

JAI CORP LIMITED

Code of Conduct and Ethics for

Directors

and

Senior Management

Preamble:

The Code of Conduct of Jai Corp Limited (hereinafter referred to as “the Company”) was originally adopted on 28th October, 2005 and posted on the Company’s website. That Code of Conduct applied to all directors, officers and employees of the Company. Clause 49(I)(D) of standard Listing Agreement for equities listed with the stock exchanges deals with “Corporate Governance” and *inter alia* requires the Board of Directors “to lay down a code of conduct for all Board members and senior management of the company”. This Code of Conduct and Ethics (hereinafter referred to as “this Code” or “the Code”) replaces the earlier Code of Conduct and is based on three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Company recognizes society as an important stakeholder in this enterprise and, therefore, it is the Company’s responsibility to practice good corporate citizenship. It is also the Company’s belief that in order to serve the interests of the various stakeholders in perpetuity, it has to turn itself into an institution whose dynamism and vitality are anchored in its core values.

This Code applies to all directors and members of the senior management team of the Company who are one level below the managing director/ chief executive officer including factory/functional heads, presidents, general managers and all other executives having similar or equivalent rank in the Company. The company secretary of the Company shall be the compliance officer for the purpose of this Code.

This Code, approved by the Board of Directors on 29th May, 2009, shall come into force with effect from the 1st day of June, 2009 and future amendments / modifications shall take effect from the date stated therein.

This Code shall be displayed on the website of the Company.

Code of Conduct:

The Board members and senior management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement.

The following ethics should be adhered to:

1. Compliance with applicable legislations

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company is committed to be a good corporate citizen. All directors / senior management of the Company must strive to perform their best at all times. The

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Directors / senior management of the Company must not only comply with applicable laws, rules and regulations but should also strive to promote honesty in conducting business. They must abide by the policies and procedures that govern the conduct of the Company's business.

2. Avoidance of conflicts of interest

The term "conflict of interest" pertains to situations in which personal, financial or other consideration(s) may compromise, or have the appearance of compromising the professional judgement of directors / senior management. A conflict of interest exists where the interests or benefits of directors / senior management or of people or entities related to them conflicts with the interests or benefits of the Company. A director / senior management member is precluded from engaging in any activity that interferes or may potentially interfere with the performance or discharge of his responsibilities towards the Company or is otherwise in conflict with the interest of, or prejudicial to, the Company. In addition to mandatory disclosures all non-executive and independent directors shall disclose their association whether as director or otherwise, with any other company which, in their judgement, may lead to conflict of interest with the Company. All other directors / senior management are required to obtain approval from the Company's Board of Directors or from any committee of the Board formed for this purpose before accepting any other directorship / assignment in any company other than Jai Corp group companies, subsidiaries, associates. Directors / senior management are free to make personal investments and enjoy social relations and normal business courtesies. They should, however, ensure that such interests do not directly or indirectly influence the performance of their responsibilities. Directors / senior management are advised to avoid conducting the Company's business with a relative, or with a business in which a relative is associated in any significant role. If any transaction proposed with such related parties is within the knowledge of the concerned directors / senior management, he must report the same to the compliance officer. If determined to be material to the Company, the transactions shall be placed before the audit committee for review. Any dealing with a related party must be conducted on an arms length basis and on commercial terms and no preferential treatment shall be given. The directors and senior management should avoid 'conflict of interest' with the Company. In case there is likely to be a conflict of interest, he should disclose all facts and circumstances thereof to the compliance officer who will place the same before the Board of Directors or any committee of the Board formed for this purpose for their approval. Holding or contesting an election for any political post by executive directors / senior management is discouraged as it could interfere with the performance and discharge of responsibilities towards the Company. If any

executive director / senior management decides to consider a political post, the same shall be disclosed to the Board of Directors or to any committee of the Board formed for this purpose. The Board of Directors or any committee of the Board formed for this purpose shall consider whether the acceptance of such a post would be in any manner inconsistent with the interests of the Company and shall, accordingly, inform the applicant.

3. Protection of assets and resources of the Company

Protecting the Company's assets and resources is a key responsibility of every director / employee. The Company's assets and resources should be employed only for the purpose of conducting the business for which they are authorized and not for personal benefit. Care should be taken to ensure that assets and resources are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. All persons are responsible for the proper use of Company's assets and resources and must safeguard such assets and resources against loss, damage, misuse or theft.

4. Maintenance of integrity and honesty

All Directors/ senior management shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct in the Company's premises. They shall act and conduct activities free from misrepresentation, suppression and deception. Their conduct must conform to the highest standards of professional conduct.

5. Maintenance of privacy and confidentiality

"Confidential information" includes all information of the Company not authorized by the management for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers , employees, information relating to mergers and acquisitions, stock splits and divestitures; non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and directors in formal meetings or otherwise, and will include all such information which is not available in the public domain at that point of time. The Company believes that protection of all confidential information is essential and is committed to protecting business and personal information of confidential nature obtained from clients, associates and employees. All directors/ senior management shall maintain the confidentiality of information or that of any customer, supplier or business associates of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized. The use of confidential information for one's own advantage or profit is strictly prohibited.

Confidential information shall be disclosed to persons, both internal and external, only on a 'need to know' basis and public disclosure shall be made with appropriate approval or as legally mandated.

Directors / senior management shall ensure that all confidential information available to them by virtue of the office they hold is never directly or indirectly released to any person or entity, or made public, otherwise than as stated above.

6. Compliance with applicable laws

It is the Company's policy to comply fully with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of business conduct. This policy includes strict compliance with all local, state, central and other applicable laws, rules and regulations.

7. Prohibition of insider trading

The Company's securities are listed on the BSE and NSE. The Company is committed to comply with the applicable laws governing the listing of its securities. The Company prohibits its directors / employees from any fraudulent, unfair and insider trading practices in the securities market, with regard to the securities of the Company or of any other company with whom the Company has business dealings to the best of their knowledge. In the normal course of business directors/ employees may come into possession of significant, price sensitive information. The receiver should not profit from it by buying or selling securities himself. Further he must not pass on such information to others to enable them to profit or for them to profit on his behalf. A separate code of conduct has been put in place in this respect.

8. Health, Safety, Environment and Social Responsibility

The Company believes in sustainable development and is committed to be a responsible corporate citizen. It shall strive to provide a safe, healthy, clean and ergonomic working environment for its people. It shall prevent the wasteful use of natural resources and is committed to improving the environment, particularly with regard to the emission of greenhouse gases, and shall endeavour to offset the effect of climate change in all spheres of its activities. The Company's business and operations shall be conducted in an environment friendly manner. All directors /

