

EVEREST KANTO CYLINDER LIMITED
Code of Conduct and Ethics for Board of Directors and Senior
Management Personnel

1. INTRODUCTION & TITLE

Clause 49 of the Listing agreement, entered into with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, requires that the Board of Directors ('Board') of the Company shall lay down a Code of Conduct for all the Board members and Senior Management Personnel of the Company. Accordingly, the Company has laid down this Code of Conduct and Ethics for its Board and Senior Management Personnel. This Code of Conduct may be called as **Everest Kanto Cylinder Limited – Code of Conduct and Ethics** (hereinafter referred to as "the code").

2. OBJECTIVE OF THE CODE

Everest Kanto Cylinder Limited (the 'Company') is committed to conducting the business of the Company with the highest level of integrity and transparency. The commitment of the Company is clearly reflected in this Code.

The Board of Directors is responsible for setting the standards of conduct contained in the Code and for updating these standards as and when appropriate, to reflect their relevance in the face of the changing corporate, legal, statutory and regulatory developments. Every member of the Board and Senior Management personnel shall read, understand and uphold this Code and its applicability to the performance of his or her responsibilities. Our reputation and ability to comply with all applicable laws depends on the integrity and upright behavior of each member of the board and senior management so that the Company functions in a value driven system.

Although this code covers a wide range of business practices and procedures, it cannot and does not cover every issue or situation that may arise, where ethical decisions must be made, but rather sets forth key guiding principles that represent the Company's practices and policies. We are committed to continuously reviewing and updating our policies and procedures which will be reflected in the code.

Ignorance of our standards is no excuse for violating them. If we have doubts, we have the personal responsibility to raise questions and get answers.

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3. APPLICABILITY

The Code is applicable to the Board and Senior Management personnel (together hereinafter referred to as “Key Personnel”). Senior Management shall mean personnel of the company who are members of its core management team excluding Board of Directors and comprises all members of management one level below the executive directors, including all functional heads.

They shall be responsible for implementation of all management decisions concerning the operations of the Company and for achieving its business objectives.

While doing so, they shall uphold and protect the Company’s reputation for integrity and fair dealing and to set examples within the Company.

This code is being adopted in letter and spirit to guide our transactions with our colleagues, customers, governments, investors, regulators and society at large.

4. DISCLOSURE OF INTEREST AND AVOIDANCE OF CONFLICT OF INTEREST

The Key personnel have a responsibility to the Company, our stockholders and each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that situations where a conflict of interest might occur or appear to occur must be avoided. The Company is subject to scrutiny from different individuals and organizations. If an actual or potential conflict is determined, the Company may take whatever corrective action appears appropriate according to the circumstances.

What constitutes conflict of interest? A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

- (a) Any Director having financial or other interest by himself or through his relatives in any party contracting with the Company including vendors and customers, or in an Organisation which is in competition with the Company shall make such interest known to the Board at the first opportunity and shall abstain from any discussion or decision-making on matters related to the Company and to such contracts or to the competitor. The Director shall have to disclose his direct or indirect interest in relation to any contract or arrangement or proposed contract or arrangement entered into or to be entered into by the Company.

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- (b) The Director shall make a general disclosure of interest every year in the Form 24AA prescribed under Section 299 of the Companies Act, 1956, with the changes, if any, notified to the Board from time to time.
- (c) A Director shall disclose his investments in the Company and in its holding company or subsidiary, if any, and changes therein, if any, from time to time.

5. NOT TO MAKE SECRET PROFIT

A Director shall not make any secret profit out of his position. If a Director receives information on a potential business opportunity in his capacity as a Director of the Company he shall not use that opportunity for his own purpose.

6. INVESTMENT IN SHARES OF THE COMPANY/CODE FOR PREVENTION OF INSIDER TRADING

Using non-public information to trade in securities, or providing a family member, friend or any other person with a “tip” or any inside information, is illegal. All non-public information should be considered inside information and should never be used for personal gain. All Key Personnel are required to familiarize themselves and comply with the Company’s Code of Conduct for Prevention of Insider Trading, copies of which are distributed to all employees, officers and directors and are available from the Company Secretary. You should contact the Company Secretary, with any questions about your ability to buy or sell securities.

7. CONFIDENTIALITY

Key Management Personnel shall maintain confidentiality and not divulge directly or indirectly any information (except which is in the public domain) relating to the Company, its intellectual properties, its business and its customers/vendors which they have become aware of in the course of their directorship either by knowledge derived in the course of participation in Board Meetings/Committee Meetings or from papers circulated to them. Key Management Personnel shall not make use of such information for any purpose other than for the benefit of the Company.

8. NON-COMPETE

Without taking prior consent of the Board of Directors of the Company, Directors shall not accept any position of influence or of pecuniary interest

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including directorship in any other organisation whose business is in direct competition with that of the Company.

