

CODE OF CONDUCT
FOR
BOARD MEMBERS
AND
SENIOR MANAGEMENT GROUP

Gratex Industries Limited (hereinafter referred to as Company) is committed to conducting its business in conformity with ethical standards and applicable laws and regulations. This commitment stands evidenced by the following Code of Conduct and is applicable to Directors and Senior Management of the Company.

This Code is not exhaustive in nature and should be construed accordingly. In case of any difficulty in interpreting the provisions of the Code, the Directors and Officers can seek clarifications from the Board/Company Secretary/Compliance Officer.

References to laws in this Code include references to Rules, Regulations and listing guidelines applicable to Company, in its capacity as a company listed on the Exchange.

I. COMPLIANCE WITH LAWS:

Every Director is expected to comply, in letter and in spirit, with all laws applicable to his or her service as a Director. The Board and its committees function in compliance with applicable laws. Every person to whom the Code is applicable, shall conduct the affairs of the Company and perform his duties with due care, diligence, dignity, honesty and integrity and shall conform to the highest moral and ethical standards and at all time, be loyal to the Company and act in good faith and in the best interest of the Company.

Besides the duties and responsibilities cast upon Directors by applicable laws, articles of association of the Company and provisions of the Code, set out hereinbefore, a Director is also expected to:

- a. Use such degree of skill as may be reasonable to expect from a person with his/her knowledge or experience;
- b. Not seek to influence any decision of the Board for any consideration other than in the interests of the Company;

- c. Make reasonable efforts to attend Board meetings, meetings of the committees of the Board where the Director is a member and general meetings of shareholders, regularly;
- d. Inform the chairman of the Board / committee or the Company Secretary of the Company well in advance in case he is not in a position to attend a Board / committee meeting and apply for the grant of leave of absence;
- e. Dedicate sufficient time, attention and energy to the deliberations at the meetings to ensure diligent performance of their duties;
- f. Notify the other Directors about the material personal interest in any matter and must not vote on such matter;
- g. Bring an open and independent mind to the Board / committee meetings and should not make a decision about a matter before attending and participating in the deliberations of the meeting;
- h. Treat each other with courtesy and observe the other guidelines set out in the Code;
- i. Act in a cooperative and respectable manner with their colleagues;
- j. Maintain order and decorum at the meetings and obey the directions given by the Chairman; and
- k. Comply with all applicable laws, regulations, confidentiality obligations and Company's policies..

II. TRADING IN COMPANY'S SECURITIES:

Trading in COMPANY's securities is largely governed by the Code of Conduct for Prevention of Insider Trading of Pfizer Limited, [hereinafter referred to as the Insider Code], formulated pursuant to the SEBI Insider Trading Regulations, 1992. The Compliance Officer provides communications in this area from time to time. When in possession of any unpublished price sensitive information, a Director/Officer should not deal in the securities of COMPANY directly or indirectly and should act in the manner outlined and provided for in the Insider Code. The Compliance Officer will be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of "Price Sensitive Information", pre-clearing of designated employees' and their dependents' trades, through their respective Division Heads, monitoring of trades and implementation of the Insider Code under the overall supervision of the Board.

III. CONFLICT OF INTERESTS:

The Directors and Senior Management are expected to avoid situations where their private interests may interfere with the interests of COMPANY thereby making it difficult for the concerned Directors/Officers to perform their duties diligently and effectively. Such a

situation of conflict of interests arises inter alia when a member of a Director's family receives improper personal benefits as a result of the concerned Director's position at COMPANY.

Customary gifts of insignificant value can be accepted by the Directors and Senior Management provided no preferential treatment or no appearance of preferential treatment is given. Directors/Officers can provide gifts, entertainment, etc., charging such expenses to COMPANY provided they are reasonable, consistent with applicable laws, are properly authorized and are not of significant value.

The Directors and Senior Management will inform the Audit Committee of any situation that may involve or give the appearance of any conflict of interest. The Audit Committee is responsible for assessing any conflict of interest, reporting to the Board whether the situation assessed impacts the independence of a Director/Officer and recommending the consequential action plan.

IV. PROPER USE OF CORPORATE ASSETS AND CORPORATE OPPORTUNITIES:

Directors/Officers may use COMPANY's assets only for legitimate business purposes of COMPANY. Directors will not indulge in the following:

1. Take for themselves personal opportunities that are discovered through the use of COMPANY property, information or position;
2. Use COMPANY property, information or position for personal gain; or,
3. Compete, directly or indirectly, with COMPANY.

V. FAIR DEALING:

Directors/Officers will endeavour to deal fairly and honestly with other persons and entities in carrying out their duties as Directors/Officers and in all dealings in relation to COMPANY.

VI. CONFIDENTIALITY:

Directors will maintain the confidentiality of information entrusted to them by COMPANY or its clientele or learnt about in the course of their service as Directors/Officers, except when such disclosure is legally mandated or authorized by the legal department of COMPANY or outside Counsel engaged by COMPANY, as the case may be. For the purpose of this section of the Code, the term "Confidential Information" includes all non-public information relating to COMPANY whether or not such information is detrimental to the interests of COMPANY.

VII. DISCLOSURE OF INTEREST:

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws. The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

VIII. CORPORATE BUSINESS OPPORTUNITIES

Corporate Business Opportunities here means those opportunities, which are made available to the Company and which are known to the Directors / Senior Management due to the position held by them in the Company. The Directors / Senior Management shall not utilise such opportunities for their personal benefit. However once an opportunity is fully and properly disclosed to the Board and after consideration rejected by them then it ceases to be a Corporate Business Opportunity.

IX. COMPLIANCE WITH APPLICABLE LAWS & COMPANY'S POLICIES

Every person to whom the Code is applicable and others directly or indirectly associated with the Company shall comply with all applicable laws, rules, regulations and guidelines issued by the Government of India from time to time. Further they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

X. VIOLATIONS OF THE CODE:

All illegal or unethical behaviour including an act of insider trading violates this Code and will be dealt with appropriately. Directors/Officers will promptly report any violation of laws, rules and regulations relating to the Code or any other unethical or illegal behaviour to the Chairman or the Compliance Officer for further action.

XI. WAIVERS:

It is not anticipated that waivers of this Code would be sought or appropriate. In the rare and unusual circumstances, any waiver of this Code shall be made only by the Board of Directors and must be promptly disclosed to the shareholders.

XII. AMENDMENTS:

The Board may amend this Code after due assessment and seeking recommendations whenever deemed necessary.

DECLARATION FOR COMPLIANCE WITH THE CODE

The members of the Board and Senior Management shall affirm the compliance with the Code on an annual basis and shall sign a confirmation to that effect as per the format set out in Annexure.

Annexure

Annual Affirmation of Compliance with the Code

The Compliance Officer

GRATEX INDUSTRIES LIMITED

Mumbai

I, _____, residing at - _____ being a _____ of GRATEX INDUSTRIES LIMITED, affirm to the best of my knowledge and belief, that I have fully complied with the Code of Conduct during the year _____.

Signature _____

Name _____

Din _____

Designation _____

Date _____

Place _____