

ALPS INDUSTRIES LIMITED
Code of Conduct
For Board of Directors, Officers and Employees

INTRODUCTION :

Alps Industries Limited is, committed to conducting its affairs ethically and lawfully. This Code of Conduct establishes policies & procedures that are intended to guide directors, officers and employees in the performance of their duties and responsibilities and ensure compliance with the Company's commitment to ethical and lawful conduct. These standards are set forth in the pages that follow and are reflected in the character and the conduct of our directors, officers and employees, which are in consonance of compliance of the revised Clause 49(1D) of the Listing Agreement, in its true spirit and not only as a matter of legal compliance.

In pursuant of the said Clause, the Board of Directors of the company in their meeting held on January 29, 2005 approved the Code of Conduct, which has become effective w.e.f. January 29, 2005. A copy of the Code of Conduct as approved by the Board of Directors is provided hereinafter.

We urges you to become thoroughly familiar with the contents of this booklet – the code of Business Conduct and Ethics (also referred to simply as the “Code”)—and to use it as a guidelines in the performance of your responsibilities for the company. We also encourage you to seek assistance either from your superior or from the Human Resources Department when a question or concern arises with respect to any matter addressed in this material. If you have question or concern about a code of Conduct provision or about some action or practice you observe, you should always bring your questions to the attention of the company by talking to your superior, other members of management, the company's Legal or Human Resource Department or use the Company's anonymous reporting system. The key is to make the Company aware of any questions of concerns you have so they can be investigated, evaluated and appropriately addressed.

BASIC POLICIES :

1. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Obeying the law, both in letter and in spirit, is the foundation on which this company's ethical standards are built. All Directors and employees must respect and obey the laws of the land. Although not all Directors or employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from superiors, managers or other appropriate Company personal. The company provides information as appropriate to communicate and promote compliance with laws, rules and regulations that relate to the operation of the Company's business.

2. CONFLICTS OF INTEREST

A “conflicts of interest” exists when a person’s private interest interferes in any way with the interests of the Company. A conflict situation can arise when and employees or Director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee or Director, or members of his or her family, receives improper personal benefits as a result of his or her position in the company.

It is almost always a conflict of interest for a company employee or director to work simultaneously for a competitor, customers, supplier or financier. You are not allowed to work for a competitor as a consultant or board member. The best policy is to avoid any direct or indirect business connection with our customers, suppliers, competitors or financier, except as it relates to the Company’s business.

Conflicts of interest are prohibited as a matter of Company policy, except to the extent approved by the Board of Directors. Conflicts of interest may not always be clear-cut, so if you have question, you should consult with your superior or the Company Secretary. Any employee or Director who becomes aware of a conflict or potential conflict should bring it to the attention of superior, manager or other appropriate Company personnel.

Example of conflicts of interest include any activity, interest or association that might influence, or even appear to influence, the independent exercise of an employee’s judgments in making a decision or taking an action which is in the best interests of the Company, its stockholders and the public.

3. PATENT, DISCOVERY AND RESEARCH & DEVELOPMENT

Directors and Members of senior management are often engaged in various forms of research or problem solving for the company. The product of their efforts produced within the scope of their employment belongs to the company, whether the product was concluded while actually at work or not.

Such products include computer programs, technical process, inventions, research methods, reports or articles, and any other form of innovation or development. Directors and Members of Senior Management shall maintain confidentiality of these kinds of knowledge/patents and will not put the same to personal use.

4. FULL AND FAIR DISCLOSURES OF THE ACCOUNTING MATTERS

In performing our responsibilities for the Company, we must prepare and/or complete all Company records, business data, reports, filings, submissions and documents in a full, fair, accurate, timely and understandable manner. The falsification of records, manual or computer, is always unethical, generally illegal and always unacceptable to the Company. All information transmitted both within and outside of the company must be honest and well founded, as the integrity of the company’s records and reports is based on the validity, accuracy and completeness with which they are prepared in addition, all Company financial

practices concerning accounting, internal accounting controls and auditing matters must meet the highest standards of professionalism, transparency and honesty.

5. COMPANY FUNDS AND PROPERTY

We are all personally responsible and accountable for the proper expenditure of Company funds. This includes Company money spent on travel or other business expenses. We are also responsible for the proper use and care of company property over which we have control. Company equipment or other property should be handled, secured and cared properly. It should not be used for personal benefit, sold, loaned, given away or otherwise disposed off, regardless of its condition or value, without proper authorization.

6. RECORD KEEPING

The company required honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported. Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your superior. The company has rules and guidelines for expenses report and reimbursement.

All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirement and applicable company policies.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's policy and/or applicable law. In accordance with those policies, in the event of threatened or actual claims, litigation or governmental investigation, please consult the Company Secretary regarding retention or destruction of any related materials.

7. CONFIDENTIAL INFORMATION

As employees of Alps Industries Limited, we are all responsible for protecting the Company's confidential information and using that information only for Company's purposes. All information develop within the Company with respect to its business is confidential and should not be disclosed to any unauthorized person. Employees should not discuss confidential Company information outside the Company, even with their families. Such information must be protected because unauthorized disclosure could destroy its value to the Company and give unfair advantage to others. Examples of Company confidential information include, bids, business proposals and contracts, budgets, computer software, codes, data files and security information, trade secrets, non-public revenue or earnings results and any other non-public information concerning the Company's financial, legal or other business activities. Other information that we have access to may include personal

information about our fellow employees, the Company's stockholders or our customers. This information is also confidential and may not be disclosed without proper authorization. The Company's customers properly expect that this information will be kept confidential. Alps Industries Limited takes any violation of a customer's confidentiality very seriously and will not tolerate such conduct.

