

BEARDSSELL LIMITED
CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

With a view to maintain high standards in the Company's operation, the following Code of Business Conduct and Ethics should be observed by the Directors and Senior management Staff of the Company. They must also ensure that all the other employees and trainees of the Company understand this code of Business Conduct and Ethics, uphold the same in the day-to-day activities and ensure that all applicable policies and procedures are complied with. Some of these practices reflect legal or regulatory requirements. Violations of these laws and regulations can create significant liability for the Company, its directors, officers, and other employees.

This Code of Business Conduct and Ethics is not an exhaustive narration of duties and obligations of the directors, officers and employees but briefly provides certain guidelines to be followed by them.

1. Fairness and Integrity

All the Directors and Employees shall conduct their activities, on behalf of the Company, with honesty, integrity, and fairness. They will act in good faith, with due care and diligence and competence, without allowing their independent judgment to be subordinated. They will act in the best interest of the company and fulfill the fiduciary obligations.

2. Confidentiality of Information

Any information concerning the Company's business, its customers, suppliers etc, which is not in the public domain and to which any Director or Employee has access or possesses such information, must be held in confidence, unless he/she is authorized to do so or when disclosure is required as a matter of law.

3. Conflict of Interest

The Directors and the Employees shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company.

Conflicts can arise in various situations where it is not possible to cover every possible conflict situation and at times, demarcate between proper and improper activity.

In a situation where a conflict arises or is likely to arise the concerned employee should immediately disclose fully the relevant circumstances to his or her immediate supervisor, or any other appropriate supervisor for determining whether a potential or actual conflict exists.

Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors, as required under Section 299(1) of the Companies Act, 1956.

4. Insider Trading

Any Director or Employee of the company shall not derive benefit or help others to derive benefit by giving investment advice from the access to and possession of information about the company, not in public domain and therefore constitute insider information and insider trading. All Directors, Officers and Employees should comply with insider trading guidelines as issued by SEBI.

5. Compliance

The Directors and the Employees are required to comply with all applicable laws, rules and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behavior, they must report any possible violation of law, rules, regulation or the Code of Conduct to the Executive Director.

6. Protection & proper use of Assets

All Directors and Employees are responsible for the proper use of Company assets, and must safeguard such assets against loss, damage, misuse or theft.

7. Corporate Opportunities

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

8. Compliance of the Code of Business Conduct and Ethics

Upon adoption of the Code, every Director and Senior management Staff of the Company must acknowledge and execute an understanding of the Code and an agreement to comply. New Director and Senior management Staff will sign such a deed at the time when their terms begin. All Directors and Senior management Staff of the Company 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 CEO.

9. Enforcement of the Code and Disciplinary actions

The Code comes into effect from 1st January 2006. The matters covered in this Code of Business Conduct and Ethics are of utmost importance to the Company, its stockholders and its business partners, and are essential to the Company to conduct its business in

accordance with its stated values. We expect all employees, to adhere to these rules in carrying out their duties for the Company.

The Executive Director shall determine appropriate actions to be taken in the event of violations of this Code by any Employee and such actions shall be reasonably taken to deter wrongdoing and to promote accountability for adherence to the Code. In determining an appropriate action in a particular case, the Executive Director shall take into account all relevant information, including the nature and severity of the violation, whether the violation appears to have been intentional or inadvertent, and whether the individual in question had been advised prior to the violation as to the proper course of action.

10. Waivers and Amendments

Any waiver of any provision of this Code of Business Conduct and Ethics for a member of the Company's Board of Directors or any Employee must be approved by the Company's Board of Directors and will be promptly and publicly disclosed.

Any amendments to the Code of Business Conduct and Ethics may be made only with the approval of the Board and the same will be disclosed to all the Directors, Senior management Staff and Employees of the Company.