

ANDREW YULE & CO., LTD.

In compliance with the provisions of Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges, the “Code of Conduct” of the Members of the Board of Directors and Members of the Senior Management Team of the Company was placed before the Board of Directors at its meeting held on 24th March, 2006, after the same being duly recommended by the Audit Committee. The Board approved the said “Code of Conduct” and authorized the Company for posting the same on the Website. The following is the text of the “Code of Conduct” :

CODE OF CONDUCT.

INTRODUCTION :

In terms of Clause 49 of the Listing Agreement effective from 1st January, 2006, the Company proposes to lay down a Code of Conduct for all Board Members and Senior Management of the Company which shall mean personnel of the Company who are members of its core management team excluding Board of Directors but inclusive of all members of the management one level below the executive directors and all functional heads. The Code of Conduct shall be posted on the Website of the Company. The Code of Conduct will be reviewed as and when situation dictate.

NATIONAL INTEREST :

The Company shall be committed in all its actions to benefit the economic development of the country. It shall not undertake any project or activity that will have any adverse impact on the nation's interest. The Company shall conduct its business affairs in accordance with the law of the land and conforming to the Government's economic and foreign policies.

FINANCIAL REPORTING AND RECORDS :

The Company and its officers shall prepare and maintain accounts in accordance with the accounting standards, laws and regulations of the country. Any willful material misrepresentation on the financial accounts and reports shall be regarded as a violation of the code. Internal Audit Reports shall fairly and accurately reflect, the matters covered under the report and there shall be neither willful omission of any Company's transactions, and nor advance income recognition.

COMPETITION :

The Company shall make all efforts for establishment of an open market economy in India in accordance with the liberalization policy of the Government and shall refrain from being engaged in activities which will lead to unfair trade practices. The Company shall market its products and services without resorting to any unfair and misleading statement about the competitors' products and services.

EQUAL OPPORTUNITIES TO EMPLOYEES :

Equal opportunities will be extended to all its employees and to all qualified applicants for employment without regard to their caste, religion, marital status, sex, age, nationality, disability status. Employees of the Company shall be treated with dignity and the work environment will be free from sexual harassment whether physical, verbal or psychological.

HEALTH SAFETY AND ENVIRONMENT :

The Company shall provide healthy working environment in conducting its business and shall comply with all regulations regarding preservation of the environment of the territory it operates in. The Company and its officers shall be committed to prevent the wasteful use of natural resources and strive for protecting the ecological environment.

QUALITY ON PRODUCT AND SERVICES :

The Company shall be committed to supply goods and services of the highest quality standards consistent with the requirement of its customers. The Company should endeavour to achieve international standards.

COMPLIANCE WITH THE RIGHT TO INFORMATION ACT, 2005 :

The Company shall honour the request for disclosure of the information required by the public and stakeholders of the Company.

ETHICAL CONDUCT :

Every Officer of the Company which shall include its directors, executives and non-executive Directors, Managing Directors, Chief Executive Officer, CFO shall deal with professionalism, honesty and integrity as well as high ethical standard.

SHAREHOLDERS :

The Company shall be committed to enhance shareholders value and comply with all regulations and laws that govern the shareholders' rights. The Company shall fairly inform its shareholders about relevant aspects of the Company's business and disclose such information in accordance with the listing requirements, regulations and SEBI guidelines.

CONFIDENTIALITY :

The Officers shall not disclose any facts/ figures/ information/ trade secrets or confidential documents in written or verbal form obtained during the course of business relationship with the Company to any person/statutory body/organization unless required by law or with specific written permission of the Company.

CONFLICT OF INTEREST :

The Officers and employees of the Company shall not engage in any activity that interferes with their performance or which otherwise might conflict with the interest of the Company. They are not permitted to accept simultaneous employment with suppliers, customers or competitors of the Company or take part in any activity that enhances or supports competitors' position. It is incumbent upon every employee to make a full disclosure of any interest which may have an impact on business dealing with the Company. If an employee fails to make a disclosure and the management of the Company become aware of a conflict of interest, the management should take a serious view of the matter and consider suitable disciplinary action against the officers and concerned employees.

PROTECTION OF ASSETS :

The assets of the Company should not be misused but be employed for the purpose of conducting the business irrespective of the nature of assets.

LEGAL AND REGULATORY COMPLIANCE :

The Company and its officers and every employee shall comply with all applicable government laws, rules and regulations both in letter and spirit any violation thereof may subject them to disciplinary action by the Company.

CORPORATE OPPORTUNITIES :

The Officers shall not exploit for their personal gain, the opportunities that are discovered through the use of the Company's property, information or position unless the opportunities are disclosed in writing to the Company's Board of Directors.

GIFTS & DONATIONS :

The Company and its officers or employees shall neither receive nor offer or make directly or indirectly, any illegal payments, remuneration gifts or comparable benefits from customers, vendors, consultants etc. that is intended to or perceived to influence any business decision or to obtain uncompetitive favours for the conduct of its business.

VIOLATION OF THE CODE :

It will be the ethical responsibility of the Officers to help enforce this code. Any violation of law, this code or other company policies will prompt the Company to take appropriate disciplinary action against such concerned officer(s).

DUTIES OF INDEPENDENT DIRECTORS :

1. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. 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. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. 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. 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. 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. 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. Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy;
12. Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. Not 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.

AMENDMENT/ MODIFICATION OF THE CODE.

The Company is committed to continuously review and update this code which is subject to modification. Any amendment, as and when approved by the Board of Directors will be circulated to all concerned.

GENERAL :

All questions concerning the meaning and application of this code shall be addressed to the Board of Directors and all such questions and replies will be maintained in strict confidence.