8. INSIDER TRADING

Directors and employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" other who might make an investment decision on the basis of this information is not only unethical, but also illegal and may be subject to prosecution by government agencies. The Company's "insider Trading Policy" requires Directors and certain employees to agree in writing to comply with this Company Policy Statement. If you have any questions, please consult with the company secretary.

9. SAFE WORK ENVIRONMENT

The Company strives to provide each employee with a safe work environment. Each employee has responsibility for maintaining a safe workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. The Company has a written policy regarding the reporting of violence in the workplace. Employees should report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of alcohol or illegal drugs in the workplace will not be tolerated.

10. DISCRIMINATION AND HARASSMENT

Alps Industries Limited is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate illegal discrimination or harassment of any kind. Examples of illegal discrimination or harassment include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. The Company prohibits discrimination, including sexual, physical and sociological harassment.

11. COMPETITIVE PRACTICES

The Company is committed to competition on a lawful and ethical basis. You are not permitted to use improper or illegal means of gaining competitive information that is confidential or proprietary information owned by others. You should not use or disclose confidential or proprietary information that you may have from past employment with other employers.

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practice stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing disclosures

of stolen a propriety information or trade secrets by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors, Bankers/FIs and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

12. GIFTS AND GRATUITIES

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee, family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) is not a bribe or payoff and (5) does not violate any laws, regulations or company Policy statements. Please discuss with your superior any gifts or proposed gifts, which you are not certain are appropriate. Employees, including members of their immediate families, should not request or accept any gift, rebate, kickback, compensation or remuneration of any kind (whether in the form of cash, property, services or payment of expenses) from any organization or individual which supplies to, purchases from or competes with the Company, or from any organization or individual with which the company does or is likely to do business.

This prohibition does not apply to routine two-way exchanges of normal business courtesies, which might reasonable be expected to be exchanged in the ordinary course of business. Thus, in certain cases, because of protocol or courtesy, it may appropriate to accept an unsolicited gift of nominal value. As a general guideline for helping you to determine whether any particular gift, entertainment or other benefit is appropriate, you should consider whether it would be consider extravagant or excessive or whether a disinterested third party might infer that it could affect your judgment. If so, the gift, entertainment or other benefit should no be accepted. The receipt of gratuities such as gifts or entertainment of more than nominal value, money loans, vacations, airline tickets or hotel accommodations is prohibited. Under no circumstances whatsoever should any of Alps Industries Limited director / employee accept cash gifts from any supplier or vendor of goods or services to the company. If a gift or gratuity such as those described is received, it should be promptly returned with a polite note explaining that it is contrary to Company policy to accept it.

Similarly, it is also against the Company's policy, and in many instances a violation of law, for payments of gifts to be made or offered by any employee to influence any decision to be made or action to be taken in securing or transacting company business with another individual or organization.

No gift may be given or received except in accordance with those guidelines or with the prior approval of the immediate superior, If you receive any gift, entertainment other benefit which does not comply with the Company's policy, or are unsure whether it complies, it should be reported in writing to the Company's Human Resources Department, which in consultation with the Company Secretary, may

choose to accept the gift on behalf of the Company, determine that it is appropriate for you to keep the gift, or require that the gift be returned.

If you have any concerns or questions regarding the giving or acceptance of gifts or gratuities, we urge you to contact our Human Resources Department or the Company Secretary.

13. PROPER USE OF COMPANY ASSETS

Theft, carelessness, and waste have a direct impact on the company's profitability. All employees and directors will take appropriate actions to protect the Company's assets and ensure their efficient use for legitimate business use.

All employees should endeavor to protect the Company's assets and ensure their efficient use. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, Company developed software and copyrights, as well as business, marketing and service plans, Company developed operating procedures, engineering ideas, designs, databases, records, salary and other employee personnel and health and welfare information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate company policy. It could also be illegal and result in civil or even criminal penalties.

14. POLITICAL CONTRIBUTIONS

The company will make no corporate political contributions to parties or individuals, even where such contribution may be legal, but encourages employees and directors to participate in community affairs and to exercise citizenship responsibilities.

Political activity represents another area where the rules on permissible activities are complex and you could inadvertently run afoul of such rules. As a result, you may not contribute in our Company's name or on our Company's behalf any cash, services or property of any kind for or in support of any political candidate, committee, initiative or activity without the prior express approval of the company secretary or company's legal counsel. No lobbying effort or contract shall be undertaken in our company's name or on our company's behalf without the prior approval of the Board of Directors.

15. CORPORATE OPPORTUNITIES

Employees and Directors are prohibited from taking personal advantage, or enabling others to take personal advantage, of opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors. No employee or Director may use corporate property,

information, or position for improper personal gain, and no employee Director may compete with the Company directly or indirectly. Employees and Directors owe a duty to the Company to advance its legitimate interest when the opportunity to do so arises.

16. INTERNATIONAL RELATIONS AND BUILDING UP THE IMAGE OF THE COUNTRY

As the company is engaged mainly in the export trade which needs the healthy business relations in the overseas market. The production and marketing teams should take full care to meet out the commitments with the overseas buyers, which will be helpful in developing the business of the company as well, the image of our country.

17. FLEXIBILITY

The concept of code of conduct is not static and needs the review from time to time according to the size of the company and nature of the business. It also reflects the perception of the directors, officers and employees of the company with respect to the dedication and work culture of the organization, which needs the up-gradation and innovation in the methods of achieving the goals. We recognize the needs of the hour and our committed to bend ourselves to absorb the company's requirements in future. In view of the same the parameters of code of conduct will be in constant touch of the management of the company and may be modified to achieve the best result for the company.
