



SPML INFRA LIMITED

SPML CODE OF BUSINESS CONDUCT AND ETHICS

PREAMBLE

Sound corporate governance practices and ethical business conduct are the core of SPML's value system. We at SPML have a consistent commitment to the philosophy of transparency, adequate disclosure, fairness to all and independent monitoring & supervision in the conduct of the business operation.

To reflect our continued commitment to the highest standards of truth, integrity transparency and accountability, the Board of Directors of our company has adopted a Code of Business Conduct and Ethics, which applies to the Members of Board of Directors (hereinafter referred to as Board Members) and Senior Management Personnel of the Company, viz. all Functional Heads and all other executives having similar or equivalent rank in the Company. The Code at SPML has been framed to comply with the applicable law and the rules and regulations of the Stock Exchanges on which the securities of the Company are listed.

The Board Members and the Senior Management Personnel must become familiar with this code and conduct themselves accordingly. They shall act in utmost good faith and exercise due care, diligence and integrity in performing their duties.

GUIDELINES FOR CONDUCT OF DIRECTORS

The principal duty of the Board of Directors, along with management, is to ensure that the Company is well managed in the interests of its shareholders. Each director should seek to use due care, diligence and integrity in the performance of his/her duties, be loyal to the Company, act in good faith in a manner such director reasonably believes to be not opposed to the best interests of the Company.

CORPORATE BUSINESS OPPORTUNITIES

In carrying out their duties and responsibilities, the directors and the Senior Management Personnel are prohibited from:

(a) appropriating corporate business opportunities for themselves that are discovered through the use of Company resources or information or their position as directors or employees; and

(b) competing with the Company, directly or indirectly,

except with the permission of the Board of Directors.

A corporate business opportunity is an opportunity (1) which is in the Company's line of business or proposed expansion, (2) which the Company is financially able to undertake and (3) which may be of interest to the Company.

LEGAL COMPLIANCE

In carrying out their duties and responsibilities, the Board Members and the Senior Management Personnel must comply with applicable codes, laws, rules regulations and statutes.

INSIDER TRADING

The Board Members and the Senior Management Personnel shall ensure compliance with the Company's Code of Conduct for Prevention of Insider Trading, formulated as per SEBI (Prohibition of Insider Trading) Regulations, 1992.

PROTECTION OF CONFIDENTIAL INFORMATION

The Board Members and the Senior Management Personnel shall respect the confidentiality of information entrusted by the Company or acquired in the course of employment/association with the Company, except when authorized or legally bound to disclose and not use such information for personal gain or for the advantage of any other person. No information either formally or informally shall be provided to the press or publicity media or other outside agency on matters concerning the Company, except authorized otherwise.

GIFTS AND DONATIONS

The Board Members and the Senior Management Personnel shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended to, or perceived to obtain business or uncompetitive favours for the conduct of its business. However, they may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events.

AVOIDANCE OF CONFLICT OF INTEREST

The Board Members and the Senior Management Personnel shall not engage in any business, relationship or activity which might detrimentally conflict with the interest of the Company or the Group. A conflict of interest occurs when the personal and/or external business interest of the Board Members and the Senior Management Personnel interferes or may interfere with the interest of the Company. Conflicts, if any or potential conflict must be disclosed to higher management for guidance and action as appropriate.

All directors and senior management personnel shall ensure that in their dealings with suppliers and customers, the Company's interests are never compromised. Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the company will be viewed as serious breach of discipline as this could lead to compromising the Company's interests.

PROTECTING COMPANY ASSETS

In carrying out their duties and responsibilities, the Board Members and the Senior Management Personnel shall ensure that they use the Company's assets, properties, information and intellectual rights for legitimate official purpose only or as per the terms of their appointment.

COMPANY FACILITIES

No director and senior management personnel shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

HEALTH, SAFETY AND ENVIRONMENT

The Company attaches great importance to a healthy and safe work environment and is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping. The company shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

NO RIGHTS CREATED

This Code sets forth guidelines for conduct of the senior management officers and directors of the Company. This Code is not an expressed or implied contract

of employment and does not create any contractual rights of any kind between the Company and its officers.

ENCOURAGING THE REPORTING OF UNETHICAL BEHAVIOUR

Directors and senior officers should endeavor to promote ethical behaviour and to encourage employees to report evidence of any actual or possible illegal or unethical behaviour to appropriate Company personnel. It is the policy of the Company to not allow retaliation against any employee who makes a good faith report about a possible violation of this Code.

Suspected violations of this Code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations will be appropriately investigated. A director charged with a violation of this Code should not participate in a vote of a Committee or the Board concerning his/her alleged violation, but may be present at a meeting of the Board or of a Committee convened for that purpose.

Employees should bring to the attention of the Audit Committee of the Company's Board of Directors any questions, concerns or complaints they may have regarding accounting, internal accounting controls or auditing matters.

WAIVERS

Any amendment to this Code must be approved by the Board of Directors. Any waiver of this Code for the benefit of any employees, officer or director of the Company may be made only by the Company's Board of Directors and shall be disclosed promptly as required by applicable laws and regulations including the rules of any exchange on which the Company's securities are listed or traded.

This Code of Conduct has been adopted by the Board of Directors of the Company at its meeting held on 30th June 2006.