

Code of Ethics for Directors

This Code of Ethics (“**Code**”) helps maintain the standards of business conduct for Moser Baer India Limited (“**Company**”). The purpose of this Code is to deter wrongdoing and promote ethical conduct. Ethical business conduct is critical to our business. Accordingly, all the Directors of the Company (hereinafter referred to as “**the Directors**”) are expected to read and understand this Code, uphold these standards in day-to-day activities, comply with all applicable laws, rules and regulations and all applicable policies adopted by the Company:

1. Honest and Ethical Conduct

The Directors are expected to act in accordance with the highest standards of personal and professional integrity and maintain honest and ethical conduct.

2. Conflict of Interest

Each of us has a responsibility to the Company, our stockholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur.

The Company is subject to scrutiny from many different individuals and organizations. We should always strive to avoid even the appearance of impropriety. All Directors must avoid situations involving actual or potential conflict of interest. Personal or romantic involvement with a competitor, supplier, or employee of the Company, which impairs a Director's ability to exercise good judgment on behalf of the Company, creates an actual or potential conflict of interest. Director-employee romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment, and morale problems.

A Director involved in any of the types of relationships or situations described in this Code should immediately and fully disclose the relevant circumstances to the Managing Director, for a determination about whether a potential or actual conflict exists. If an actual or potential conflict is determined, the Board of Directors of the Company may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

(i) Outside Directorships and Personal Investments in a Company customer, supplier, developer or competitor

If you are considering accepting the Directorship or considering investing in a Company customer, supplier, developer or competitor, you are expected to consider many factors in determining whether a conflict exists, including- the size and nature of the investment; your ability to influence the Company's decisions; your access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

The Directors are required to disclose their directorships to the Board of Directors and the Company Secretary from time to time.

The Directors making investments in a personal capacity may do so up to the maximum of 5% of the equity share capital of the investee company in a single financial year.

(ii) Related Parties

Related party transactions of a value equal to or greater than Rs. 5,00,000 in any financial year must be reviewed and approved in writing in advance by the Company's Board of Directors. The Company must report all such material related party transactions under applicable accounting rules, SEBI, Indian Companies Act, and securities market rules. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to this business.

The Company discourages the employment of relatives in positions or assignments that have a financial or other dependence or influence (e.g., an auditing or control relationship).

(iii) Gifts

The Directors may not offer, give or receive gifts from persons or entities who deal with the Company in those cases where any such gift is being made in order to influence the Director's actions as members of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.

(iv) Other Situations

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you may consult the Chairman

of the Board of Directors in case of any such instances. The Chairman may refer the same to the Legal Department for clarification.

3. Insider Trading

Obligations under Indian securities laws apply to everyone as the Company is listed on the Indian stock exchanges. In the normal course of business, Directors of the Company may come into possession of significant, sensitive information. This information is the property of the Company. You have been entrusted with it. You may not profit from it by buying or selling securities yourself. Further you are not to tip others to enable them to profit or for them to profit on your behalf. The purpose of this Code is both to inform you of your legal responsibilities and to make clear to you that the misuse of sensitive information is contrary to Company policy and applicable Indian securities laws.

Insider trading is a crime, penalized by fines and imprisonment for individuals. In addition, the Securities and Exchange Board of India may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading. Insider traders must also disgorge any profits made, and are often subjected to an injunction against future violations. Finally, insider traders may be subjected to civil liability in private lawsuits.

Insider trading rules are strictly enforced, even in instances when the financial transactions seem small. You should read the Insider Trading Rules of the Company carefully, paying particular attention to the specific policies and the potential criminal and civil liability and/or disciplinary action for insider trading violations. You should comply with the Company's Insider Trading Rules, follow the pre-clearance procedures for trading and trade only during a trading window.

The Directors of the Company who violate this Policy will also be subject to disciplinary action by the Board of Directors of the Company. All questions regarding the Company's Insider Trading Rules should be directed to the Legal Department.

4. Prohibition Against Short Selling of Company Stock

No Director may, directly or indirectly, sell any equity security, including derivatives, of the Company if he or she:-

- (a) does not own the security sold, or

- (b) owns the security, does not deliver it against such sale (a "short sale ") within the applicable settlement cycle.

5. Compliance with Governmental Laws, Rules and Regulations

The Directors must comply with all applicable governmental laws, rules and regulations. The Directors must acquire appropriate knowledge of the legal requirements relating to their duties and sufficient to enable them to recognize potential dangers, and to know when to seek advice from the Managing Director/finance department. Violations of applicable government laws, rules and regulations may subject Directors to individual criminal or civil liability as well as to disciplinary action by the Board of Directors of the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of reputation or business.

6. Violations of the Code

Part of the job of a Director is to help enforce this Code. The Directors must report all possible violations of this Code to the Managing Director. The Directors must cooperate in case of any internal or external investigation of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation is prohibited.

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 will cooperate fully with the appropriate authorities.

7. Waivers and amendment of the Code

This code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plan or otherwise, as may be deemed necessary by the Board.

Any question or interpretation under this Code will be handled by the Managing Director. The Managing Director also has the authority to waive compliance with this Code for any Director of the Company on receipt of full disclosure of the particular circumstances from the person seeking waiver of this Code.