



Divyashakti Granites Ltd.

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

This Code of conduct and ethics for Directors and Senior Management (“**Code**”) helps maintain the standards of business conduct for Divyashakti Granites Ltd. (“**Company**”). The purpose of this Code is to deter wrongdoing and promote ethical conduct.

The Code shall be applicable to all Board Members (including whole time and part time directors) and also to Senior Management Staff immediately one level below the Board Members, including all general managers and functional heads. The code shall come into force with effect from the day of....., 2008.

A. Key Requirements of the Code

The Board Members and the Senior Management team shall act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

1. Shall act in accordance with the highest standard of personal and professional integrity, honesty and ethical conduct in discharge of duties and responsibilities.
2. Shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.
3. Shall avoid and disclose actual and apparent conflicts of personal interest with the interests of the Company and to disclose all contractual interest, whether directly or indirectly, with the Company.
4. Shall not, in his official capacity, enter into business with (a) a relative or (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more paid-up share capital and (d) with a firm in which the relative is a partner, except with the prior approval of the Board unless otherwise permitted by law.
5. Shall avoid having any personal and / or financial interest in any business dealings concerning the Company.
6. Shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members / Company.

7. Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.
8. Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.
9. Shall not seek or accept any offer, payment or anything of value from customers, vendors, consultants etc. that is perceived as intended, directly or indirectly, to influence any business decision.
10. Shall not make any statement which has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders.

Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.

11. Shall not commit any offence involving moral turpitude.
12. Shall not compete, whether directly or indirectly with the Company.
13. Shall promote professionalism in the Company.
14. Shall maintain confidentiality of the Company's business.
15. Shall not charge personal expenses to the Company.
16. Shall inform the Company immediately about emergency situation that may disqualify him from Directorship.

B. Compliance of Law

The Board members and the Senior Management personnel shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers and to know when to seek advice from the Finance and Secretarial and Legal department and shall comply with all laws, rules and regulations applicable to the business of the company.

C. Prevention of Insider Trading

The Board Members and the Senior Management team shall comply with the Code of Internal procedures and conduct for prevention of Insider Trading in dealing with securities of the Company.

D. Protection of Assets

The Board Members and the Senior Management team shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

E. Conduct of Business

The Board Members and the Senior Management team shall conduct the Company's business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders.

The Board Members and the Senior Management team shall not be involved in any activity that would have any adverse effect on the objectives of the Company or against national interest. The corporate objectives to be pursued shall be to sustain the competitive edge of the company and not to indulge in any activity which is detrimental to the society at large.

F. Reporting

The Directors and the Senior Management team shall immediately bring to the notice of the Board about any unethical behavior, actual or suspected fraud or violation of company's policies.

G. 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.

H. Insertion of the Code in website

As required by clause 49 of the listing agreement, this code and any amendments thereto shall be posted on the website of the Company.

I. Compliance Officer

....., Director shall be the Compliance Officer for the purpose of this code.

J. Acknowledgement of receipt and Affirmation of compliance with the Code

All the board members and the senior management team shall furnish to the compliance officer, their acknowledgement of the receipt of the code in the format prescribed under Appendix I to this code and shall within 30 days of close of every financial year affirm compliance with the code in the format prescribed under Appendix II to this code.

K. Violations in the code

Any violations of this code shall be promptly brought to the notice of (a) the Board of Directors in case any such violation is on the part of a board member and (b) the Chairman & CEO of the company in case the violation is on part of any senior management personnel, by the Compliance officer.

The Board of Directors or the Chairman & CEO of the company, as the case may be shall upon receipt of report of any violation, take such action as is deemed appropriate in the interests of the company.

L. Waivers and Amendments of the code

Any amendment or waiver of any provision of this code can be made only by the Board of Directors and shall promptly be disclosed on the company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.



APPENDIX-I

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ACKNOWLEDGEMENT FORM

I,, have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT" ("Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature :

Name :

Designation :

Date :

Place :

Please sign and return this form to the Company secretary.



APPENDIX-II

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ANNUAL COMPLIANCE REPORT*

I, do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT during the financial year ended..... 200....

Signature:.....

Name:

Designation:

Date:

Place:

* To be submitted by 30th April each year.