

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1. Directors of the Company and Senior Managerial Personnel should adhere to the following Code of Conduct and ethics of the Company.
2. The Code of Conduct shall be called “The Code of Conduct (“code”) for Board Members and Senior Management Personnel of The Andhra Petrochemicals Limited” (“the Company”). The Senior Management shall mean personnel of the Company who are members of the Core Management Team excluding Board of Directors (whole time Directors and part time Directors). This would comprise all members of management one level below the Executive Directors including all functional Directors. The code is framed in terms of clause 49 of the Listing Agreement with the Stock Exchange. All suspected violations of this code are subject to investigation by the Board.
3. In this code wherever the word “Management” appears it will also include Senior Management Personnel to the extent applicable.
4. With a view to maintain high standards that the Company requires, the following Code of Conduct should be observed in all activities of the Management.

They shall act in accordance with the highest standards of personal and professional honesty, integrity, fairness and ethical conduct while working and representing the Company avoiding actual or apparent conflicts of interests in personal and professional relationships without allowing independent Judgement to be subordinated and fulfill the fiduciary obligations and not engage in any activity which is prejudicial to the interest of the Company. They shall maintain the confidentiality of all the details about the Company. They shall declare change in their employment, other Board position, committee membership immediately from the date of change.

5. Shall avoid having any personal interest in contracts awarded by the Company or avoid relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive business or influence decisions. Shall avoid conducting business with a relative or with Private Company in which the relative is a member or a Public Limited Company in which a relative holds 2% or more shares or voting right or with a firm in which a relative is a partner. "Relative" shall mean relative as defined in Sec.2 (41) and Sec.6 read with schedule 1A of the Companies Act, 1956. If such related party transaction will be unavoidable it must be disclosed to the Board of the Company.
6. Disclose shareholding in the Company and the changes thereof.
7. Disclose relationships with other business or conflicts of interests which may interfere with their ability to perform their function. The Management expressly prohibited from improper use of information/property or taking improper advantage of their position.
8. Must disclose potential conflicts of interests regarding any matters concerning the Company. A conflict of interest may occur when:
 - a. Personal interest is adverse to the interest of the Company.
 - b. Relative receives improper personal benefits as a result of position.
 - c. Shall not participate in any decision making process in which they have direct/indirect interest.
9. Gifts given or received should be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety.
10. Abide by ethical business conduct, uphold the moral standard in day to day activities, comply with all applicable laws. Follow highest standards

of personal and professional integrity, honesty and ethical conduct while working.

11. In the event of apprehending conflict of interest, the relevant facts shall be disclosed in writing to
 - A. Chairman of the Board in case of Directors and
 - B. Managing Director in case of Senior Management Personnel –
----- For directions in the matter.
12. Shall not explore for their own personal gain, opportunities that are discovered through Company, business, position unless the opportunity is disclosed in writing to the Company Chairman of the Board or the Managing Director as the case may be.
13. Shall not derive benefit from the access to and possession of information about the company, not in public domain and therefore constituting insider information. The Management shall make disclosures of
 - a. Trading in the shares of the company in terms of “The Andhra Petrochemicals Limited Code of Conduct for prohibition of Insider Trading” (effective 1st June, 2003).
 - b. Transactions having personal interest.
 - c. Related party transactions to be disclosed under code for prevention of insider trading of SEBI.
14. The Management shall maintain confidentiality of information of the Company except when disclosure is legally mandated.
15. Code shall come into force with effect from the 21st day of January, 2006.

16. Respect the confidentiality of information acquired in the course of work except when legally obligated to disclose.
17. In terms of clause 49 of the Listing Agreement, Management personnel shall within 30 days of close of every Financial Year (i.e., by 30th April) affirm compliance with the code to the Compliance Officer (Company Secretary). The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman.
18. The provisions of this code can be amended by the Board of Directors from time to time.
19. This code is intended as a source of guiding principle since no code can anticipate every situation that may arise.
20. Company is arranging to have website arrangement for incorporating 'Code of Conduct' Policy.