

**CODE OF BUSINESS CONDUCT
AND ETHICS
FOR
DIRECTORS
AND
SENIOR MANAGEMENT**

Garware Marine Industries Limited ('The Company') considers Corporate Governance as an integral part of good management. The Company has adopted a Code of Business Conduct & Ethics ('the Code').

This Code is applicable to the Board of Directors and Senior Management of the Company. The Board of Directors and members of Senior Management of the Company are required to affirm annual compliance of this code. For the purpose of this Code, 'Senior Management' would comprise members of the management one level below the Board of Directors, including all functional heads.

This Code requires the Directors and Senior Management of the Company to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not allow their independent judgement to be influenced. Directors and Senior Management are expected to act in a manner to enhance and maintain the reputation of the Company.

The principles set forth in this Code are guiding in nature.

Each Director and Senior Management must comply with the letter and spirit of this Code.

COMPLIANCE WITH LAW:

Directors and Senior Management of the Company must respect and comply with all laws, rules and regulations of India. They should strive to keep themselves updated in relation to laws/statutory compliances applicable to their scope of work.

ETHICAL CONDUCT:

Directors and Senior Management of the Company must help to create and maintain a culture of high ethical and professional standards. They are also expected to:

- Conduct themselves in a manner which shall not bring disrepute or tarnish the reputation and image of the Company.

CONFLICT OF INTEREST:

Directors and each Senior Management of the Company should endeavour to avoid any conflict of interests with the Company.

The Directors and each member of Senior Management of the Company must not allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office.

They should not engage in a business, commercial relationship or commercial activity with anyone who is a party to transaction(s) with the Company. Similarly they should not derive a personal benefit or a benefit to any of their relatives by making or influencing decisions relating to any transaction(s).

The Directors and each Senior Management of the Company should act in good faith, responsibly, with due care, competence and diligence. They should abstain from discussions, voting, or in any way influencing decisions on any matter that may come before the Board in which they may have a conflict or potential conflict of interest.

DUTIES OF INDEPENDENT DIRECTOR:

The independent directors shall -

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- seek appropriate clarification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;

- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- act within his/her authority, and assist in protecting the legitimate interests of the company, shareholders and its Senior Management;
- 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.

FAIR DEALING:

Each Director and Member of Senior Management of the Company shall endeavour to deal fairly with the Company's customers, suppliers, dealers, investors and competitors. No Director or Member of Senior Management of the Company should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

CORDIAL RELATIONS:

The Directors and Member of Senior Management of the Company should make all efforts to establish cordial relationships with all stakeholders of the Company with whom they interface, while carrying out their duties for the Company. They should try to make positive contributions to the communities in which they perform such duties.

INTELLECTUAL PROPERTY:

Intellectual Property Rights (IPR) broadly covers patented or potentially patentable inventions, trademarks, service marks, trade names, copyrightable subject matter, and trade secrets. Directors and Senior Management shall make their best efforts to protect all such Intellectual Properties related to the Company, as it is critical to the Company's overall success. It is advisable to highlight and consult the Chairman for advice on the appropriate course of action whenever there is lack of clarity and issue of any kind related to IPR.

GIFTS AND BUSINESS ENTERTAINMENT:

The Directors and each Senior Management of the Company are prohibited from receiving, soliciting or offering any illegal or undue pecuniary or other advantage, (e.g. payments, remuneration, gifts, donation, hospitality) which are intended to obtain any improper business advantage. Directors and Senior Management of the Company may however, honour, accept and offer nominal gifts which are given customarily and are of a commemorative nature. These gifts, given by individuals dealing with the Company to the Directors, should be reported to the Board of Directors if they are of a substantial value.

CORPORATE OPPORTUNITY:

The Directors and Senior Management of the Company shall not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board of Directors declines to pursue such opportunity.

The Directors and Senior Management of the Company are prohibited from:

- personally taking any opportunity that particularly belongs to the Company or is discovered through the use of corporate property, information, or position;
- using corporate property, information, or position for personal gain; and
- competing with the Company.

EQUAL OPPORTUNITY:

The Company provides equal opportunities to Employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or colour-merit being the sole differentiating factor.

If a Director or a Member of Senior Management reasonably believes that a contemplated transaction might be a corporate opportunity or a competitive transaction, the Director or Member of Senior Management should make full disclosure of such transaction to the entire Board through the Chairman/Vice Chairman & Managing Director / Chief Executive Officer (CEO)/Compliance Officer/ Chief Financial Officer and seek Board's authorisation to pursue such transaction.

