

THE RUBY MILLS LIMITED

CODE OF CONDUCT

FOR

DIRECTORS AND SENIOR MANAGEMENT

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL
[Under Clause 49 of the Listing Agreement]

A Code of Conduct applicable to all Board Members and Senior Management Personnel comprising of senior officials one level below the Executive Director including all Functional Heads.

INTRODUCTION

As per the revised Clause 49 of the Listing Agreement pertaining to Corporate Governance, the Company has to evolve and implement a 'Code of Conduct' for all members of the Board and Senior Management (hereinafter collectively referred as 'Officers'). All the Board members and Senior Management personnel shall abide and affirm the compliance of the Code of Conduct on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director of the Company.

Explanation: For this purpose, the term "senior management" shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

This Code of Conduct of the Company shall be known as "The Ruby Mills Limited - Code of Conduct" (hereinafter referred as "**The Code**"). This Code has been made pursuant the SEBI directives and Stock Exchange Listing Agreement. Wherever there is any variation between the provisions of the Code and the provisions of Listing Agreement, as amended, the provisions of the listing agreement would prevail over the provisions of the code.

The objective of the Code is to ensure compliance with legal requirements and set standards for business conduct so that concerned officers act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working for and on behalf of the Company.

This Code of Conduct reflects the business practice and principles of behavior that supports the commitment. This Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. The code has been laid down to be complied both in letter and spirit by the Directors and Senior Management. Any violation / suspected violation of the code have to be promptly communicated to the Compliance Officer of the Company which would be taken up in the meetings of the Board of Directors.

This code is subject to periodic review by the Board of Directors. The Directors and Senior Management shall make a confirmation to the Compliance Officer of the Company within 15 days from the date of closure of the financial year in the format specified in the Annexure II to this code that they have read and will comply with this Code.

Please sign the acknowledgment form as per Annexure I at the end of this Code of Conduct and return the form to the Company Secretary indicating that you have received, read, understood and agreed to comply with the Code.

PREAMBLE:

Integrity and business ethics of high standard are the virtues on which foundation of the Company is laid. The Company has been practicing the same since the commencement of business operations. This code is specifically prepared in accordance with the requirements of Clause 49 of the Listing Agreement. It may be amended, subject to the approval of the Board of Directors of the Company, if and when required either to comply with any modification in statute / guideline or in the interest of business of the Company.

NON-COMPLIANCE OF CODE:

Suspected violation of this Code by a Senior Management Personnel shall be reported to Managing Director or Executive Director of the Company and that by a Member of the Board shall be reported to the Chairman of the Board. All reported violations shall be appropriately investigated. In case of violation, the extent of disciplinary action will be determined through reasonable application of the text and also depend on factors such as seriousness of the violation, the intent behind any such violation whether there has been a pattern of improper conduct and the effect of such improper conduct on employees, their morale or on the Corporate Governance system of the Company.

AFFIRMATION OF COMPLIANCE:

The Members of the Board and Senior Management Personnel shall affirm the compliance with this Code on annual basis by signing a confirmation that they have read and complied with this code. The affirmation shall be given immediately after the end of the financial year. The Annual Report of the Company shall carry a declaration to this effect signed by the Managing Director of the Company.

TEXT OF CODE OF CONDUCT

1. GOOD CORPORATE CITIZENSHIP

The company's business also provides for the practice of good corporate citizenship as a prerequisite and embraces the following:

a. Dealing with People in the Organisation

In dealing with each other, directors, senior management and employees shall uphold the following values - trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self respect and human dignity.

b. A Gender Friendly Workplace

As a good corporate citizen, the Directors and Senior Management should be committed to a gender friendly workplace. It seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the workplace and institute good employment practices.

c. Relationships with Suppliers and Customers

All directors, senior management and employees shall ensure that in their dealings with suppliers and customers, the Company's interests are never compromised. Accepting gifts and presents of more than a nominal value, gratuity payments and other payments from suppliers or customers will be viewed as serious breach of discipline as this could lead to compromising the Company's interests.

d. Legal Compliance

It is the Company's policy to comply fully with all applicable laws and regulations. Ensuring legal and regulatory compliance is the responsibility of the Board. The Board cannot accept practices which are unlawful or may be damaging to its reputation.

e. Environment Policies

The Board and Senior Management should strive towards best Practices in environmental matters arising out of its business activities and expect each business to fully demonstrate this commitment. In addition to complying with applicable laws and regulations, Businesses must establish procedures for assessing the environmental effects of their present and future activities.

PERSONAL CONDUCT

All directors, senior management and employees have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company at all times. They are expected to demonstrate exemplary personal conduct through adherence to the following:

a. Avoidance of Conflict of Interest

All directors, senior management and employees must avoid situations in which their personal interest could conflict with the interest of the Company. The Directors and Senior Management shall, from time to time, inform the Chairman of changes in their interests that may interfere with their ability to perform their duties, and in the case of "independent directors", impact their independence as a Board member. The Chairman shall accordingly decide the position with respect to the individual and suggest accordingly.

b. Transparency and Audit ability

All directors, senior management and employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise.

c. Protection of Confidential Information

No director, senior management and employee shall disclose or use any confidential information gained in the course of employment/ association with the Company for personal gain or for the advantage of any other person. No information either formally or informally shall be provided to the press, other publicity media or any other external agency except within approved policies.

d. *Company Facilities*

No director, senior management and employee 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.

e. *Leading by Example*

The organisation's directors and senior management set the professional tone for the Company. Through both their words and their actions, the organisation's leadership conveys what is acceptable and unacceptable behavior. The directors, senior management and employees must constantly reinforce through their actions and behavior that the organisation's stated beliefs of responsible corporate citizenship are rooted in individual conviction and personal integrity.

WAIVERS

Any waiver of any provision of this Code of Conduct for a director or senior management must be placed for approval before the Company's Board of Directors.

DISCLAIMER

This document is disclosed only to the recipient to whom this document is addressed and is pursuant to a relationship of confidentiality under which the recipient has obligations of confidentiality. The recipient, by receipt of this document, acknowledges that this document is confidential information and contains proprietary information belonging to The Ruby Mills Limited and further acknowledges its obligation to comply with the provisions of this notice.

Adopted by the Board of Directors of **The Ruby Mills Limited** as of **9th May, 2011**.

ANNEXURE I

FORMAT FOR ACKNOWLEDGEMENT OF THE CODE

I, _____ (Name), Director/Senior Manager/ Functional Head of **The Ruby Mills Limited**, hereby confirm that I have read the Code of Conduct applicable to Directors and Senior Management of the Company and that I acknowledge and accept the scope and extent of the code as adopted by the meeting of the Board of Directors dated 9th May, 2011.

(Signature)

Date:

ANNEXURE II

**ANNUAL CONFIRMATION OF COMPLIANCE WITH
THE CODE OF CONDUCT**

I, _____ (Name), Director/Senior Manager/Functional Head of **The Ruby Mills Limited**, hereby confirm that I have read the Code of Conduct applicable to Directors and Senior Management of the Company and that I have complied with the requirements of this Code during the period _____ to _____.

(Signature)

Date: