



CODE OF BUSINESS ETHICS & CONDUCT

Birla Precision Technologies Limited

B-15/4, MIDC, Waluj, Aurangabad-431133.

Phone : 0240 - 2554408, 2554301,
2554300, 2554945 (4 Lines)

Fax : 0240 - 2554302

Website : www.birlaprecision.com

Table of Contents

Contents	Page No.
Ethics is Good Business	1
Fair Dealing	1
Compliance with Laws, Rules and Regulations	2
Prohibition of Fraud	2
Equal Opportunity	2
Harassment-Free Workplace	3
Confidential Information Regarding Directors, Officers and Employees	3
Environmental, Health and Safety	3
Conflicts of Interest	4
Product Integrity	6
Gifts and Bribes	6
Corporate Opportunities	6
Antitrust and Fair Trade	7
Export Controls	7
Public Disclosures, Inside Information and Company Stock Trading	8
Protection and Proper Use of Company Assets	10
Political Activities and Contributions	10
Environmental, Health and Safety	11
Accounting and Auditing Matters	12
Protection of Confidential Information	12
Intellectual Property	13
Doing the Right Thing	13
Problem Reporting and Resolution	14
No Retaliation	15
Consequences of Violations	15
Distribution	15
Waivers	15
International Coverage	16

ETHICS IS GOOD BUSINESS

Our policies are designed to proactively promote ethical behavior, to protect the valued reputation of our Company and our directors, officers and employees, to help us operate as good corporate citizens around the world and to continue to demonstrate that we can be successful while maintaining Birla Precision Technologies Ltd.'s values, which have served us well over the years.

Birla Precision Technologies Ltd. expects to be successful in the marketplace because of the quality and integrity of our directors, officers and employees and the products and services we provide. We expect our customers, suppliers, business partners and others with whom we do business to operate similarly.

Each of us is responsible for our own actions and for complying with the policies set forth in this Code. Personal consequences for violations of this Code are serious and can include termination and/or legal action.

FAIR DEALING

As a responsible company, we recognize that our continuing success depends on the contributions and effectiveness of all of our directors, officers and employees around the world. Maintaining an atmosphere in which this success is assured requires strict adherence to the highest standards of conduct in all of our relationships.

All of our dealings with fellow directors, officers, employees, customers, suppliers, competitors, visitors, neighbors in the communities in which we operate and any others with whom we come in contact as representatives of Birla Precision

Technologies Ltd. are based on mutual respect, trust and honesty, and we must endeavor to treat such individuals fairly. We must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, intentional misrepresentation of facts of any other unfair practice.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Birla Precision Technologies Ltd. takes a proactive stance on compliance with all applicable laws, rules and regulations of national, state, provincial and local governments, and other appropriate private and public regulatory agencies. Accordingly Birla Precision Technologies Ltd. requires its directors, officers and employees to comply with all applicable laws, rules and regulations, including insider trading and antitrust laws, as discussed elsewhere in this Code. Birla Precision Technologies Ltd. also requires its directors, officers and employees to comply with the following :

Prohibition on Fraud :

We must adhere to honesty as the best policy. Birla Precision Technologies Ltd. strictly prohibits any fraudulent activity, including any act that constitutes cheating, stealing, deceiving or lying. We must act in good faith, responsibly, with due care, competence and diligence, without intentionally misrepresenting facts or allowing independent judgment to be subordinated.

Equal Opportunity :

Birla Precision Technologies Ltd. operates under sound and legal personnel policies. Our objective is to be equitable and fair in the treatment of all directors, officers and employees in all situations. This includes, but is not limited to, the following:

- The selection and placement of any individual is based on that individual's qualifications, without regard to race, religion, national origin, sex, age or disability.
- Compensation is in accordance with an individual's contribution to Birla Precision Technologies Ltd., without regard to race, religion, national origin, sex, age or disability.