ENVIRONMENTAL PROTECTION:

The Company strives to preserve the environment by striking a balance between economic growth and preservation of the environment with due concern for ecology.

EMAIL AND INTERNET:

The Company provides email and internet facilities for the purpose of the Company's business. Posting and disseminating Company's information and data on Internet or voice mail or on private networks except for business exigencies is prohibited. The use of Internet facilities for accessing unauthorised, immoral websites from the computers provided by the Company is barred.

USE OF LICENSED SOFTWARE:

The Software used on the Company's equipment(s) must be licensed and legal software. The use of unlicensed software on the Company's equipment(s) is prohibited.

PROTECTION AND PROPER USE OF COMPANY'S ASSETS:

All Directors and Member of Senior Management of the Company should protect the Company's assets from theft, carelessness, and waste which will have direct impact on the Company's profitability and to ensure the Assets efficient use. They should restrain from using the Company's property or position for personal gain.

CONFIDENTIALITY:

The Company's confidential information is a valuable asset. The Company's confidential information includes business information, business plans, list of customers and financial information. All confidential information must be used for Company's business purpose only. Every Director and Member of Senior Management must safeguard confidential information acquired during their association with the Company. *Confidential information, includes all non-public information that might be of use to competitors, or harmful to the Company, if disclosed.*

The Directors and Member of Senior Management of the Company must maintain confidentiality of information and shall not use confidential knowledge for their direct or indirect personal advantage or for the advantage of any other entity in which they have a direct or indirect interest.

ACCURACY OF FINANCIAL RECORDS:

To ensure that all documents are accurate, timely and are properly authorised, financial records are to be maintained in compliance with applicable accounting and financial reporting standards as applicable to the Company.

The Whole-time Director(s) and Member of Senior Management shall ensure that the financial information furnished to the Government / Regulators / Financial Institutions is authentic and accurate.

INSIDER TRADING:

Insider Trading is prohibited Law as well as by the Company's policy.

Directors and their relatives as also Senior Management of the Company and their 'immediate family' shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company, which is not in the public domain and thus constitute insider information. Insider Trading invokes severe penalties under the Regulations issued in India under the Securities and Exchange Board of India (SEBI) Act, 1992. "Price sensitive information" is any information, which relates directly or indirectly to a Company and which, if published, is likely to materially affect the price of Securities of a Company. It is important to note that both positive and negative information could be price sensitive.

Such price sensitive information includes but is not limited to the following:

- Financial information such as profits, earnings and dividends;
- Announcement of new products, developments, etc.;
- Assets revaluation;
- Investment decisions/plan(s);
- Restructuring plans;
- Raising finances;
- Major supplies and delivery agreements; and
- Acquisition/disinvestments of business(es) or units, etc.

The purpose of this policy is to make clear to the Directors and Senior Management of the Company that the misuse of sensitive information is contrary to Company's policy and applicable securities regulation laws of India, as also advice Directors & Members of Senior Management of their legal responsibilities.

Further information on insider trading is outlined in the Company's Code of Conduct for Prevention of Insider Trading'.

ADMINISTRATION AND WAIVER OF INSIDER TRADING POLICY:

This Code can be found on the Company's website at www.garwaremarine.com

Waiver of any provision of this Code for a Director or any Member of Senior Management of the Company may be granted only by the Board of Directors, upon recommendation of the Audit Committee and shall be promptly minuted with the reasons for such actions.

CORPORATE COMMUNICATIONS:

The Company commits itself to open, transparent, impartial and timely information to its shareholders, Senior Management and other stakeholders.

MONITORING COMPLIANCE:

Each Director and Senior Management of the Company is expected to monitor his or her personal compliance with this Code.

An Annual reaffirmation of compliance with this Code is required for all Directors and all members of the Senior Management. This re-affirmation should be submitted to the Secretarial Department in the month of April in each calendar year.

REVIEW AND MODIFICATIONS:

This Code of Business Conduct & Ethics may be reviewed, modified by the Company's Audit Committee/Board of Directors as and when required or deemed necessary.

OUTSIDER'S RECOURSE:

No outsider will have any right or recourse to any action or claim of whatsoever nature against any of the Directors or Senior Management(s) of the Company for the non-compliance of this Code of Business Conduct & Ethics.
