



MODEL CODE OF CONDUCT

For the Board of Directors and Sr. Officers of the Company

I. INTRODUCTION

This Code of Conduct (hereinafter referred to as the "Code" for the members of the Board of Directors and Sr. Officers of the Company) is laid down by the Board of Directors in line with the requirements of the amended clause 49 of the Listing Agreement as notified by SEBI vide its circular no. SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004.

The Code is aimed to set out the broad guidelines for the ethical business conduct by the Board Members and Senior Officials of the Company and ensure compliance with the requirements specifically under the revised clause 49 of the Listing Agreement with an underlying objective to discourage wrong practices and promote ethical conduct of the business of the Company.

The Code is formulated in line with the interest of all the stakeholders of the Company namely, the shareholders, business partners and employees of the Company.

The Code is applicable to the following persons, referred to as "Officers":

1. All the members of the Board of Directors of Company;
2. Chief Financial Officer of the Company;
3. All functional heads and persons above that level.

Ethical standards of conduct are critical to any business and accordingly, the Officers are expected to lay down a landmark practice which may be guiding to their respective team members in their conduct and behavior. Hence, all the concerned are requested to read and understand this Code, implement the standards sought for in their day to day operations and ensure compliance with all the applicable laws, rules and regulations, this Code and all applicable policies and procedures as are adopted by the Company to govern the Conduct of its employees in any manner or form whatsoever.

Nothing in this Code, in any Company's Policies and Procedures, or in other related communications (verbal or written), creates or implies an employment contract or term of employment.

All the officers are requested to sign the acknowledgement part at the end of this Code and return the same to the Secretarial Department, indicating that they have received, read and understood and agreed to comply with the Code.

II. HONEST AND ETHICAL CONDUCT

The Officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working at the Company's premises, at offsite locations where the Company's business is conducted, at Company sponsored business and social events or at any other place where officers are representing the Company.

An honest conduct is considered to be a conduct free from fraud or deception. An ethical conduct is considered to be a conduct confirming to the accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

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An Officer should act with integrity, responsibly and in good faith. Each Officer should seek to use due care in the performance of his duties in the best interests of the Company as a whole. He should act with competence and diligence. He has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and of the principles of this Code. A suggestive list of do's and don'ts for the Officers is given herein below though the same is warranted to not be considered as an exhaustive one and the interpretation of the professional and ethical conduct would depend upon the circumstances of each case which the Officer is expected to construe and interpret with his reasonable understanding and intelligence.

### FOR ALL OFFICERS:

Dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his duties, including preparing for meetings and decision-making by reviewing in advance any materials distributed and making reasonable inquiries.

- Seek to comply with all Corporate Policies.
- Conduct themselves in a professional, courteous and respectful manner.
- Comply with all applicable laws, rules and regulations.
- Act in a manner to enhance and maintain the reputation of the Company.
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Officers of the Company, except when authorized or legally required to disclose such information.

### FOR DIRECTORS

- Make reasonable efforts to attend Board and Committee meetings regularly.
- Disclose potential conflicts of interest that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matter in which the Director has or may have a conflict of interest.
- Make available to and share with other Board members information as may be appropriate to ensure proper conduct and sound operation of the Company and its Board of Directors.
- Not to use confidential information acquired in the course of their service as directors for their personal advantage.
- A Director who has a material personal interest in any matter should notify the Board of Directors.
- A Director must bring an open and independent mind to Board or Committee meetings and should not make a decision about any matter before attending and participating in the deliberations of the meeting.
- Act in the best interests of, and fulfill their fiduciary obligations to, Company's stakeholders.
- Where a decision is not unanimous, a dissenting Director may disclose the fact that he dissented.

### III CONFLICT OF INTEREST

Officers are expected to dedicate their best efforts to advancing the Company's interest and to make decisions in the best interest of the Company and independent of outside influences. An Officer's duty demands that he avoids and disclose actual and apparent conflict of interest. A conflict of interest exists where

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the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

- Corporate Business Opportunities
- Acceptance of gifts/ payments
- Outside Employment / consultancy
- Outside Directorships
- Business Interests
- Related Parties

A conflict of interest occurs when a Officer's private interest interferes in any way, or even appears to interfere, with the interest of the Company as a whole. Conflicts of interest also arise when a Officer or a member of his immediate family receives improper personal benefits as a result of his position as a Officer of the Company. Officers shall avoid conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company shall be disclosed promptly to the Chairman of the Board.

#### **IV. CORPORATE BUSINESS OPPORTUNITIES**

A corporate business opportunity is an opportunity

- in the Company's line of business or proposed expansion or diversification,
- which the Company is financially able to undertake and
- which may be of interest to the Company.