Harassment-Free Workplace :

Everyone's continuing commitment is needed to maintain an environment that is free of any form of discrimination or harassment. All employment-related decisions must be based on the needs of the business, individual qualifications, ability, contribution and demonstrated performance.

Confidential Information Regarding Directors, Officers and Employees :

In conducting business, it is necessary to collect, maintain and use personal information about directors, officers and employees. Whether by paper or electronic files, only job-related information and personal information related to business, benefits and legal purposes will be collected and maintained. This information will be maintained on a strictly confidential basis, and the privacy of the individual is respected and protected. The use or disclosure of any of this information is limited to required business or legal purposes.

Environmental, Health and Safety :

The safety and health of all directors, officers and employees is a shared responsibility. We make every effort to provide a workplace free of recognized hazards and to maintain facilities free of the hazards of impairment from the influence of drugs or alcohol.

In all of our relationships, we live within the letter and the spirit of the law. Beyond the law, the best rule to follow is to treat others as you would want to be treated.

CONFLICTS OF INTEREST

It is the policy of Birla Precision Technologies Ltd. that no director, officer or employee may engage in any activity that gives rise to an actual or perceived conflict of interest unless such conflict of interest is disclosed to Birla Precision Technologies Ltd. and approved by the Law Department after consultation with such members of senior management as appropriate or with respect to directors and officers, is approved by the Board of Directors or the Nominated Corporate Governance Committee.

To make the best choices, we must remember that our loyalties are with Birla Precision Technologies Ltd. and that we must avoid situations resulting in divided loyalties. We must act with honesty and integrity, avoiding actual or perceived conflicts of interest in personal and professional relationships. A conflict of interest occurs when an individual's private interest interferes in any way, or even appears to interfere, with the interests of Birla Precision Technologies Ltd. as a whole. In the performance of our responsibilities, our first obligation and loyalty is to Birla Precision Technologies Ltd.. In dealing with customers, suppliers, rivals or competitors, we must not engage in activities that may make it difficult to perform our work objectively and effectively or, directly or indirectly, cast doubt or create even the appearance that we cannot act with complete objectivity concerning the best interests of Birla Precision Technologies Ltd..

Conflicts of interest may include, but are not limited to, the following :

- Receiving improper personal benefits for an individual or such individual's family as a result of your position at Birla Precision Technologies Ltd.
- Holding an ownership interest (other than a nominal amount of stock in a publicly-traded company) in any supplier, customer or competitor of Birla Precision Technologies Ltd.
- Lending money to, or borrowing money from, individuals or concerns that do business with or compete with Birla Precision Technologies Ltd., except transactions with banks or other financial institutions in accordance with normal business practices.
- Engaging in any outside business activity that is competitive with Birla Precision Technologies Ltd.'s Business.
- Receiving any gifts, gratuities, or excessive entertainment fees or payment from any party with which Birla Precision Technologies Ltd. has business dealings, except for commonly distributed items of nominal value that are given for promotional purposes and that conform to customary industry practices. (Any gifts that are not of nominal value must be returned immediately and reported to a supervisor. If an immediate return is not practical, the item or items should be given to Birla Precision Technologies Ltd. for charitable disposition.)
- Accepting outside employment that adversely affects your work for Birla Precision Technologies Ltd.
- Serving on a board of directors of any customer, supplier or competitor of Birla Precision Technologies Ltd., unless such service has been disclosed to Birla Precision Technologies Ltd. and approved by senior management.
- Using confidential information obtained during your affiliation with Birla Precision Technologies Ltd. for personal gain or for the benefit of others.

PRODUCT INTEGRITY

Birla Precision Technologies Ltd. products must meet all specifications. There can be no unauthorized substitutions.

Birla Precision Technologies Ltd. strives to be the supplier of choice and is committed to providing the best quality, delivery and service. Our reputation depends on diligent adherence to customer and contractual specifications. Any unauthorized deviation could violate the contract and our customer's faith in the integrity of our products.

