

ABG SHIPYARD LIMITED

Reg. Office: Near Magdalla Port, Dumas Road, Surat – 395007, Tel.: 91-261-272 5191 Fax: 91-261-2726481
Corp. Office: 4/5th Floor, Bhupati Chambers, 13, Mathew Road, Mumbai – 400004, Tel.: 91-22-56563000
Fax: 91-22-23649236

CODE OF ETHICS & CONDUCT

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

(As per Clause 49D of the Listing Agreement of the Bombay Stock Exchange.)

What is a “Code of Conduct”?

A Code of Conduct is an important management tool, which can positively shape the culture of an organization. A code of conduct is a written document that enriches the company values, principles and guidelines in a variety of areas and enables the companies to publicly state to their Customers, Consumers, Business Associates and other stakeholders, the way in which they intend to do business. A code of conduct sets out the standards of behaviour expected in the organization help solve ethical dilemmas faced at work.

Codes have been considered primarily as a means of “institutionalizing ethics” in to cultures, religions, professions and corporations. Codes vary according to their intended function. Codes are sometimes called “Corporate Directives”, “Standards of Business conduct”, “Statement of Values” or “Codes of Best Practices”.

Why a “Code of Conduct”?

Until recently, the adoption of a **Corporate Code of Conduct** was completely voluntary. Therefore, most exciting codes were rather brief and general statements that left a good deal of room for interpretation and contained no administrative details.

PREAMBLE

The following document is the written expression of the various expectations from the Board of Directors as well as Senior Management. The clauses of Code of Conduct are just illustrative. Therefore, this code goes beyond the words and demands utmost loyalty, dedication and transparency from the Board as well as the Senior Management. It is one step towards developing and nurturing an ethical Corporate Culture in the company.

APPLICABILITY

This code is applicable to the Board Members and Senior Management of the Company. All the concerned persons should understand this code and ensure to abide by it in their day to day activities.

The Audit Committee appointed as per Clause 49 would supervise the effective functioning of Code of Ethics and Code of Conduct. In case of any doubt with

regard to compliance of this Code, any Director/Senior Management can contact Mr. Manoj G. Raichandani, Compliance Officer of the Company:

Name of the Members of Audit Committee	Address	Tel. No.	Email ID
Shri Ajay Saraf	ICICI Bank Apartment, Flat No. 702, Near Kirti College, Prabhadevi Mumbai	022 2653 6432	ajay.saraf@icicibank.com
Shri Mehernosh R. Pardiwala	4, Sea-Bird, B. J. Road Bandra (W) Mumbai - 400 050	022 2204 7208	pardiwala@vsnl.com
Shri Nainesh Jaisingh	A-33 'Meherina', 51-C Napean Sea Road (Next to Simla House) Mumbai	022 2268 3761	nainesh.jaisingh@in.standardchartered.com
Shri Ashok R. Chitnis	R 6/1, Saudamini, Bhusari Colony, Paud Road, Poona - 411 038	020 2520 5002	torino@torinomail.com

The Company has appointed Mr. Manoj G. Raichandani, Compliance Officer for the purpose of the Code who will handle all necessary correspondence and communication.

Name of the Senior Management

Sr. No.	Name of the Members	Designation
1	P. D.Joshi	GM (Hull)
2	J. L.Varma	GM (Hull)
3	R. Ganguly	GM (MECH)
4	T.Swamy Govvala	GM (Hull)
5	Santhanam.M.I	GM (Mach)
6	D. P. Gupta	GM
7	P. S. Prakasha Rao	GM (Elect.)
8	Subas C. Gantayat	GM (HRD)
10	S. Muthuswamy	GM (Finance)
11	Anil Sahasrabuddhe	GM (Marketing)
12	Kandha Mantry	GM (Projects)
13	Rajesh Malhotra	GM (Projects)

1. Honesty & Integrity

Honesty is an essential component of trust. Without trust, an organization cannot function effectively. All of us are expected not to make deliberately false or deceptive claims about our products / system, but instead, provide full disclosure of all pertinent limitations and problems. All Directors shall conduct their activities, on behalf of the Company, and on their personal behalf, with honesty, integrity and fairness. All Directors will act in good faith, responsibility with due care, competence and diligence, without allowing their independent judgment to be subordinated. Directors will act in the best interest of the Company and fulfill the fiduciary obligations.

2. Conflict of Interest

Directors on the Board of the Company shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company or the Group.