An Officer who learns of such a corporate business opportunity and who wishes to participate in it should disclose the opportunity to the Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in the opportunity, then, and only then, Officer may participate in it, provided that the Officer has not wrongfully utilized the Company's resources in order to acquire the opportunity.

Officers owe a duty to the Company to advance the Company's interests when the opportunity to do so arises. Officers may not : (a) take for themselves opportunities that are discovered through the use of Company property or information or through the Officer's position ; (b) use the Company's property or information or the Officer's position for personal gain ; or (c) compete with the Company, directly or indirectly, for business opportunities that the Company is pursuing.

#### **V. ACCEPTANCE OF GIFTS/ PAYMENTS**

The Officers and the members of their immediate family shall refrain themselves from accepting any offer, payment, gift or anything of value from customers, vendors, consultants or any other party etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act.

However, acceptance of inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Whenever any such valuable gift is offered by any party, the same should be brought to the notice of the Secretarial Department or the HR Department of the Company.

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**VI. COMPANY PROPERTIES**

Officers have a responsibility to safeguard and to use the Company's assets and resources, as well as assets of other organizations that have been entrusted to the Company. Except as specifically authorized, assets of the Company, including equipments, materials, resources and proprietary information, must be used for Company business purposes only.

**VII. CONFIDENTIALITY OF INFORMATION**

Officers shall maintain the confidentiality of information entrusted to them. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain, interest or advantage of the Officer or any one other than the Company.

**VIII. FAIR DEALINGS**

Officers shall deal fairly and honestly with the Company's Customers, Suppliers, Competitors and Employees.

**IX. DISCLOSURES TO SEBI AND PUBLIC**

The Company is committed to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with or submitted to the SEBI and other public communications. Accordingly, Company's Officers must ensure that they and other employees in the Company comply with disclosure controls, procedures and internal controls in financial reporting including compliance with the SEBI Insider Trading Regulations, SEBI Takeover Code and all other Rules and Regulations of SEBI as may be made applicable from time to time.

**X. COMPLIANCE WITH REGULATORY FRAMEWORK**

The Officers are committed to comply with all those acts, rules and regulations that govern the conduct of Company. Officers must acquire adequate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize the potential dangers of violations and seek advice from the concerned department as and when necessary.

**XI. ANNUAL DISCLOSURES ON COMPLIANCE WITH THE CODE**

It shall be the duty of every Officer to affirm the compliance with the Code in the Form A appended to this Code on an annual basis i.e. as on 31st March every year. Such affirmation should be made within 15 days from the close of each of the financial year. In case of an officer leaving the organization at any point of time during the year, he shall give such affirmation at the time of leaving. The Annual Report of the Company in turn, shall contain a declaration to the effect that such affirmation on compliance with the Code is received from all the Officers.

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**XII. DISCIPLINARY ACTIONS FOR VIOLATION OF THE CODE**

Suspected violations of this Code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations would be appropriately investigated.

The matters covered in this Code of Business Conduct and Ethics are of the utmost importance to the Company, its stockholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values. We expect all of our Officers to adhere to these rules in carrying out their duties for the Company.

The Company will take appropriate action including disciplinary actions against any Officer. Disciplinary actions may include immediate termination of employment or business relationship at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible.

**XIII. AMENDMENTS TO THE CODE**

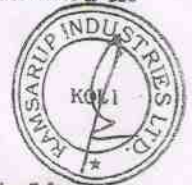
The Company is committed to continuously reviewing and updating the policies and procedures from time to time and accordingly, this Code can be modified, amended or waived of any of the provisions thereof. However, any such modification, alteration, replacement or waiver may be affected only by way of passing a resolution at the meeting of the Board of Directors of the Company and the details of the same shall be put on the website immediately upon such amendment.

**XIV. ACKNOWLEDGEMENT OF RECEIPT OF CODE OF ETHICS FOR MEMBERS OF BOARD OF DIRECTORS AND SR. OFFICERS**

I have received and read the Code of Conduct for the Board of Directors and Senior Officers. I have fully understood the standards and ethics expected to be adhered and observed and I agree to comply with the same with such modifications, as may be made to it in future.

If I have any questions concerning the meaning or application of the Code, any of the Company's Policies or the legal and regulatory requirements applicable to my post, I will consult the Secretarial Department or the HR Department of the Company and that my questions or reports to these sources will be maintained in confidence.

Dated: 29/07/2005



For Ramsarup Industries Limited

*[Signature]*  
Company Secretary

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*[Signature]*