

Regulation 46- Sub-regulation (2) (d)

Code of Conduct of Board of Directors and Sr. Management Personnel

SAYAJI INDUSTRIES LIMITED

(SEBI CIRCULAR DATED OCTOBER 29, 2004)

**CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT
PERSONNEL OF THE COMPANY**

1. APPLICABILITY

This code of conduct is applicable to all members of the Board and Senior Management of the Company.

2. CODE OF CONDUCT

This “Code of Conduct” (hereinafter referred to as “Code”) is formulated in line with the requirement of Circular No. SEBI/CFD/DIL/CG/2004/12/10 dated October 29, 2004 issued by the Securities and Exchange Board of India (SEBI) read with Clause 49 (Corporate Governance) of Listing Agreement with Stock Exchanges.

The Objective of the Code is to maintain standards of business conduct of Sayaji Industries Limited and ensure compliance of legal requirements.

The purpose of the Code is to adopt the standards, paradigm and values etc., which can enhance the value of the organization and set standards for business transactions and also deter wrongdoings in all business related activities.

The matter covered under this Code is of utmost importance to the Company, its shareholders and business partners. Further, the Code is essential for conduct of our business in accordance with our stated values.

The Code is applicable to the following persons (hereinafter referred to as “Officer” or “Officers”):

All members of the Board of Directors of the Company and

All employees of the Company designated as Senior Executive Vice President, Senior Vice President and Vice President.

This Code is critical to our business. Accordingly, Officers are expected to read and understand this Code, uphold these standards in day to day activities and comply with all applicable laws, rules and regulations and procedures adopted by the Company that governs the conduct of its employees.

As the principles described in this Code are general in nature, officers may also refer to the Company's existing applicable policies and procedures for more specific instruction.

Nothing mentioned in this Code, in any Company policies and procedures, or in other related communications (verbal or written) creates or implies an employment contract or term of employment with the Company.

Officers should sign the acknowledgment form at the end of this Code and return the form to the HR Department indicating that they have received, read and understood and agree to comply with the Code. This signed acknowledgment form will be kept in each Officer's personnel files. Each year, as a part of their annual review, Officers will be asked to sign an acknowledgment indicating their continual understanding and compliance of the Code.

3. HONEST AND ETHICAL CONDUCT

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

Honest conduct under the Code means conduct that is free from fraud or deception. Ethical conduct means conduct confirming to the accepted professional standards. Ethical conduct includes the ethical handling of actual apparent conflicts of interest between personal and professional relationships.

Wherever an Officer is unsure about the appropriateness of an event or action, the Officer should seek assistance in interpreting the requirements of the Code by contacting the Sr. Executive Vice President and Company Secretary.

4. CONFLICTS OF INTEREST

An Officer's duty to the Company demands that he or she avoids and discloses actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

A. Employment/ Outside Employment :

In consideration of employment with the Company, Officers are expected to devote their full attention to the business interests of the Company. Officers are prohibited from engaging in activity that interferes with their performance or responsibilities to the Company, or otherwise in conflict with or prejudicial to the Company. Our

policies prohibit Officers from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company.

B. Outside Directorships :

It is a conflict of interest to serve as a Director of any Company that competes with the Company. Officers must first obtain approval from the Company's Audit Committee before accepting such Directorship.

C. Business Interests :

If an Officer is considering investing in any business/ shares of customer, supplier, developer or competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities to the Company. Our policy requires that the Officers first obtain approval from the Company's Chairman and Managing Director before making such an investment. Many factors should be considered in determining whether a conflicts exists, including size and nature of investment, the Officers ability to influence the Company's decisions, his or her access to confidential information of the Company or the other company and the nature of relationship between the Company and the other Company.

D. Related Parties :

As a general rule, except with the prior approval of the Chairman and Managing Director of the Company, Officers should avoid conducting Company business with relative or a business in which a relative is associated in any significant role. Relatives include spouse, children, siblings, parents, grand parents, grand children, aunts, uncles, nieces, nephews, cousins, step relationships and in-laws. The company discourages employment of relatives of Officers in position or assignment within the same Department. Further except with the approval of the Chairman and Managing Director of the Company, there shall not be any employment of such relatives of officers in position that have an auditing or control relationship, or supervisory/subordinate relationship.

E. Payments or gifts from others :

Under no circumstances may Officers accept any offer, payment in cash or kind, authorization to pay any money, gift or anything of value from Company's customers, vendors, consultants etc. which may be perceived as intended directly or indirectly to influence any business decision, any act or failure to act, commitment of fraud or opportunity for the commitment of any fraud.

F. Corporate Opportunities :

Officers may not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and Board authorises to pursue such opportunity.

G. Other situations :

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If any such proposed transactions or situation arises or in case of any such doubts, Officers must consult Company's Chairman and Managing Director.

5. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS

Officers comply with all applicable governmental laws, rules and regulations. Officers must acquire appropriate knowledge of legal requirements relating to their duties sufficient to enable them to recognize potential dangers and to know when to seek advice from the H R Department/ Sr. Executive Vice President and Company Secretary. Violations of applicable governmental laws, rules and regulations may render Officers to individual criminal or civil liability as well as to disciplinary action by the Company. Such individual violations may also subject to the company to civil or criminal liability or the loss of business.

6. VIOLATIONS OF THE CODE

The Code is a part of an Officer's job and it is his or her ethical responsibility to help enforce this Code. Officers should be alert to possible violations and report such violations to the H R Department. Officers must cooperate in any internal or external investigations of possible violations. Reprisal, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of this Code or other policies or against any person who is assisting in any investigation or process with reference to such a violation is prohibited.

Actual violations of law, this Code or other Company policies or procedures as laid down in the Human Resource Policy and Procedures manual as amended from time to time should be promptly reported to the H R Department.

The company will take appropriate action against any Officer whose actions are found to violate the Code or any other policy of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion.

Where the company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company and Officers will cooperate fully with the appropriate authorities.

7. WAIVERS AND AMENDMENT OF THE CODE

The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this Code is subject to modifications. Any amendment or waiver of any provision of this code must be approved in writing by Company's Board of Directors and promptly disclosed on Company's web site with details of the nature of the amendment or waiver.

Pursuant to requirement of Listing Agreement the Compliance of the Code will be filed with the Stock Exchanges.

8. COMPLIANCE REPORT

All Officers shall affirm compliance with the Code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the Chief Executive Officer and Chief Operative Officer of the Company.