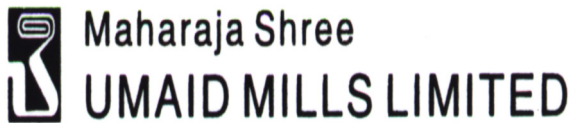


This document intends to focus on areas of ethical risk and to set basic standards of ethical and legal behaviour.

Policy on Code of Conduct and Business Ethics



Effective Date: 07.08.2014

Approval Date: 07.08.2014

Version No.: 2.0

Approved By : Board of Directors

Policy Owner : Company Secretary and CFO

Subject : Code of Conduct and Business Ethics	Original Issue Date : 07.08.2014	Effective Date : 07.08.2014
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Base Document	:	Companies Act, 2013
Initial Document Prepared by	:	Mr.P.K Ojha
Functional aspects Checked by	:	Mr. P.K Ojha
Governing Guideline/Policy	:	Companies Act, 2013

Policy on Code of Conduct and Business Ethics

CODE OF BUSINESS CONDUCT AND ETHICS OF MAHARAJA SHREE UMAID MILLS LIMITED

The Board of Directors (the “Board”) of Maharaja Shree Umaid Mills Limited (the “Company”) has adopted this Policy on at its meeting held on August 7, 2014.

In view of the status of an unlisted company by virtue of the delisting of the equity shares of the Company from all the stock exchanges w.e.f. 02-02-2015, the Board had further revised the Policy on 13-02-2016.

1. SCOPE OF THE CODE

The Code of Business Conduct (“**Code**”) applies to all directors, officers and employees (collectively referred to as “**Covered Parties**”) of the Maharaja Shree Umaid Mills Limited and its majority-owned subsidiaries. Use of the term “the Company” throughout this document refers collectively to Maharaja Shree Umaid Mills Limited and its subsidiaries. Company operations and the Covered Parties are subject to the wide range of business practices, procedures, standards, laws in the territories/ countries to which the operations of the company extend. Covered Parties are expected to comply with the Code and all applicable government laws, rules and regulations. If a provision of the Code conflicts with applicable law, the law overrides.

2. PURPOSE

This Code is intended to (a) focus on areas of ethical risk;(b) set forth basic standards of ethical and legal behavior; (c)to provide guidance to directors to help them recognize and deal with ethical issues; (d) provide reporting mechanisms for known or suspected unethical conduct and/or legal violations; (e) help foster a culture of honesty and accountability.

All of the Covered Parties must comply with the language and spirit of the Code and conduct themselves accordingly and seek to avoid improper behaviour. Given the variety and complexity of ethical questions that may arise in the Company’s course of business, this Code serves only as a rough guide.

3. INTERPRETATION CLAUSES

- Anything of value** : Anything that might have value to a Government Official, including cash, gifts, meals, entertainment, business opportunities, Company product, offers of employment and more.
- Applicable Law** : Includes any statute, law, , regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time.
- Bribe** : Giving or offering to give Anything of value to a Government Official to influence a discretionary decision. Local law may impose a broader definition in some jurisdictions. There is no monetary threshold; any amount could be construed as a bribe.
- Covered Parties/Party** : Means and includes Directors, officers and employees of the Company and its subsidiaries.
- Company Assets** : Includes, among other things, the Company's money or product, employees and Directors' time at work and work product, computer systems and software, telephones, wireless communication devices, photocopiers, tickets to concerts and sporting events, Company vehicles, proprietary information and Company trademarks.
- Competitive Intelligence** : Information about our Competitors.
- Competitor** : For the purposes of the conflict of interest and Competitive Intelligence provisions only, competitor means and includes any business or entity that is actively considering such activity.
- Compliance Officer** : An employee/officer appointed by the board of Directors to provide written approvals for actions under the Code in the areas of Conflicts of Interest and Company Assets. The names and addresses of the Compliance Officer can be found on the Company's website. This may even include the chief of human resources of the Company or an ethics counselor, as the case may be.
- Customer** : Any business or entity to which the Company or one of its subsidiaries sells any product bearing a trademark of the Company.
- Director** : Includes an executive director, non- executive director, nominee director or independent director.
- Discretionary Authority** : In dealing with a company– The authority to influence the Company's selection of a supplier or to influence significantly the Company's relationship with an existing Customer or supplier.

Facilitating Payments	: Small payments to Government Officials made to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or phone service.
Government Officials	Employees of any government anywhere in the world, even low-ranking employees or employees of government-controlled entities. The term also includes political parties and party officials, candidates for political office, and employees of public international organizations, such as the United Nations.
Material Non-public Information	: Non-public Information that would be reasonably likely to affect an investor's decision to buy, sell or hold the securities of a company. Includes all such information, which is regarded as material Non Public Information as per Applicable Law dealing with insider trading. Examples include a significant merger or acquisition involving the Company, the Company's earnings or volume results before they are announced, and a change in control of senior management of the Company. Many other matters may be material. If you are uncertain whether Non-public Information of which you are aware is material, consult Company legal counsel.
Non-public Information	: Any information that the Company has not disclosed or made generally available to the public, which may include information related to Covered Parties, inventions, contracts, strategic and business plans, major management changes, new product launches, mergers and acquisitions, technical specifications, pricing, proposals, financial data and product costs. Includes all such information which is regarded as non public information as per Applicable Law dealing with insider trading.
Relative	: A spouse, parent, sibling, grandparent, child, grandchild, mother- or father-in-law, or same or opposite sex domestic partner, as well as any other family member who lives with you or who is otherwise financially dependent on you, or on whom you are financially dependent.
Supplier	: Any vendor of product or services to the Company, including consultants, contractors and agents. The definition also includes any supplier that the Company is actively considering using, even if no business ultimately is awarded.

4. ACTING WITH INTEGRITY, BOTH AT HOME AND ABROAD

Integrity is fundamental to our Company. Integrity means doing what is right. By acting with integrity, we reflect positively on the values and reputation of the Company and its brands. This Code will help guide us. The Code defines how to conduct ourselves as representatives of the Company. The Code addresses our responsibilities to the Company, to each other, and to customers, suppliers, consumers and governments.

Every Covered Party shall follow the law, act with integrity and honesty in all matters, and be accountable for our actions.

5. GENERAL EXPECTATIONS

The following are generally expected from Covered Parties in the Company:

- a) Comply with the Code and the Law.
- b) Understand the Code.
- c) Comply with the Code and the law wherever you are.
- d) Use good judgment and avoid even the appearance of improper behaviour.
- e) Consider Your Actions, and Ask for Guidance
- f) If ever in doubt about a course of conduct, ask yourself:
 - Is it consistent with the Code?
 - Is it ethical?
 - Is it legal?
 - Will it reflect well on me and the Company?
 - Would I want to read about it in the newspaper?

If the answer is “No” to any of these questions, don’t do it. If you are still uncertain, ask for guidance. The Code tries to capture many of the situations that Covered Parties will encounter, but cannot address every circumstance.

- g) You can seek help from your management, Company’s legal counsel or senior finance personnel supporting your business or the Company’s Compliance Officer(s).
- h) You have an obligation to uphold the ethical standards of the Company. If you observe behaviour that concerns you, or that may represent a violation of our Code, raise the issue promptly according to the procedure laid down in the Company’s Vigil Mechanism/Whistle Blower Policy. Doing so will allow the Company an opportunity to deal with the issue and correct it, ideally before it becomes a violation of law or a risk to health, security or the Company’s reputation.

6. WHAT IS EXPECTED OF DIRECTORS

Our Directors have an obligation to act in the best interest of the Company. If you are a Director of the Company then:

- a) You should at all times model appropriate conduct.

- b) You must oversee compliance of Applicable Laws including insider trading laws by all employees, officers and other directors.
- c) You must deal fairly, and must oversee fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees.
- d) You must not accept compensation (in any form) for services performed for the Company from any source other than the Company.
- e) You must report any suspected violations of this Code promptly by following the Vigil Mechanism/ Whistle Blower policy of the Company.
- f) If an employee raises a concern that may require investigation under the Code, follow the procedures as laid down in the Vigil Mechanism/Whistle Blower Policy which is available on the Company's website.
- g) You should ensure that the people you supervise understand their responsibilities under the Code and other policies of the Company.
- h) Make opportunities to discuss the Code and reinforce the importance of ethics and compliance within the Company. Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.
- i) Create an environment where employees feel comfortable raising concerns without fear of retaliation.
- j) Consider conduct in relation to the Code and other Company policies when evaluating employees.
- k) Never encourage or direct employees to achieve business results at the expense of ethical conduct or compliance with the Code or the law.
- l) Always act to stop violations of the Code or the law by those you supervise.
- m) Respond to questions and concerns. If approached with a question or concern related to the Code, listen carefully and give the employee your complete attention.
- n) Ask for clarification and additional information. Answer any questions if you can, but do not feel that you must give an immediate response. Seek help if you need it. Written approvals for executive officers must come from the chief executive officer, and written approval for the chief executive officer must come from the board of Directors or its designated committee.
- o) If you are an Independent director, you must ensure that you comply with duties as listed in ***Annexure 1***.