GIFTS AND BRIBES

Birla Precision Technologies Ltd. policy prohibits offering, soliciting, giving or accepting bribes or kickbacks, or transferring or receiving money or anything of value which could improperly influence conduct. Punishment is particularly severe for improper payments involving government officials. Occasional business meals, social events or souvenirs of nominal value may sometimes be appropriate if reasonably limited in cost and frequency. Specific rules and prohibitions apply to business conducted with government agencies such as the Department of Defense. Special care must be taken to understand and comply with these rules.

CORPORATE OPPORTUNITIES

Directors, officers and employees of Birla Precision Technologies Ltd. owe a duty to Birla Precision Technologies Ltd. to advance the Company's interests when the opportunity arises. Accordingly, no director, officer or employee may:

- Take for himself or herself opportunities that are discovered through the use of corporate property or information or such person's position

- Use corporate property, information or such person's position for personal gain.
- Compete, directly or indirectly, with Birla Precision Technologies Ltd.

ANTITRUST AND FAIR TRADE

Governments have established antitrust and fair trade laws to protect and promote competition. The most serious infractions usually involve collusion among competitors. In some countries, violations of these laws can result in criminal penalties. Whenever legitimate contact with competitors is contemplated, you should seek advice from the Law Department before proceeding.

Birla Precision Technologies Ltd. policy prohibits :

- Working with competitors to fix prices or to allocate markets or customers
- Attempts to control the prices at which the Company's distributors or other customers resell our products to others.
- Agreements with another person or business not to do business with a third party.

Significant business relationships should not be abruptly terminated, especially when new partners are intended to be substituted, without first seeking advice from the Law Department. The best approach is to limit contact with competitors and when contact is necessary, to avoid discussions about prices or any of the prohibited activities listed here.

EXPORT CONTROLS

There are many instances of controls and restrictions on the import and export of our products, services and technical

information. Special restrictions apply to products that could have military applications. In some cases, there are absolute prohibitions or embargoes against trade between some countries and entities. These controls and restrictions also apply to overseas branches, subsidiaries and affiliates if any Economical, political and military events, over which we have no control, can cause rapid changes in these trade restrictions.

Birla Precision Technologies Ltd.'s Law Department maintains current information on these trade restrictions and publishes the Birla Precision Technologies Ltd. Corporate Export Policy and related information, which you should consult regularly before doing business in other countries and with certain entities. When new opportunities present themselves, you should review the Corporate Export Control Policy and consult with the Law Department before acting.

PUBLIC DISCLOSURES, INSIDE INFORMATION AND COMPANY STOCK TRADING

Because Birla Precision Technologies Ltd. stock is publicly traded, there are specific rules about trading and the disclosure of information, which must be observed by all directors, officers and employees. We must all strive to ensure full, fair, accurate, timely and understandable disclosure in reports that we file with the Securities and Exchange Board (SEBI) and in other public communications.

Applicable law also regulates the manner in which we use and disclose inside information, which primarily includes any material information about the Company that could affect the market price and investor decisions about the Company that could affect the market price and investor decisions about our stock. Certain individuals will have access to inside

information about Birla Precision Technologies Ltd., which could include the Company's financial performance, negotiations about acquisitions or divestitures, major R & D or new product breakthroughs and the like. This inside information must be held in strict confidence, except when we are authorized or legally obligated to disclose the information.

It is both illegal and against our policy for any individual to profit from undisclosed information relating to Birla Precision Technologies Ltd.. Anyone who is in possession of any material inside information that Birla Precision Technologies Ltd. has not yet disclosed to the public may not buy or sell Birla Precision Technologies Ltd. stock, or advise others to buy or sell Birla Precision Technologies Ltd. stock, until the information has been released to the public and enough time (at least 48 hours) has passed to allow investor reaction in the stock market. For example, we must never disclose financial information to anyone outside the Company, including the media, except as expressly authorized. Enquiries of this type should always be referred to the Chief Financial Officer or Investor Relations.

