

INDIA NIPPON ELECTRICALS LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS

(PREPARED PURSUANT TO CLAUSE 49(I)(D) OF LISTING AGREEMENT
AS REVISED)

India Nippon Electricals recognises ethical and lawful business conduct as basic to the conduct of its business and pursuit of its goals. Accordingly in all business dealings of the Company, the Board will be guided by the following considerations:

1. Act diligently, honestly and in good faith.
2. Take initiatives in advancing the Company's visions and values.
3. Carry out duties as members of the Board and its Committees in the best interests of the Company and its Shareholders.
4. Understand the Company's business and the environment in which it operates, its business goals and its position in the market place.
5. Set apart time necessary to prepare for and meaningfully participate in the meetings of the Board and its Committees.
6. Keep the Board informed of changes in other board memberships or business of other interests that could impinge on the ability to function in the larger interests of the Company.
7. Seek prior approval of the Board for any transaction that could bring about conflict of interests.
8. Respect the need to maintain confidentiality of all information relating to the Company that is not in public domain.
9. Arrive at judgements on issues after all information is presented and discussions completed. Respect confidentiality of information on sensitive issues.
10. Scrupulously observe the requirements of Company Law and Stock Exchanges relating to insider trading.
11. Avoid situations leading to conflict of interests that may arise in the course of association with companies and businesses which are competitors.

INDIANIPPONELECTRICALS LIMITED

CODE OF CONDUCT FOR SENIOR MANAGEMENT

(Prepared pursuant to the revised clause 49(I)(D) of the listing agreement)

This Code lays down the broad principles that should guide the Senior Management of India Nippon Electricals Limited in their day-to-day activities as they pursue the Company's goals and interests. Senior Management of the Company for this purpose means personnel of the Company, not being members of the Board, who are member of the core management team of the Company, consisting of all members of Management including all functional heads and executive committee members. The Code sets out responsibilities that should govern personal conduct, conduct in the workplaces, conduct in the market places, besides larger responsibilities devolving on them as citizens of the world.

1. Personal responsibilities

1.1 Role models

People who lead others need to be ethical role models for employees and foster an environment of trust and co-operation by

- Demonstrating the highest standards of integrity and responsibility when dealing with employees, customers, suppliers and the community;
- Not creating pressure to act in an unethical manner;
- Contributing to a work environment that encourages employees to voice concerns and get help when faced with potentially compromising situations and giving them an opportunity to speak out;
- Avoiding any approval of conduct that may be unethical, dishonest or potentially damaging to the Company's reputation.

1.2 Critical role

Members of the Senior Management are expected to demonstrate their personal commitment to the Company's standards of behaviour and manage their employees according to these standards. They must maintain a workplace environment that ensures compliance with this Code of Conduct and ethics. They should develop their subordinates' capabilities to perform and, in course of time, to lead.

1.3 Reporting with integrity

Members of the Senior Management should attach great importance to the accuracy and completeness of the financial information they report and should be committed to preserving its integrity. The Company's financial, accounting, and other reports and records, including the periodic reports to the stock exchanges, must fairly, accurately and completely reflect all transactions and the financial condition of the Company. Disclosures in its financial statements should also be timely and understandable. In addition, members of the Senior Management should also comply with required statutory accounting practices as well as any Governmental regulations in the countries and localities where the Company does business.

1.4 Adherence to insider trading regulations

Members of the Senior Management should be committed to adhering to SEBI (Prohibition of Insider Trading) Regulations. They should keep the Company informed about the purchase and sale of Company's shares. They should strictly refrain from dealing in Company's shares when the trading window is closed prior to Board meetings. They should make periodical reports to the Compliance Officer about their shareholdings.

They should not divulge any price sensitive information to family members or friends and should also not indulge in short term speculative deals in Company's shares.

1.5 Avoidance of conflict of interest

Members of the Senior Management should avoid putting themselves or any of their family members in any situation that would create conflict between their personal interests and the interests of the Company. They should, inter alia, avoid the following:

- ◆ Receiving money or property from third parties in connection with the Company's business;
- ◆ Having an ownership or other interest in the Company's customers', suppliers' or competitors' businesses, other than ownership of shares publicly issued, which should not be significant;
- ◆ Having an employment or consulting relationship with the Company's customers, suppliers or competitors;
- ◆ Engaging in any outside activity that competes with the Company's business;
- ◆ Supervising, reviewing or having influence over the evaluation, pay or benefits of a close relative employed in the Company;
- ◆ Taking personal advantage of a business opportunity that could affect the interests of the Company.

