

CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

1. INTRODUCTION

This Code of Conduct (hereinafter referred to as “Code”) is applicable to the Members of the Board (hereinafter referred to as “Directors”) and Senior Management of Nalin Lease Finance Limited (the “Company”). It reflects the Company’s underlying ethical values and commitment to lay standards of integrity, transparency, fairness, accountability and pursuit for excellence.

- 1.2 The purpose of this Code is to demonstrate the ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Management by the stakeholders and business partners. The Directors and Senior Management are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- 1.3 The principles prescribed in this Code are general in nature and lay down broad standards of compliance to Clause 49 of the Listing Agreement with the Stock Exchanges, where the shares of the Company are listed for trading.
- 1.4 It is clarified that this Code is applicable to all Directors, including the Non-Whole time Directors and Senior Management personnel.
- 1.5 The Code comes into force with effect from 1st day of January, 2006.

1.6 All Directors and Senior Management personnel shall sign the acknowledgement form at **Appendix-I** and return the form to the Company Secretary indicating that they have received, read and understood the provisions of the Code, and agree to comply with the same. All Directors and Senior Management personnel shall be required to affirm compliance with this Code on an annual basis, within 30 days of close of every financial year of the Company to the Company Secretary, in the form annexed at **Appendix – II**.

2. **DEFINITIONS & INTERPRETATION**

2.1 In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

“Company” shall mean Nalin Lease Finance Limited.

“Directors” shall mean all the members of the Board of Directors of the Company, including the Non-whole-time Directors.

“Whole-time Directors” shall mean the Board Members who are in whole-time employment of the Company.

“Non-whole-time Directors” shall mean the Board Members who are part-time Directors and not in whole time employment of the Company.

“Senior Management” shall mean “Key Executives” of the Company.

“Relative” shall mean “relative” as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956.

2.2 In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

3. APPLICABILITY

3.1 This Code shall be applicable to the following persons:

- (i) All Directors, and
- (ii) Senior Management

4. KEY REQUIREMENTS

The Directors and Senior Management shall act within the authority conferred upon them in the best interests of the Company and will

- act in the best interest of, and fulfill their fiduciary obligations to the Company and its shareholders;
- act honestly, fairly, ethically and with integrity;
- conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position;
- act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated and
- not hold any positions or jobs or engage in outside business or other interests that are prejudicial to the interests of the Company.

It is clarified that it would not be a conflict of interest for the Director & Senior Management of the Company or members of their immediate family to have dealings in normal course with and to obtain services

from persons or entities who also deal/provide services to the Company, including legal, accounting or brokerage services, loans & services from banks or insurance from insurance companies etc., at rates customary for similarly situated customers.

5. OTHER DIRECTORSHIPS

Unless specifically permitted by the Board, the Board Members shall not serve as Director of any other Company or as Partner of a Firm that is engaged in a competing business with the Company.

All Directors and Senior Management must report/disclose any directorships being held by them to the Board on an annual basis and as and when there is a change therein.

Senior Management Personnel shall obtain prior approval of the Chairman and Managing Director/Managing Director for accepting Directorship of any other Company or partnership of a firm.

6. GIFTS AND DONATIONS

The Directors and the Senior Management shall neither receive nor offer or make, directly or indirectly, any gifts, donations or comparable benefits which are intended to or perceived to obtain undue favours in the transactions detrimental to the interest of the Company, except for nominal value, which are customarily given and are of commemorative nature for special events and should never be of a kind that could create an appearance of impropriety.

7. PUBLIC REPRESENTATION

The Company honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing information in relation to the Company's activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorized directors and employees. It will be the sole responsibility of these authorized representatives to disclose Company related information.

8. INSIDER TRADING

The Directors and Senior Management shall comply with the Code of Internal Procedures and Conduct in dealing with the securities of the Company as applicable from time to time.

9. CONFIDENTIALITY OF INFORMATION

Any information concerning the Company's business, its customers, suppliers, etc. to which the Directors and Senior Management have access or which is possessed by the Directors and Senior Management, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless (i) specifically authorized; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws.