Our policy also prohibits any director, officer or employee from buying or selling, or advising others to buy or sell the securities of any company, including suppliers, competitors or customers, based on information we have that has not been publicly disclosed.

It is clearly against Birla Precision Technologies Ltd. policy, and possibly illegal as well, to trade the Company's securities or the securities of any other company in a way that attempts to hide the true identity of the trader or to mislead others as to

the identity of the trader. Any individual trading in the Company's securities using fictitious names, names of relatives or friends, or brokerage accounts under fictitious names located in foreign jurisdictions shall be subject to immediate disciplinary action. Similarly, closely related family or household members cannot buy or sell company securities when they have inside information.

The regulations on stock trading and disclosure are sensitive and complex. If you have any questions, you should consult with the Law Department before acting.

PROTECTION AND PROPER USE OF COMPANY ASSETS

All directors, officers and employees should protect Birla Precision Technologies Ltd.'s assets and ensure their efficient and responsible use. Theft, carelessness and waste have a direct impact on Birla Precision Technologies Ltd.'s profitability and therefore all of Birla Precision Technologies Ltd.'s assets should be used for legitimate business purposes.

No employees, officer or director may use Birla Precision Technologies Ltd. property or services for any personal benefit or the personal benefit of anyone else. Birla Precision Technologies Ltd. realizes that sometimes the line between personal and company benefits is difficult to determine. The only prudent course of conduct for us is to ensure that any use of Birla Precision Technologies Ltd. property or services that is not solely for the benefit of Birla Precision Technologies Ltd. is approved beforehand by the Law Department.

POLITICAL ACTIVITIES AND CONTRIBUTIONS

Birla Precision Technologies Ltd. encourages individual participation in the political process, and recognizes and respects that this is a matter of personal choice. Since our

time at work should be devoted to handling our responsibilities, our policy and, in certain cases law prohibits the use of employees time at work for political activities.

For similar reasons, and to avoid any appearance of conflicts of interest, our policy also prohibits the use of Company property and assets for political activities and the payment of corporate funds to any political party, candidate or campaign. Any employee, director or officer who has any question about what is or is not proper should consult with the Law Department before engaging in any activity that could be construed as involving Birla Precision Technologies Ltd. in any political activity, including any monetary contributions, at either of the federal, state, or local levels, or in any foreign country.

ENVIRONMENTAL, HEALTH AND SAFETY

We make every effort to conduct our business so that our worldwide operations and products do not harm the environment or endanger the health and safety of our employees, customers or the public, and do comply with all applicable laws. We provide our employees and the public with information regarding the environmental, health and safety effects of our products and workplace materials, as well as information on how to handle and use them safely.

Our policy requires strict adherence to laws, regulations and company procedures concerning the handling, use, transportation, storage and disposal of chemicals and hazardous substances. Questions concerning the interpretation of environmental, health and safety issues should be directed to the office of Environmental, Health and Safety or the Law Department.

ACCOUNTING AND AUDITING MATTERS

Our financial statements and the books and records on which they are based must accurately reflect all Company transactions. Our policy requires that all receipts and disbursements of funds must be accurately recorded and that our records disclose the nature and purpose of all transactions.

It is also our policy to cooperate fully with internal and external auditors and to disclose to them all required information on a timely, complete and accurate basis so that they can help us to ensure compliance with these principles. No person acting on behalf of the Company may attempt to influence, coerce, manipulate or mislead any auditor or accountant engaged in an audit of the Company.

The Company's Audit Committee oversees this area. If you have concerns regarding questionable accounting or auditing matters, you may report your concerns to the Company Secretary on corporate office address.

PROTECTION OF CONFIDENTIAL INFORMATION

Confidential information represents important Company assets and, often, competitive advantages, which we need to protect for the benefit of the Company and all its employees. Directors, officers and employees must maintain the confidentiality of information entrusted to them by Birla Precision Technologies Ltd. and its customers, except when disclosure is authorized or legally mandated. We must not use confidential information acquired in the course of our work for our personal advantage. Confidential information includes all non-public information regarding, directly or indirectly, Birla

Precision Technologies Ltd. For example, confidential information may include certain technical specifications, product compositions, business plans, non-published financial information, manufacturing methods and processes, customer and employee lists, and computer software.

