

DECCAN GOLD MINES LIMITED

CODE OF CONDUCT AND ETHICS FOR BOARD OF DIRECTORS

INTRODUCTION

The directors of Deccan Gold Mines Limited (“Company”) adopt this Code of Conduct (the “Directors’ Code”) to assist directors in fulfilling their duties to the Company. The directors are entrusted with responsibility to oversee management of the business and affairs of the Company. As the Company’s policy-makers, the directors set the standard of conduct for all officers and employees.

Deccan Gold Mines Limited has a complete commitment to compliance with applicable laws and regulations and to operating in accordance with the highest standards of business conduct. In many instances, guidelines and standards contained in the Directors’ Code go beyond the requirements of applicable law.

GUIDELINES FOR CONDUCT

Each director should seek to use due care in the performance of his/her duties, be loyal to the Company and act in good faith and in a manner the director reasonably believes to be in or not opposed to the best interests of the Company.

A director should:

- use reasonable efforts to attend Board and committee meetings regularly;
- dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision-making by reviewing in advance any materials distributed and making reasonable inquiries;
- be aware of and seek to fulfill his or her duties and responsibilities as set forth in the Company’s Memorandum of Association, Articles of Association and Corporate Governance guidelines; and
- seek to comply with all applicable laws, regulations, confidentiality obligations and Corporate Policies.

CORPORATE BUSINESS OPPORTUNITIES

Except as described elsewhere herein, a director may engage in business so long as he/she does not pre-empt or seize a corporate business opportunity.

A corporate business opportunity is (1) an opportunity in the Company's line of business or proposed expansion or diversification, (2) which the Company is financially able to undertake and (3) which may be of interest to the Company.

A director who learns of such a corporate business opportunity and who wishes to participate in it should disclose the opportunity to the Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in the opportunity, then, and only then, may the director participate in it, provided that the director has not wrongfully utilized the Company's resources in order to acquire the opportunity.

CONFLICTS OF INTEREST

Directors are expected to dedicate their best efforts to advancing the Company's interests and to make decisions that affect the Company based on the Company's best interests and independent of outside influences.

A conflict of interest occurs when one's private interests interfere in any way, or even appear to interfere, with the interests of the Company. A conflict situation can arise when a director takes actions or has interests that make it difficult to perform his/her duties for the Company objectively and effectively. A director's obligation to conduct the Company's business in an honest and ethical manner includes the ethical handling of actual or apparent conflicts of interest between personal and business relationships.

Following are some common examples that illustrate actual or potential conflicts of interest:

- Owning an interest in a company that competes with or does business with Deccan Gold Mines Limited;
- Participating in a joint venture, partnership or other business arrangement with the Company; and
- Employment with or serving as a director of a competitor, customer or supplier of the Company.

A director who has an actual or potential conflict of interest, including any of the situations described above, must disclose to the Board (1) the existence and nature of the actual or potential conflict of interest and (2) all facts known to him/her regarding the transaction that may be material to a judgment about whether to proceed with the transaction. The director may proceed with the transaction only after receiving approval from the Board.

LOANS

A director may not obtain any loan from the Company.

GIFTS AND ENTERTAINMENT

When acting on behalf of Deccan Gold Mines Limited, directors should never request gifts, entertainment or any other business courtesies from people doing business with the Company (including suppliers, customers, competitors, contractors and consultants).

Unsolicited gifts are permissible if they are customary and commonly accepted business courtesies; not excessive in value; and given and accepted without an express or implied understanding that the director is in any way obligated by acceptance of the gift. Gifts with a value of over Rs. 10,000/- should only be accepted with the approval of the Audit Committee. Meals in the ordinary course of business and infrequent meals and entertainment, such as cultural or sporting events, that are attended by both the director and the donee are not considered gifts.

Gifts of cash or cash equivalents (including gift certificates, securities, below-market loans, etc.) in any amount are prohibited.

COMPANY PROPERTY

Directors have a responsibility to safeguard and properly use Company assets and resources, as well as assets of other organizations that have been entrusted to the Company. Except as specifically authorized, Company assets, including Company equipment, materials, resources and proprietary information, must be used for Company business purposes only.

CONFIDENTIAL INFORMATION

Directors shall maintain the confidentiality of information entrusted to them by the Company. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the director or anyone other than the Company.

FAIR DEALING

Directors should endeavor to deal fairly with the Company's Customers, Suppliers, Competitors and Employees and should never take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

COMPLIANCE WITH LAWS AND REGULATIONS

The Company is committed to compliance with those acts, rules and regulations that govern the conduct of its business.

Securities Laws

It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that the Company files with, or submits to, the Securities and Exchange Board of India, the Stock Exchange, Registrar of Companies and in all other public communications made by the Company. Directors must abide by applicable Company policies and procedures designed to promote compliance with this policy.

Insider Trading

Directors are prohibited by Company policy and the law from buying or selling securities of the Company when in possession of material Unpublished Price Sensitive Information. Passing such information on to someone who may buy or sell securities (tipping) is also illegal. The prohibition applies to Companies securities and to securities of other companies if the Director learns material Unpublished Price Sensitive Information about other companies, such as the Company's customers or suppliers, in the course of duties for the Company. Directors are subject to additional requirements relating to reporting and effecting transactions in Company securities.

Competition Laws

While the Company competes vigorously and creatively in its business activities, its efforts in the marketplace must be conducted in accordance with all applicable Competition Act and Regulations. Directors should not engage in any activity in violation of applicable Competition Act.

Anti-Corruption Laws

The Company conducts its business activities in compliance with applicable Anti-Corruption Act of India and the laws of all other countries in which the Company conducts business. The Anti-Corruption Act prohibits the Company and its officers, employees and agents from giving or offering to give money or anything of value to a political party, a party official or a candidate for political office in order to influence official acts or decisions of that person or entity, to obtain or retain business, or to secure any improper advantage. Directors should not engage in any activity that might involve the Company in a violation of the Anti-Corruption Act.

Interacting With Government

The various branches and levels of government have different laws restricting gifts, including meals, entertainment, transportation and lodging, that may be provided to Government Officials and Government Employees. Directors should not offer to or pay for meals, travel, lodging or any other expenses for Government Officials in connection with the Company or Company business without first consulting with the Legal Counsel.

Political Contributions

The Company will not make political contributions from corporate resources to any political party, candidate or holder of public office, or political committee in violation of section 293A of the Companies Act, 1956. This includes monetary contributions as well as in-kind contributions (such as the use of corporate property, personnel services or facilities).

Directors may not cause the Company to make contribution to any political party or for any political contribution without the prior approval of the Board. Company directors must comply with applicable laws and Company policy with respect to causing the Company to make political contributions. Directors may not make personal political contributions on behalf of, or in the name of, the Company. Directors will not be reimbursed or otherwise compensated for any personal political contribution.

NON-COMPLIANCE

Suspected violations of this Code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations will be appropriately investigated. Directors who violate this Code may be subject to sanctions, up to and including a request to resign as Director or the Board's seeking removal of the Director, where permitted by applicable law.

A director charged with a violation of this Directors' Code should not participate in a vote of the Committee or the Board concerning his/her alleged violation, but may be present at a meeting of the Board or Committee convened for that purpose.

Any waiver of this Directors' Code must be approved by the Board of Directors and publicly disclosed as required by law or regulation.

NO RIGHTS CREATED

This Directors' Code sets forth guidelines for conduct for the Board of Directors. It is not intended to and does not create any rights in any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity.