



CODE OF CONDUCT
FOR BOARD MEMBERS AND SENIOR MANAGERIAL PERSONNEL
(VIDE CLAUSE 49 OF THE LISTING AGREEMENT)

INTRODUCTION

This 'Code of Conduct' for the members of Board of Directors and for the Senior Managerial Personnel of the Company helps to maintain the Standard of the Business Ethics and ensure compliance with the legal requirements, specifically under Clause-49 of the Listing Agreement of the Company with the National Stock Exchange of India Limited. The Code is aimed to prevent any wrongdoing and to promote ethical conduct at the Board and Senior Management Level.

APPLICABILITY

This 'Code of Conduct' shall be applicable to the:

- a) Members of the Board of Directors; and
- b) Senior Managerial Personnel, i.e. all members of management one level below the Managing Director including all functional heads.

This code is in addition to and not in derogation with any Act, Law, Rules & Regulations, and all other applicable policies and procedures adopted by the Company that governs the conduct of its officers.

CONFLICT OF INTEREST

The Board Members and the Senior Management team shall not engage in any activity or enter into any pecuniary relationship, which might result in conflict of interest, either directly or indirectly. Officers are expected to disclose any of their transaction, which has or may have any conflicting interest with the business of the Company. They must ensure that these transactions do not compromise on their responsibility towards the Company. This policy requires that every such transaction shall require prior approval of the Audit Committee.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Officers must comply with all applicable laws, rules and regulation. Officers are expected to have knowledge of legal obligations relating to their duty and to accomplish their tasks in conformity with such obligations.

PROTECTING COMPANY'S ASSETS

The Directors and the Senior Management team shall not indulge or encourage any activity, which would result in misuse of the Company's assets. This would include both tangible and intangible assets such as equipment, machinery, systems, computers, material resources, intellectual property rights, goodwill, trademarks, patents, etc.

GIFTS AND OTHER BENEFITS

Not to give / accept any offer, payment or anything of value to / from the customers, vendors, consultants etc. that is perceived as intended, directly or indirectly, to influence any business decision – (*Clarification: Gifts of nominal value which are customary in nature may be given/accepted on a special occasion*).

SECURITY TRANSACTION & CONFIDENTIAL INFORMATION

The Board Members and the Senior Management team and their families, viz: dependent spouse and dependent children, shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the affairs of the company which is not in public domain and thus, constitute insider information. Insider information shall include beneficial information such as profits, dividends, bonus/rights issues, investment/disinvestments decisions/ plans, major contracts, buy back scheme, introduction of new products, acquisition/disposal of businesses/units, etc.

USE OF COMPUTER NETWORK AND SECURITY

Employee must:

- a) use computers and peripherals and internet responsibly and primarily for legitimate business purposes and personal uses should be reasonable and kept to a minimum.
- b) protect the security of computer systems.
- c) not engage in communications that might be considered offensive, derogatory, defamatory, harassing, obscene or otherwise vulgar.
- d) not visit inappropriate internet sites.
- e) always protect information used to access computers, networks or systems.

COMPENSATION AND DISCLOSURES

The fees and compensation payable to the Board Members (both executive and non-executive) shall be fixed in accordance with the approvals as per the applicable provisions of law and the same will be fully disclosed in the Annual Report to the Members.

DECLARATIONS TO THE BOARD

A Board Member shall not take membership of more than such number of committees or act as Chairman of more than such number of committees across all companies as prescribed under applicable law or provisions of Listing Agreement with Stock Exchanges. Every Board Member shall inform the Board of all such membership at the beginning of each financial year and also of every change as and when they take place.

The Board Members and the Senior Management team shall inform their equity holding in the company and any changes that may take place and shall not indulge in any trading of the securities of the company which would come within the purview of the Company's Insider Trading Regulations. In case of any agreement or contract which is or shall be entered into by and between two corporate entities, in which a Director is interested, the Director shall forthwith draw the attention of the Board about the fact and shall not participate in the deliberations nor vote on the resolution relating to the same.

In addition to above said disclosure, every Officer is to make an acknowledgement as given in “Annexure-A” to the Code, on receipt of this Code, indicating that they have received, read and understood, and agree to comply with the Code. It is obligatory on the part of every Officer to make an annual disclosure under this Code affirming their adherence to the code on annual basis. This disclosure shall be made to the Company Secretary on or before 30th April for the financial year preceding the date.

FINANCIAL REPORTING AND DISCLOSURES TO THE REGULATORY AUTHORITIES, GOVERNMENT AGENCIES, ETC.

Financial information on Company’s operations and performance provided to shareholders, equity analysts, creditors, newspapers and such others, whether statutory or voluntary, must be accurate and reliable.

ENVIRONMENTAL COMMITMENT

The Company’s business will be conducted in an environmentally friendly and responsible manner. Senior Management Cadre must maintain an open line of communication and to listen to all employees. Employee shall i) ensure compliance with the spirit and intent of environment laws, regulations and standards; and ii) incorporate environmental protection as an integral part of the design, production, operation and maintenance of Company’s facilities.

ADDITIONAL CODE OF CONDUCT FOR DIRECTORS

- a) to inform the company immediately about emergence of any situation that may disqualify him from directorship.
- b) not to hold any office or place of profit in the company by himself or by his relatives without full disclosure of information in connection therewith.
- c) to actively participate in the meetings of the Board / Committees thereof on which they are members and to exercise independent judgement on all issues of policy matters.

ADDITIONAL CODE OF CONDUCT FOR SENIOR MANAGEMENT

- a) not to accept simultaneous part-time employment, retainership, consultancy etc. with any other individual or organization including with suppliers, customers, competitors of the company and not to take part in any activity which may enhance or support a competitor.
- b) to ensure integrity of data / information furnished to the Board / Committee and to ensure that no willful misrepresentation, manipulation and incorrect information is provided in financial statements and reports.
- c) to ensure compliance of all policies and procedures laid down by the company for smooth functioning of the business.

WAIVER AND AMENDMENTS TO THE CODE

This Code is subject to the modifications and no amendment / waiver of any provision of the Code is possible unless approved in writing by the Board of Directors of the Company. Any waiver of this Code as may be made by the Board and/or so authorized person / committee shall be promptly posted on the website of the company.

ADOPTION AND COMMENCEMENT

This Code of Conduct was adopted by the Board of Directors by a Resolution dated 1st December, 2005 passed by circulation and shall be deemed to have come into force with effect from 15th December, 2005.

“ANNEXURE – A”
TO THE

CODE OF CONDUCT

(Under Clause-49 Of The Listing Agreement)

To,

**The Board of Directors
Bharat Rasayan Limited
1501, Vikram Tower,
Rajendra Place,
New Delhi – 110 008.**

Acknowledgement

Dear Sir,

I have received and read the Company's Code of Conduct & Duties of Independent Directors, if applicable. I understand the standards and policies contained in the Code. I agree to comply with the Code.

I agree to report any violation of the Code immediately as it comes to my knowledge, to the Company Secretary / Board of Directors and to help in any investigation made pursuant to the Code and I understand that the report or the information made by me in this concern shall be maintained in confidence.

Place :

Dated:

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DUTIES OF INDEPENDENT DIRECTORS

- (1) To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) To seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) To strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) To participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) To strive to attend the general meetings of the company;
- (6) Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) To keep themselves well informed about the company and the external environment in which it operates;
- (8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) To pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) To ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) To report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) To act within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) Not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

(_____)
INDEPENDENT DIRECTOR
DIN:

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