It is our policy to limit access to this information to those employees who need it to do their jobs and to prohibit the release of this information to anyone outside of the Company without specific authorization from the appropriate manager and the completion of a confidentiality agreement by the person or firm to whom the information is to be provided.

INTELLECTUAL PROPERTY

Patents, copyrights, trademarks and trade secrets are also important and valuable Company assets. It is our policy to protect and respect these assets.

While Birla Precision Technologies Ltd. sometimes allows others to purchase or use its intellectual property through formal agreements, we should all be alert to and report the unauthorized use of our business assets by others. It is also our policy to respect the assets of others. We prohibit the infringement of patents, copyrights, trademarks, computer software, protected writings, products or processes and similar business property rights of others. We do not copy or use these assets without prior formal authorization.

DOING THE RIGHT THING

The principles set forth in this Code cannot identify all situations that require reporting and corrective action. They are intended to alert us all to potential problem situations and to give us all a better understanding of what is expected of us

as directors, officers or employees in our business conduct. Problems in these areas can lead to adverse publicity and damage to our reputation, loss of customers, litigation, distractions from doing our jobs, unnecessary expense and even criminal fines or imprisonment.

Birla Precision Technologies Ltd. directors, officers and employees want to do the right thing and they should be familiar with the laws and policies concerning standards of business conduct that apply to their jobs. Understanding these guidelines and the laws and regulations that apply wherever we do business is essential to the success and well-being of the Company, employees and their families, customers, suppliers, shareholders and neighbors in the communities in which we live and work.

Problem Reporting and Resolution :

Trust your instincts. If you encounter a situation that makes you uncomfortable, there may be a real problem, which can be avoided or controlled if you seek prompt assistance. Consult your supervisor, human resources representative, company lawyer, financial controller, or any manager or other employee you trust.

If you have knowledge of any activity that is or may be a violation of this Code, you must report such activity promptly to Company Secretary and or Birla Corporate Office at

YB Group of Companies
Corporate Office
Dalamat House,
1st floor, Nariman Point,
Mumbai 400 021.

Phone : 022-22821173 - 74
Fax : 022-22047835
email : zenith@bom3.vsnl.net.in

No Retaliation :

If, in good faith, you report a suspected violation of this Code or ask questions regarding this Code, you will not be subject to retaliation for doing so. No disciplinary or other retaliatory action will be taken against any director, officer or employee for informing the Company of any violations of this Code.

Consequences of Violations :

Violations of this Code are subject to discipline. In some cases, discipline will include discharge. In addition, Birla Precision Technologies Ltd. may have a legal obligation to bring violations of the Code to the attention of appropriate enforcement authorities (as some violations are also violations of the law). In such cases, civil or criminal penalties may also be imposed.

Distribution :

Every director, officer and employee of Birla Precision Technologies Ltd. will receive a copy of this Code and be asked to sign a statement acknowledging receipt and review of the Code.

Waivers :

While most of the policies contained herein must be strictly adhered to, in certain cases, exceptions may be possible. Any director, officer or employee who believes that an exception to any of these policies is appropriate in his or her case should contact his or her immediate supervisor or the Law Department. Any waiver of this Code as it relates to directors or senior officers may only be made by the Board of Directors of Birla Precision Technologies Ltd. or the Nominating / Corporate Governance Committee.

International Coverage :

This Code is not based entirely on the laws, regulations or rules of any particular country. As a global company, we must be sensitive to the requirements of doing business in many countries. The Code reflects the values that have made Birla Precision Technologies Ltd. and its directors, officers and employees successful and respected over the years. We can be proud of our record and reputation. Each of us has a responsibility to continue to protect the reputation we have earned.