10. REGULATORY COMPLIANCE

Every Director and Senior Management shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter

and in spirit, in all the territories in which he or she operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the Standards of the Code shall prevail.

11. HEALTH, SAFETY AND ENVIRONMENT

The Directors and Senior Management shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

12. PROTECTION OF ASSETS

The Directors and Senior Management of the Company shall employ the assets of the Company and for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers etc.

13. NATIONAL INTEREST

The Directors and Senior Management shall be committed in all their actions to benefit the economic development of the countries in which they operate. They will not engage in any activity that would adversely affect such an objective. They will not undertake any project or activity to the detriment of the nation's interest, or those that will have any adverse impact on the social and cultural life patterns of its citizens. The Directors and Senior Management shall conduct their business affairs in accordance with the economic development and foreign policies, objectives and priorities of the National Government, and will

strive to make a positive contribution to the achievement of such goals at the international, national and regional level, as appropriate.

14. FINANCIAL REPORTING AND RECORDS

The Directors and Senior Management will prepare and maintain their accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company or its subsidiaries conducts its business affairs.

15. COMPETITION

The Directors and Senior Management will fully strive for the establishment and support of a competitive, open market economy and will co-operate in the efforts to promote the progressive and judicious liberalization of trade and investment by a country. Specially, the Directors and Senior Management will not engage in activities, which generate support unfair trade practices.

16. EQUAL OPPORTUNITIES EMPLOYER

The Directors and Senior Management will provide equal opportunities to their employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. The Employees of the Company will be treated with dignity and in accordance with the values/policies of the Company to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

17. POLITICAL NON-ALIGNMENT

The Directors and Senior Management will be committed to and support a functioning democratic constitution and system with a transparent and

fair electoral system in India. The Directors and Senior Management will not support, directly or indirectly, any specific political party or candidate for political office.

18. QUALITY SERVICES

The Directors and Senior Management will be committed to render services of the highest quality standards, backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the Company's services should meet the required international standards.

19. CO-OPERATION WITH ASSOCIATE/GROUP COMPANIES

The Directors and Senior Management will co-operate with other Associate/Group Companies by sharing physical, human and management resources as long as this does not adversely affect their business interests and shareholder value.

20. ETHICAL CONDUCT

The Directors and Senior Management will deal on behalf of the Company with professionalism, honesty and integrity, as well as high moral and ethical standards. Such conduct will be fair and transparent and be perceived to be as such by third parties.

21. SHAREHOLDERS

The Directors and Senior Management will be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The Board of Directors of the Company will duly and fairly inform the shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

22. INTEGRITY OF DATA FURNISHED

The Directors and Senior Management will ensure, at all times, the integrity of data of information furnished by him or her to the Company.

23. REPORTING CONCERNS

The Directors and Senior Management will promptly report to the management any actual or possible violation of this Code, or any event he or she becomes aware of that could affect the business or reputation of any unit of the Company. The Directors and Senior Management will inform to the Chairman and Managing Director, Managing Director or Company Secretary about the situation or circumstance which they believe, may lead to a violation of Code.

24. AMENDMENTS TO THE CODE

The provisions of this Code can be amended/modified by the Board of Directors of the Company from time to time in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise and all such amendments/modifications will take effect from the date stated therein. All Directors and Senior Management will be duly informed of such amendments and modifications.

25. PLACEMENT OF THE CODE ON WEBSITE

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendments thereto shall be posted on the website of the Company.

26. ENFORCEMENT OF CODE OF CONDUCT

All Directors and/or Senior Management will be accountable for fully complying with this Code.

27. CONSEQUENCES OF NON-COMPLIANCE OF THIS CODE

27.1 In case of breach of this Code by the Directors, the same will be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary.

27.2 In case of breach of this Code by the Senior Management, the same will be dealt with by Chairman and/or Managing Director in accordance with the Rules of the Company.

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ACKNOWLEDGEMENT FORM

I, _____ have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL" ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code.

Signature :

Name :

Designation :

Date :

Place :

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ANNUAL COMPLIANCE REPORT*

I, _____ do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the “CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL” during the financial period ending 31st March, 2006

Signature :

Name :

Designation :

Date :

Place :