we have complied with the requirement of the minimum holding period of 180 days with respect to the shares sold.

Place :

Date :

(Signature)

PROFORMA – IX

CONFIDENTIAL

SERIAL NO :

To,
The Compliance Officer
Modern India Limited
Mumbai

ANNUAL DISCLOSURE OF SHARES HELD IN THE COMPANY BY DIRECTORS
[Clause XII (A) (iv) }

Name of Director :

Date of appointment :

I. DETAILS OF SHARES HELD BY DESIGNATED EMPLOYEE IN HIS OWN NAME :

Particulars of Individuals	No. of shares held	No. of shares bought	No. of shares sold	No. of shares held	Folio No./ DP/ Client ID No.
	on _____	during the year	during the year	on _____	
Name					
SELF					

II. DETAILS OF SHARES HELD BY RELATIVES/DEPENDENT FAMILY MEMBERS (As applicable) :

Name	Relation ship with Designated Employee	No. of shares held before transaction	Particulars of transaction		Date of transaction	No. of shares transacted	Whether approval obtained	Date of approval	Balance holding on _____	Folio No./DP/ Client ID No.
			Purchase	Sale						

I/We declare that I/we have complied with the requirement of the minimum holding period of 180 days with respect to the shares sold.

I further declare that the above disclosure is true and correct and is in accordance with the previous disclosures given to the Company.

Place :

Date :

Signature

FORMA – X

CONFIDENTIAL

SERIAL NO :

To,
The Compliance Officer
Modern India Limited
Mumbai

ANNUAL DISCLOSURE OF SHARES HELD IN THE COMPANY BY DESIGNATED EMPLOYEES

[Clause XII (A) (iv)]

Name of Director/Designated Employee :

Date of joining as a Director
or Employee :

Designation :

No. of shares held as on :

Department :

Folio No./DP ID/Client ID

Particulars of Individuals		No. of shares held on _____	No. of shares bought during the year	No. of shares sold during the year	No. of shares held on _____	Folio No./ DP/ Client ID No.
	Name					
	SELF					
	SPOUSE					
	Dependent family members					

I/We declare that I/we have complied with the requirement of the minimum holding period of 180 days with respect to the shares sold. I further declare that the above disclosure is true and correct and is in accordance with the previous disclosures given to the Company.

Place :

Date :

Signature