

NAGARJUNA OIL REFINERY LIMITED
CODE OF CONDUCT AND ETHICS

Preface:

This Code of Conduct and Ethics has been adopted by the Board of Directors of the company, to be applicable to all the members of the Board of Directors of the company and all the senior management personnel, i.e., personnel who are a part of the core management team, comprising personnel one level below the executive directors and including all functional heads.

A copy of this Code shall be circulated to all personnel covered by the Code.

This Code of Conduct and Ethics (herein after referred to as the “Code”) helps the members of the Board of Directors (herein after referred to as “Directors”) and the senior management personnel (herein after referred to as “SMP”) maintain good standards of business conduct, foster ethical and moral conduct and promote a culture of honesty and accountability, so as to set an example to others in the company.

The Code is in furtherance of the company's efforts towards transparency and better Corporate Governance.

The Code is not an all inclusive comprehensive policy and cannot anticipate every situation that may arise in the course of the company's business. The

Directors and the SMPs are expected to bear in mind the essence and substance of the Code in all their dealings / transactions with the company.

Strict Compliance:

All the Directors and SMPs must read, understand and comply with the letter and spirit of the Code, uphold the standards and values in the day to day activities, besides strict adherence with all applicable laws, rules and regulations effecting the company.

CONFLICT OF INTEREST

Directors and SMPs must avoid any conflict of interest between themselves and the company. Such conflict, if any should promptly be disclosed to the Board /Audit Committee / Corporate Governance Committee (may be constituted). Directors in full time employment and the SMPs are expected to devote their full attention to the business interest of the company and should not engage themselves in activities that are conflicting or interfere with their responsibilities towards the company. The Directors and the SMPs are expected not to take part in activities that supports or is advantageous to the company's competitors.

If a Director of the company accepts a directorship of any other company, that competes with the company, it is assumed to be conflict of interest and the Directors must avoid such situation.

The Directors and the SMPs must also ensure that they do not conduct the Company's business with a relative or with an entity in which a relative is associated in any significant manner or with an Organisation where they are directly or indirectly interested or where they shall derive a benefit from the transaction. They are also expected to ensure that no such relative in employed in key positions that have a financial dependence or influence in relation to the company's transactions.

Corporate Opportunities, i.e., opportunities that are discovered through company's position and sources, shall not be exploited or made use of, by the Directors or the SMPs for their personal gain or advantage, unless such opportunity is fully disclosed to the Board of Directors of the company and the Board declines the pursuance of such opportunity.

The Directors and the SMPs under no circumstances shall accept any money, gift, privilege or any other service or thing of value from the company's customers, vendors, consultants or any other transacting party. Gifts given to suppliers, dealers or consultants shall be appropriate and reasonable.

INSIDER TRADING

As a matter of compliance of the Securities and Exchange Board of India (SEBI) (Prohibition Of Insider Trading) Regulations, 1992 and in view of the fiduciary position held as Directors of the company, the Directors and the SMPs shall not

trade i.e., sell or purchase the Securities offered / issued by the company. However, Directors and SMPs who hold equity shares of the company as on February 6, 2012, may continue to hold the same.

The Directors / SMPs, may come into possession of significant, unpublished price sensitive information, in the normal course of business of the company. The Directors / SMPs shall not make use of such information and profit from it either directly or indirectly, as such price sensitive information is the property of the company. The Directors / SMPs shall not either in the manner provided under the Securities and Exchange Board of India (SEBI) (Prohibition Of Insider Trading) Regulations, 1992, or otherwise, deal / trade, whether directly or indirectly, in the Equity Shares / Securities of the company.

CONFIDENTIALITY

Directors and SMPs must maintain confidentiality of information entrusted to them by the company and any other confidential information about the company that comes to them, in their capacity as Director / SMPs, except when disclosure is authorised or mandated by law.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Directors and all SMPs must ensure compliance with all applicable governmental laws, rules and regulations and also ensure compliance by all employees. The

SMPs and Directors must acquire appropriate legal awareness and must identify circumstances that warrant them to take advice of matters.

COMPLIANCE STANDARDS

Directors / SMPs shall communicate to the Chairman of the Audit Committee, any suspected violation of this Code. The violations shall be investigated by the Board of Directors or any sub-committee of the Board and appropriate action shall be taken in the event of violation of the Code.

WAIVER OF CODE OF CONDUCT AND ETHICS

Any waiver of this Code may be permitted only under a due authorisation of the Board of Directors of the company in writing and must appropriately be disclosed to the shareholders of the company, as a disclosure in the Annual Report of the company. Any amendments to the Code shall also be approved by the Board of Directors of the company and communicated to the concerned.

The Code and any amendments thereto shall be duly posted on the Company's Web Site.