9. NOT TO CONTRACT INDIVIDUALLY

None of the Directors shall act on behalf of the Company with any party or commit himself on behalf of the Company in regard to any arrangement or contract of a binding nature, unless specifically authorised by the Board in that behalf.

10. CORPORATE OPPORTUNITIES

Directors / Senior Management are prohibited from:

- a) Taking for themselves or for any of their associates, opportunities that are discovered through the use of Company property, Company information or position as a Director/Senior Management;
- b) Using the Company's property or information for personal gain' or
- c) Competing with the Company for business opportunities. However, if the Company's disinterested Directors determine that the Company will not pursue an opportunity that relates to the Company's business, a Director/Senior Management may then do so.

11. VOTING

When a Director exercises his voting right as a shareholder at any general meeting of the Company he is free to vote in his own best interest like any other shareholder. However, when a Director votes as a Director in any Board Meeting or Committee Meeting he shall do so in his fiduciary capacity and shall be bound to vote not in his own personal interest but in what he considers to be the best interests of the Company.

12. INTERACTION WITH MEDIA

To facilitate the achievement of the Company's vision and business plans, it is necessary to communicate the policies, plans and accomplishments in the most effective manner through the media to our investors, customers, existing and potential, other stakeholders and to the community at large.

All statements made to the media on behalf of the Company should be true and fair. Only persons duly authorised by management are allowed to interact with media on specified subjects.

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Disclosures of any information other than statutory disclosures or those specifically authorised by the Management is prohibited. Disclosure of information on proceedings of board meetings / committee meetings / internal meetings and disclosure of forward-looking statements is prohibited. In case any such disclosure has to be made it has to be approved by the Management and shall be combined with cautionary statements, wherever required.

Directors / Senior Management shall not disclose non public information selectively to a particular group as it may lead to unfair advantage / discrimination.

For any outside publication of books, articles or manuscripts which relate specifically to the Company's business, policies and processes, Directors / Senior Management should take the approval of the Management prior to its release. All such documents should be supplemented by a statement: *“All views & observations made/expressed in this article/presentation are solely that of the authors and the Company is in no way responsible for the substance, veracity or truthfulness of such views and statements.”*

13. REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOUR (WHISTLE BLOWER MECHANISM)

The Company shall promote ethical behavior in all its business activities. Employees are free to report existing/probable violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. If the employees have reason to believe that the senior management personnel are involved in unethical conduct, they should report those facts to the Audit Committee of the Company's Board of Directors. Such reports received from any employee will be reviewed by the Board from time to time. Directors and Senior Management shall not attempt to suppress/conceal any such view or reporting. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practices.

14. CORPORATE CITIZENSHIP

The Company is committed to be a good corporate citizen, not only in compliance with all relevant laws and regulations, but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates, with the objective of making them self-reliant.

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15. COMPLIANCE OFFICER

The Company has designated Ms. Chanda Makhija, Company Secretary, as its Compliance Officer to administer this Code. Key Personnel at their discretion, may make any report or complaint provided for in this Code to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

16. ANNUAL DECLARATION

All Key Personnel shall sign the acknowledgment form annexed to this Code in Annexure 1 and return the same to the Compliance Officer indicating that they have received, read, understood and agree to comply with the Code. In case of any clarifications or suggestions, the Key Personnel are requested to contact the Compliance Officer. The signed acknowledgment form will be located in their personnel file. Each year as part of your annual review the key personnel will be asked to sign an acknowledgment indicating their continued understanding of the Code.

17. VIOLATIONS OF CODE

The matters covered in this Code are of the utmost importance to the Company, its stockholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values.

It is ethical responsibility of every director and senior management personnel to abide by and enforce this Code. The Board of Directors shall take disciplinary action against any director or senior management personnel who is found guilty under the Code.

The above Code of conduct is adopted by the Board of Directors of the Company on May 21, 2007.

18. AMENDMENT, MODIFICATION AND WAIVER

This Code may be amended, modified or waived only by the Company's Board of Directors and must be publicly disclosed if required by any applicable law or regulation. As a general policy, the Board will not grant waivers to the Code.

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**Annexure to the Code of Conduct and Ethics for the Board of Directors
(‘BoD’ or ‘the Board’) and Senior Management**

To,
The Company Secretary,
EVEREST KANTO CYLINDER LIMITED

I, being a member of the Board of Directors / Senior Management of EVEREST KANTO CYLINDER LIMITED (“the Company”) hereby acknowledge, confirm and certify that :

- i. I am aware of the Code of Conduct and Ethics for Directors and Senior Management of the Company;
- ii. The said Code has been and is applicable to my functions as a member of the Board of Directors / Senior Management of the Company;
- iii. During the financial year 2006-07, I have complied with the provisions of the said Code;
- iv. I am not aware of any non-compliance with the said Code;
- v. If I have questions concerning the meaning or application of the Code I know I can consult the Company Secretary knowing that my questions or reports to these sources will be maintained in confidence.

Sign:

Name:

Designation:

Date:

Please sign this form and return to the Company Secretary.