7. BUSINESS AND FINANCIAL RECORDS

Every Covered Party shall observe the following:

- a) Ensure the accuracy of all Company business and financial records. These include not only financial accounts, but other records such as quality reports, time records, expense reports and submissions such as benefits claim forms and resumes.
- b) Ensuring accurate and complete business and financial records is everyone's responsibility, not just a role for accounting and finance personnel. Accurate recordkeeping and reporting reflects on the Company's reputation and credibility, and ensures that the Company meets its legal and regulatory obligations.
- c) Always record and classify transactions in the proper accounting period and in the appropriate account and department. Do not delay or accelerate the recording of revenue or expenses to meet budgetary goals.
- d) Estimates and accruals must be supported by appropriate documentation and be based on your best judgment.
- e) Ensure that all reports to regulatory authorities are full, fair, accurate, timely and understandable.
- f) Never falsify any document.
- g) Do not distort the true nature of any transaction.
- h) Never enable another person's efforts to evade taxes or subvert local currency laws. For this reason, payments generally should be made only to the person or firm that actually provided the goods or services. Payments should be made in the Supplier's home country, where it does business, or where the goods were sold or services provided, unless the supplier legitimately has assigned payment or sold its accounts receivable to another entity. Exceptions must be approved by the Company's Compliance Officer.
- i) Only intentional efforts to misrepresent or improperly record transactions, or otherwise to falsify Company's business record, are Code violations.

8. COMPANY'S ASSETS

Every Covered Party of the Company must observe the following:

- a) Do not use Company Assets for your personal benefit or the benefit of anyone other than the Company.

- b) Use common sense. For example, the occasional personal phone call or e-mail from your workplace is acceptable, subject to the company's policy on IT. Excessive personal calls or e-mail is a misuse of assets.
- c) Company policy may allow additional personal use of certain assets, such as a Company car or wireless communication device. Always check HR policies to ensure that you are using Company assets as intended.
- d) Theft of Company's Assets—whether physical theft such as unauthorized removal of Company product, equipment or information, or theft through embezzlement or intentional misreporting of time or expenses—may result in termination and criminal prosecution. The Company treats workplace theft of assets belonging to other employees and Directors the same way it treats theft of Company assets.
- e) The use of Company Assets outside of your Company responsibilities— such as using your company work product in an outside venture, or using Company materials or equipment to support personal interests—requires prior written approval from the Company's Compliance Officer. You must have this approval renewed annually if you continue to use the asset outside of work.
- f) Do not engage in personal activities during work hours that interfere with or prevent you from fulfilling your job responsibilities.
- g) Do not use Company computers and equipment for outside businesses, or for illegal or unethical activities such as gambling, pornography or other offensive subject matter.
- h) Do not take for yourself any opportunity for financial gain that you learn about because of your position at the Company, or through the use of Company property or information.
- i) Safeguard the Company's Non-public Information, which includes everything from contracts and pricing information to marketing plans, technical specifications and employee information.
- j) Do not disclose Non-public Information to anyone outsider of the Company, including to family and friends, except when disclosure is required for business purposes. Even then, take appropriate steps, such as execution of a confidentiality agreement, to prevent misuse of the information.
- k) Retain or discard Company's records in accordance with the Company's record retention policies. Company's legal counsel occasionally may issue notices regarding retention of records in the case of actual or threatened litigation or government investigation.

Covered Parties must abide by the directions contained in these notices, as failure to do so could subject the Company and the Covered Parties to serious legal risks.

- l) Trading in stocks or securities who handle the personal data of others must:
 - Act in accordance with Applicable Law;
 - Act in accordance with any relevant contractual obligations;
 - Collect, use and process such information only for legitimate business purposes;
 - Limit access to the information to those who have a legitimate business purpose for seeing the information; and
 - Take care to prevent unauthorized disclosure of public information, or providing material Non-public Information to others so that they may trade, is illegal and may result in criminal prosecution.
- m) Insider trading laws may involve substantial penal action. Hence, comply with these laws in letter and spirit. In case of any doubt, please do not hesitate to check with the relevant Compliance Officer.

