

**CODE OF CONDUCT
FOR
DIRECTORS AND SENIOR MANAGEMENT
OF
MALU PAPER MILLS LTD.**

I. INTRODUCTION

This Code of Conduct has been adopted by the **Board of Directors** of **Malu Paper Mills Limited** for its members and the Senior executives one level below, the Directors, including all functional heads (hereinafter referred to as “Specified employee”).

The Code has been framed in Compliance with the provisions of Clause 49 of the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai (the “Stock Exchanges”);

II. GUIDELINES FOR CONDUCT

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. The Board of Directors plays the central role in the Company’s governance.

Each director and Specified Employees seek to use due care in the performance of his/her duties, be loyal to the Company, act in good faith and in a manner not opposed to the best interests of the Company. A Director and Specified employee should seek to also:

- Make reasonable efforts to attend Board and committee meetings;
- comply with all applicable laws, regulations, confidentiality obligations and corporate policies of the Company; and
- be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors

In carrying out their duties and responsibilities, Directors and Specified employees should avoid:

- appropriating corporate business opportunities for themselves that are discovered through the use of Company property or information or their position as Directors and Specified employees;
- using Company property or information, or their position as Director and Specified employees, for personal gain; and
- Competing with the Company.

III. CONFLICTS OF INTEREST

- Each Director and Specified employee should endeavor to avoid having his or her private interests interfere with (i) the interests of the Company or (ii) his or her ability to perform his or her duties and responsibilities objectively and effectively.
- They should avoid receiving, or permitting members of their immediate family to receive, improper personal benefits from the Company, including loans from or guarantees of obligations by the Company, except as may be provided in their employment contract.
- They should make a full disclosure to the entire Board of any transaction or relationship that such a Director and Specified employee reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions or relationships.

IV. COMPANY PROPERTY

In carrying out their duties and responsibilities, Directors and Specified employees should endeavor to ensure that management is causing the Company's assets, proprietary information and resources to be used by the Company and its employees only for legitimate business purposes of the Company.

V. CONFIDENTIAL INFORMATION

Director and Specified employees should maintain the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is in the public domain.

The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of any Director and Specified employees or anyone other than the Company. These obligations apply not only during a Director's and Specified employee's term, but thereafter as well.

VI. FAIR DEALING

In carrying out their duties and responsibilities, Director and Specified employees should endeavor to deal fairly, and should promote fair dealing by the Company, its employees and agents, with customers, suppliers and employees.

Director and Specified employees should not seek to take unfair advantage of the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

VII. COMPLIANCE WITH LAWS AND REGULATIONS

In carrying out their duties and responsibilities, Directors and Specified employees should comply, and endeavor to ensure that the management is causing the Company to comply, with applicable laws, rules and regulations. In addition, if any Director and Specified employee becomes aware of any information that he or she believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Company or the operation of its business, by the Company, any employee or another Director and Specified employee, then such Director and Specified employee should bring such information to the attention of the Chairman of the Audit Committee.

VIII. INSIDER TRADING

Director and Specified employees should observe all applicable laws and regulations including the Company policies and Codes as applicable to them with respect to the purchase and sale of the Company's securities.

It is the responsibility of each Director and Specified employee to become familiar with and understand these laws, regulations, policies and codes and should seek further explanations and advice concerning their interpretation, if required.

Any waiver of or amendments to the Company's policies or Codes may be made only by the Company's Board of Directors and will 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.

Director and Specified employees should direct questions regarding the application or interpretation of these guidelines to the Company Secretary/ Compliance Officer.

IX. NON-COMPLIANCE

Suspected violations of this Code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations should be appropriately investigated.

A Director and Specified employees charged with a violation of this Code should not participate in or vote on the matter in the meeting 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.

Any waiver of this Director and Specified employees' Code must be approved by the Board of Directors and publicly disclosed if required by any applicable law or regulation.

X. AMENDMENTS TO THE CODE

The provisions of this code can be amended and modifies by the Board from time to time and all such amendments and modifications shall take effect from the date stated therein. All Board Members and Senior Officers shall be duly informed of such amendments and modifications.

XI. AFFIRMATION OF COMPLIANCE OF THE CODE

As required under Clause 49 (D) (ii) of the Listing Agreement, all Senior and managerial personnel shall affirm compliance with the Code on an annual basis.

Sd/-
Bhanwarlal Malu
Chairman