1.6 Legal compliance

Members of the Senior Management should be committed to obeying all the applicable laws, rules and regulations wherever they do business in the world. Proper employee conduct ensures that all laws are obeyed and that all conduct is ethical and above reproach.

The following principles shall guide their day-to-day behaviour:

- Never do anything that they know would violate law;
- Never do anything that they think might violate law;
- Never use Company's property for their personal gain;
- Never falsify Company's books, reports and records and vouchers;
- Never allow employees to violate any law;
- Take special care to ensure that Company's books, reports etc., and the documentation relating to Company's transactions are accurate and complete;
- Follow Company's policies and procedures in everything they do.

1.7 Respect the individual

Members of the Senior Management should recognise the dignity of the individual. They should respect each employee. In return, they expect that employees will not

- Harass, or discriminate against fellow employees;
- Use drugs and alcohol in the workplace, or work while under their influence;
- Retaliate against any fellow employees who protest or complain about discrimination and harassment;
- Indulge in sexual harassment.

2. Workplace responsibilities

2.1 Safe workplace

Members of the Senior Management must provide a clean workplace as per the Company standards. The workplace must be free from safety or health hazards or disease, and it should be ensured that operational hazards are controlled to prescribed levels.

2.2 Safeguard Company's property

Members of the Senior Management should make efficient and proper use of the assets and resources of the Company, including proprietary information, technology data, software, land, buildings, equipment, inventories and cash. They should use the Company's assets for legitimate business purposes only. They should take care to safeguard the Company's intellectual property rights.

2.3 Information systems

Any information input into the Company's information system is Company's property and no employee has a right to this information. When the Company's information systems are used, members of the Senior Management agree to the Company monitoring and auditing what they put on it and how they use it. The following are considered misuse and abuse of information systems:

- Forwarding or posting content that is abusive, slanderous or defamatory, or which is offensive, harassing, vulgar, obscene or threatening;
- Placing confidential or proprietary Company information on any internet or intranet site without proper authorisation;
- Doing anything else that conflicts with the intent of this policy or other policies of the Company.

2.4 Confidentiality of information

Members of the Senior Management should treat the Company's information confidentially irrespective of its nature, be it in the nature of financial or operating results, business or marketing plans, sales or promotional activity, advertising plans or expenditure, customer lists, information relating to new products, product research, price changes, mergers or acquisitions, securities offerings, management changes, or trade secrets. They will honour this confidentiality while in service and even after retirement.

3. Market place responsibilities

3.1 Customer expectations

Members of the Senior Management will strive to meet or exceed customers' expectations on quality, delivery, integrity and reliability and to satisfy customers' specifications or other requirements.

3.2 Relationship with suppliers

Members of the Senior Management will strive to build long-term relationships with suppliers based on partnership built on mutual trust and confidence.

4. Global responsibilities - Protection of environment

Members of the Senior Management recognise that the Company is committed to environmental excellence in the design, manufacture distribution, recycling and disposal of its products. They should abide by all applicable health, safety and environmental laws and regulations in countries and communities where the Company operates. In all cases, at a minimum, they will

- Communicate honestly and openly with employees, as well as neighbours, customers, shareholders and Government agencies about the nature of the Company's operations and products and their relationship to the environment;
- Identify, control and minimise waste and the use of hazardous materials;
- Continue to design products that are environmentally sound, conserve resources such as water and energy, and minimise the use of hazardous materials;
- Provide appropriate health, safety and environmental training to all employees.

India Nippon Electricals Limited expects its Senior Management to live upto the guidelines articulated in this Code of Conduct. Where there is no stated guideline in the Code, it would be the responsibility of each Member of the Senior Management team to apply his judgement, and adhere to his personal ethical standards in making business decisions for the Company.

(As approved by the Board of Directors at their meeting held on 5th Sep 2005)

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