If such related party transaction is unavoidable, it must be fully disclosed to the Board.

Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity. Setforth, are some of the common circumstances that may lead to a conflict of interest, actual or potential –

- a) Director should not engage in any activity / Employment that interferes with the performance or responsibility to the Company or is otherwise in conflicts with or prejudicial to the Company.
- b) Director and their immediate families should not invest in a Company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the Company.
- c) In case of related party transactions, full disclosure should be made to the Board at the time of meeting.

3. Compliance

Directors are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behavior, Directors must report any possible violation of laws, rules, regulation or the code of conduct to the Company Secretary.

4. Other Directorship

The Company feels that serving on the Board of Directors of other companies may raise substantial concern about potential conflicts of interest. And therefore, all the Directors must Report / disclose such relationship to the Board on an annual basis. It is felt that service on the board of direct competitors is not in the interest of the Company.

5. Confidentiality of information

Any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which the Director has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Director shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

The Company's confidential information is valuable asset which includes product architectures, source code, product plan, road maps, name of clients/customers, business associates, employees and financial information. This information is the property of the Company and may be protected by patent, trademark, copyright and trade secret laws.

6. Insider Trading

Any Director of the Company shall not derive benefit or assist 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, constitutes insider information. All directors will comply with Insider Trading Guidelines as issued by SEBI.

7. Related parties

As a general rule, director should avoid conducting Company business with a relative or significant other, or with a business which a relative or significant other is associated in any significant role. Relative include:-

- | | | |
|---------------------------------------|---------------------------|------------|
| 1. Father | 2. Mother | |
| 3. Son (including step-son) | 4. Son's wife | |
| 5. Daughter (including step-daughter) | 6. Father's father | |
| 7. Father's mother | 8. Mother's mother | |
| 9. Mother's father | 10. Son's son | |
| 11. Son's wife | 12. Son's daughter | |
| 13. Son's daughter's husband | 14. Daughter's husband | |
| 15. Daughter's son | 16. Daughter's Son's wife | |
| 17. Daughter's daughter husband | 18. Daughter's | Daughter's |
| 19. Brother (including step-brother) | 20. Brother's wife | |
| 21. Sister (including step-sister) | 22. Sister's husband. | |

8. Gifts and Donations

No Director of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business. Nominal gifts of commemorative nature, for special events may be accepted and reported to the Board.

9. Know and respect existing laws

We must obey existing local, state, national, and international laws to the utmost degree. We should also obey the policies, procedures, rules and regulations of the Company. Violation of a law or regulation may be ethical when that law or rule has inadequate moral basis or when it conflicts with another law judged to be more important. If one decides to violate a law or rule because it is viewed as unethical, or for any other reason, one must fully accept responsibility for one's actions and for the consequences.

10. Protect Company's properties

(i) General

We all are perceived as Trustees of Company's properties, funds and other assets. We owe fiduciary duty to each stakeholder, as their agent, for protecting the Company's assets. We, therefore, must safeguard and protect the Company's assets against any misappropriation, loss, damage, theft, etc. by putting in place proper internal control systems and procedures and effectively insuring the same against any probable fire, burglary, fidelity and natural calamities like earthquakes, floods etc and other risks or damages.

(ii) Company Logo and Trade Mark

All Registered Trademarks of the Company should be conspicuously marked whenever they are used in any medium, presentation or other promotional context.

11. Information and Communication to the Board

As Board Members, all Board of Directors of the Company are bound to inform the Chairman of the Board of any changes in their other Board positions, Relationship with other businesses (including charitable) and other events/circumstances/conditions that may interfere with their ability to perform the Board/Board Committee duties or may impact the judgment of the Board as to whether the Directors do meet the independence requirements of Listing Agreement with Bombay Stock Exchange.

12. Team work

We work together on the principle of mutual trust and transparency in a boundary-less organization. We are intellectually honest in advocating proposals, including recognizing risks.

13. Upload and promote the principles of this code.

Treat violations of this code as inconsistent association with the organization. However if any of us do not follow this code by engaging in gross misconduct, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the guilty Director/senior Management.

14. Periodic Review:

Once in every year or upon revision of their code, every Director must acknowledge and execute an understanding of the code and an agreement to comply. New Directors will sign such deed at the time when their Directorship begins. This code is subject to continuous review and updating in line with any changes in law, changes in company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board.

For ABG Shipyard Limited

Place: Surat
Date: 8th December, 2005

Rishi Agarwal
Managing Director