

CODE OF CONDUCT

Introduction:

This Code of Conduct is "The Code of Conduct applicable to Directors and Senior Management of Dynamic Microsteppers Limited" (hereinafter referred to as the "DML"). This Code envisages that the Directors and Senior Management (as hereinafter defined) must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law and within the Code of Conduct given below. The purpose of this Code is to enhance ethical standards and transparency in managing the affairs of the DML, to sustain the trust and confidence reposed by the shareholders of the DML.

Object & Applicability:

The Code of Conduct shall be effective from 20th July, 2006. The purpose of this Code of Conduct is to conduct the business of the DML in accordance with the applicable Laws, Regulations and Rules and with highest standard of ethics, transparency and values. The matters covered in this Code are of utmost importance to the DML, Shareholders and other Stakeholders. This Code of Conduct is applicable to all the Directors and Senior Management of the Company with a view to:

- a) Promote and ensure honest and ethical conduct including ethical handling of actual or apparent conflicts of interests between personal and professional relationships;
- b) Promote and ensure full and fair disclosure in reporting;
- c) Promote and ensure compliance with all applicable laws, rules and regulations.

Definitions & Interpretation:

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

"Directors" shall mean the Directors on the Board of Directors of the Dynamic Micorsteppers Limited.

"Senior Management" shall mean personnel of the Company who are members of core management including all members of management one level below the executive directors and all functional heads.

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The senior management personnel to whom this code will be applicable shall be notified by way of in-house notification and the same may be amended/modified from time to time.

In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

National interest:

DML shall be committed in all its actions to benefit the economic development of India. It shall not engage in any activity or undertake any project to the detriment of the national interest or those that will have any adverse impact on the social and cultural life patterns of its citizens. The Company shall conduct its business affairs in accordance with the economic development and foreign policies, objectives and priorities of the government, and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level, as appropriate.

Competition:

The Company shall fully strive for the establishment and support of a competitive, open market economy in India and abroad, and shall cooperate in efforts to promote the progressive and judicious liberalization of trade and investment by a Country. Specifically, the Company shall not engage in activities that generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

The Company shall market its services on its own merits and shall not make unfair and misleading statements about competitors. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

Quality of services:

The Company shall be committed to rendering services of the highest quality standards, backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the Company's services shall meet the required national standards, and the Company shall endeavor to achieve international standards.

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Corporate citizenship:

The Company shall be 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.

Such social responsibility would comprise of initiating and supporting initiatives in the field of community health and encouraging the application of modern scientific and managerial techniques and expertise in consonance with national and regional priorities. The Company shall also encourage volunteering among its employees and help them to work in the community.

Equal-opportunities employer:

The Company shall provide equal opportunities to all its employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age and nationality. Employees of the Company shall be treated with dignity and in accordance with the Company's policy of maintaining a work environment free of sexual harassment, whether physical, verbal or psychological.

Employee policies and practices shall be administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and that decisions are based on merit.

Gifts and donations:

The Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, expensive gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business. However, the Company and its employees may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events.

Ethical conduct:

The Senior Management of the Company, including Executive Directors and the Managing Director (if any), shall deal on behalf of the

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Company with professionalism, honesty and integrity, as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

Health, safety and environment:

The Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. The Company shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

Public representation of the Company:

The Company shall honour the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing Company and business information to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorized directors and employees. It will be the sole responsibility of these authorized representatives to disclose information on the Company. Parties which have business dealings with the Company such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorized to represent the Company if their business conduct and ethics are known to be inconsistent with this code.

Shareholders:

The Company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The board of directors of the Company shall duly and fairly inform its shareholders about all relevant aspects of the Company's business, and disclose such information in accordance with the respective regulations and agreements.

Concurrent employment:

The members of senior management of the Company shall not, without the prior approval of the Board of Directors of the Company, accept employment or a position of responsibility (such as a consultant or a director) with any other Company, nor provide 'freelance' services to anyone.

Conflict of interest:

All the Directors and senior management shall act in accordance with highest standard of personal and professional integrity, honesty and ethical conduct. All Directors and senior management must avoid any conflict of interest between themselves and DML. A conflict of interest occur when the personal interest interferes or appears to interfere with the interest of the DML on the one hand and its senior management/ director on the other hand.

If any Director or Senior Management fails to make a disclosure as required herein, and the Company of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed, the Company shall take a serious view of the matter and consider suitable disciplinary action.

Securities transactions and confidential information:

Any Director or senior management of the Company and their immediate family shall not derive any benefit or assist others to derive any benefit from access to and possession of information about the Company, which is not in the public domain and thus constitutes inside information.

Protecting Company's assets:

The assets of the Company shall not be misused but shall be employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

Placement of the Code on website:

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendment thereto shall be posted on the website of the Company.

Enforcement of Code of Conduct:

Each Director and senior management shall be accountable for fully complying with this Code.

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Reporting concerns:

Each Director and senior management of the Company shall promptly report to the management any violation of this code, or an event he or she becomes aware of that could affect the business or reputation of his/her or DML.

Amendment:

This code may be amended, modified or varied by the Board of Directors of the Company as may be deemed necessary in the interests of the Company and subject to the provisions of applicable laws, regulations or guidelines.

Note: The code does not provide a full, comprehensive and complete explanation of all the rules that Directors and senior management are bound to follow. They have a continuing obligation to familiarise themselves with all applicable laws, Company policies, procedures and work rules.