9. CONFLICT OF INTERESTS

A conflict of interest arises when your personal activities and relationships interfere, or appear to interfere, with your ability to act in the best interest of the Company. The Covered Parties of the Company shall observe the following:

- a) Take particular care if you are responsible for selecting or dealing with a supplier on behalf of the Company. Your personal interests and relationships must not interfere, or appear to interfere, with your ability to make decisions in the best interest of the Company. When selecting suppliers, always follow Company's applicable procurement guidelines.
- b) You may have friends who are employed by, or have ownership interests in, customers or suppliers of the Company. If you deal with such a Customer or Supplier, take care to ensure that your friendship does not affect, or appear to affect, your ability to act in the best interest of the Company. If you are uncertain whether your friendship may create an issue, consult your manager, or Compliance Officer.
- c) In addition, personal relationships at work must not influence your ability to act in the best interest of the Company, and must not affect any employment relationship. Employment-related decisions should be based on qualifications, performance, skills and experience.

- d) Do not accept gifts in exchange for doing, or promising to do, anything for a Customer or Supplier.
- e) Do not ask for gifts from a Customer or Supplier.
- f) Do not accept gifts of cash or cash equivalents, such as gift cards.
- g) Do not accept gifts of more than modest value.
- h) Gifts of symbolic value, such as trophies and statues that are inscribed in recognition of a business relationship, may be accepted.
- i) Gifts or discounts offered to a large group of Covered Parties as part of an agreement between the Company and a Customer or Supplier may be accepted and used as intended by the Customer or Supplier.
- j) If you are offered a gift, meal or entertainment that exceeds the limits noted above, politely decline and explain the Company's rules. If returning a gift would offend the giver, or the circumstances under which it was given preclude its return, you may accept the gift, but should notify the Compliance Officer.
- k) Do not accept meals or entertainment in exchange for doing, or promising to do, anything for a Customer or supplier.
- l) Do not ask for meals or entertainment from a Customer or supplier.
- m) You may accept occasional meals and entertainment from customers and suppliers if the event is attended by the Customer or supplier, and the costs involved are in line with local custom for business-related meals and entertainment. For example, ordinary business meals and attendance at local sporting events generally are acceptable.
- n) Gifts, meals and entertainment for customers and suppliers must support the legitimate business interests of the Company and should be reasonable and appropriate under the circumstances. Always be sensitive to our customers' and suppliers' own rules on receiving gifts, meals and entertainment.
- o) Do not give Company stock as a gift on behalf of the Company under any circumstances.
- p) If you are invited by a Customer or supplier to an event involving out-of-town travel or overnight stay, or to a premium event, consult your manager to determine if there is adequate business rationale for your attendance. If there is, the Company should pay for your travel and attendance at the event.
- q) Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor or manager or the Company's Compliance Officer.

10. DEALING WITH GOVERNMENTS

The nature of our business often requires that we interact with officials of various governments, both in India and elsewhere. Transactions with governments are covered by special legal rules, and are not the same as conducting business with private parties.

- a) Consult the Company's Compliance Officer to be certain that you are aware of, understand and abide by these rules.
- b) Do not offer anything to a Government Official—directly or indirectly—in return for favourable treatment. You must obtain prior approval from Company legal counsel before providing anything of value to a Government Official. Ensure that any such payments are properly recorded in the appropriate Company's account.
- c) The Company and/or its Covered Parties may be held liable for bribes paid by a third-party agent or consultant acting on the Company's behalf. Take particular care when evaluating a prospective third party who might interact with the government on behalf of the Company. You must not engage a third-party agent or consultant if there is reason to believe that the agent or consultant may attempt to Bribe a Government Official. Consult Company legal counsel regarding local and international anti-bribery laws.
- d) Facilitating payments, which are small sums paid to Government Officials to expedite or facilitate non discretionary actions or services, such as obtaining an ordinary license or phone service, are prohibited.
- e) The Company will not reimburse its Covered Parties for personal political activity.
- f) Your job will not be affected by your personal political views or your choice in political contributions.
- g) Do not use the Company's reputation or assets, including your time at work, to further your own political activities or interests.
- h) If you plan to seek or accept a public office, you must obtain prior approval from Company's Compliance Officer/legal counsel.
- i) Political contributions by the Company must be:
 - Made in accordance with local law;
 - Approved by the Board of Directors; and
 - Properly recorded.

11. DEALING WITH CUSTOMERS, SUPPLIERS AND CONSUMERS

The Company values its partnerships with Customers, Suppliers and consumers. Treat these partners in the same manner we expect to be treated.

- a) Always deal fairly with Customers, Suppliers and consumers, treating them honestly and with respect.
- b) Do not engage in unfair, deceptive or misleading practices.
- c) Always present Company products in an honest and forthright manner.
- d) Do not offer, promise or provide anything to a Customer or Supplier in exchange for an inappropriate advantage for the Company.
- e) We expect that our suppliers will take no action contrary to the principles of our Code.
- f) Company competes fairly, and complies with all applicable competition laws around the world. Covered Parties should consult Company's legal counsel to understand the particular competition laws and policies applicable to them.
- g) Covered Parties are encouraged to collect, share and use information about our competitors, but to do so only in a legal and ethical manner. Just as the Company values and protects its own Non-public Information, we respect the Non-public Information of other companies.
- h) It is acceptable to collect competitive intelligence through publicly available information or ethical inquiries.
- i) You also may ask third parties about our Competitors, or accept Competitive Intelligence offered by a third party, as long as there is no reason to believe that the third party is under a contractual or legal obligation not to reveal such information.
- j) Do not engage in any illegal or illicit activity to obtain competitive information. This may include theft, trespassing, eavesdropping, wiretapping, computer hacking, invasion of privacy, bribery, misrepresentation or searching through trash.
- k) Do not accept, disclose or use competitive information that you know or have reason to believe was disclosed to you in breach of a confidentiality agreement between a third party and one of our Competitors.
- l) Covered Parties shall behave honestly and should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

12. CORPORATE OPPURTUNITIES

Covered Parties are prohibited from taking for themselves opportunities that are discovered through the use of Company's property, information or position without the consent of the Board of Directors of the Company. No Covered Party may use Company's property, information or position for improper personal gain, and no Covered Party may compete with the Company directly or indirectly. Covered Parties owe a duty to the Company to advance its legitimate interests whenever possible.

13. INSIDER TRADING

Covered Parties who have access to confidential information are not permitted to use or share that information for securities trading purposes or for any other purpose except the conduct of the Company's business. All Non-public Information about the Company should be considered as confidential information. It is always illegal to trade in Company's securities while in possession of material, Non-public Information, and it is also illegal to communicate or "tip" such information to others. All Covered Parties must at all times comply with Applicable Laws dealing in insider trading. If in doubt, seek help of your supervisors, managers or the Company's Compliance Officer.

14. CONFIDENTIALITY

Covered Parties must maintain the confidentiality of confidential information entrusted to them, except when disclosure is authorized by an appropriate legal officer of the Company or required by laws or regulations. Confidential information includes all Non-public Information that might be of use to competitors or harmful to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Company. The obligation to preserve confidential information continues even after employment ends.

15. REPORTING VIOLATIONS

All Covered Parties must promptly report any known or suspected violations of this Code or any unethical behaviour as per the procedure laid down under the Company's Vigil Mechanism/ Whistle Blower policy as posted on the Company's website.

16. ADMINISTRATION OF THE CODE

- a) The Code of Conduct and Business Ethics is designed to ensure consistency in how employees and directors conduct themselves within the Company, and in their dealings outside of the Company. The procedures for handling potential violations of the Code have been developed to ensure consistency in the process across the organization. No set of rules can cover all circumstances. These guidelines may be varied as necessary to conform to local law or contract.
- b) The responsibility for administering the Code rests with the Compliance Officer, with oversight by the Chief Financial Officer, legal counsel and Audit Committee of the Board of Directors.
- c) The Company strives to impose discipline that fits the nature and circumstances of each Code violation. Violations of a serious nature may result in suspension without pay; loss or reduction of merit increase, bonus or stock option award; or termination of employment.
- d) All new employees and directors must sign an acknowledgement form confirming that they have read the Code of Conduct and Business Ethics , and agree to abide by its provisions. All employees and directors will be required to make similar acknowledgements on a periodic basis. Failure to read the Code or sign the acknowledgement form does not excuse a Covered Party from compliance with the Code.
- e) When Covered Party is found to have violated the Code, notation of the final decision, and a copy of any letter of reprimand, will be placed in the employee's personnel file as part of the employee's permanent record.
- f) Waivers of any provisions of this Code for officers of the Company must be approved by the board of Directors or its designated committee and will be disclosed promptly to the extent required by law.

17. RESOURCES

The Compliance Officer is available to answer any questions about the Code or Company's compliance policies, or to discuss any concerns you may have about potential Code violations.

To contact Compliance Officer:

- Call _____
- E-mail _____
- Fax to _____
- Mail to: _____

ANNEXURE 1- DUTIES OF INDEPENDENT DIRECTORS

The independent directors must—

- a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- c) Strive to attend all meetings of the Board of Directors and of the board committees of which he is a member;
- d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) Strive to attend the general meetings of the company;
- f) Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) Keep themselves well informed about the company and the external environment in which it operates;
- h) Not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.