

H.P. COTTON TEXTILE MILLS LIMITED

Code of Conduct and Ethics

Amended by Board : 17.08.2018

Amended by Board : 10.08.2022

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1. INTRODUCTION

Our Company believes in the conduct of its affairs in a fair, accountable and transparent manner and is committed to conduct its business in accordance with the applicable laws, rules & regulations and with highest standards of professionalism, ethics, integrity and objectivity. The Directors and Employees of any Company must not only comply with the applicable laws, rules & regulations but should also promote honest and ethical conduct of the business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

2. TERMS AND DEFINITIONS

In this Code, the following terms shall have the following meanings:

- i. “Company” or “HP Cotton” means H.P. Cotton Textile Mills Limited
- ii. “Code” means Code of Conduct & Ethics
- iii. “Directors” means a Director appointed to the Board of the Company
- iv. “LODR Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- v. “Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

3. OBJECTIVE

This Code is intended to maintain the high standards of transparency, business conduct, ethics, corporate culture and the values.

The code has been framed to comply with the provisions of Companies Act, 2013 and Regulation 17(5) of LODR Regulations which lays down a requirement for the Company to adopt a formal Code of Conduct or Ethics Policy.

4. APPLICABILITY

The Code shall be applicable with immediate effect and is applicable to all Directors and Senior Management of the Company.

All Directors and Senior Management must read and understand this code and ensure to abide by it in their day to day activities. The Directors and Senior Management may please contact Mr. RaghavKumar

Agarwal, Executive Director, CEO & CFO or Mr. Shubham Jain, Company Secretary & Compliance Officer, if they have any questions relating to compliance of this code.

5. CODE OF CONDUCT

All Directors and Senior Management of the Company-

1. Shall maintain and help the Company in maintaining the highest degree of Corporate Governance practices.
2. Shall act in utmost good faith and exercise due care, diligence and integrity in performing their assigned duties. Their acts, deeds and actions should confirm to the highest standards of propriety.
3. Shall ensure that they use the Company's assets, properties, information documents, records and intellectual rights etc. for official purpose only and in terms of their appointment of work assigned from time to time.
4. Shall not receive and accept any money, profit or benefits from/in the Company other than their entitlement as per their terms of appointment.
5. Shall not seek, accept or receive, directly or indirectly, any reward, gift, payments, compensation or favour whether tangible or intangible, in cash or kind or in whatsoever other form from Company's business associates and or other related entities, which may be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company's interests are never compromised.
6. Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain, benefit or advantage.
7. Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.
8. Shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the affairs of the Company, except through the designated spokesperson or authorized otherwise.
9. Shall not, without the prior approval of the Board accept employment or a position of profit with others/ any other organization for remuneration or otherwise that are/ may be prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company.
10. Shall in conformity with the applicable legal provisions disclose personal and / or financial interest in any business dealings concerning the Company and shall declare such information, transactions about their relatives (spouse, dependent children and dependent parents), if any entered into with them.

11. Shall act to ensure compliance of all the applicable codes, Acts, laws, rules, regulations and statutes directly and indirectly applicable on the Company in letter and spirit.
12. Shall ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as also other regulations as may become applicable to them from time to time.
13. Shall ensure that all their acts deeds and actions are legal reasonable and fair and enhances the value and wealth of the Company and its stakeholders.
14. As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Board of India, the Reserve Bank of India and/or the concerned Stock Exchange(s) on which the securities of the Company are or may be listed be full, fair, accurate, timely and understandable. The Directors shall provide information necessary to ensure that the Company's published reports meet these requirements. The Company expects Directors to provide prompt and accurate answers to enquiries relating to its public disclosure requirements.
15. Directors shall not compete with the Company; or take for themselves personally any business opportunities that belong to the Company or are discovered through the use of corporate property, information or position; or use corporate property, information or position for personal gain.

6. SPECIFIC ADDITIONAL PROVISIONS FOR DIRECTORS

The Directors should attend the Board/General meetings comprehending the agenda of the meeting circulated to them. They must strive to attend all the Board meetings scheduled in the year. The directors shall participate actively and constructively in the discussions of the Board and shall follow the guidelines agreed on by the Board regarding how it will govern and conduct itself.

The Independent Directors of the Company shall be required to comply with Schedule IV of the Companies Act, 2013 including their duties laid therein as under:

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ii. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. strive to attend the general meetings of the company;
- vi. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

- vii. keep themselves well informed about the company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- x. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

7. REPORTING

All Directors and Senior Management are required to report observed violations of the Code and illegal or unethical behavior to the Compliance Officer or any member of the Board. All reports will be treated in a confidential manner and it is Company's policy to not allow retaliation for reports made in good faith of misconduct by others.

8. VIOLATIONS OF THE CODE / DISCIPLINARY ACTIONS

The matters covered in this Code are of utmost importance to the Company, its stakeholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values. We expect all of our Directors and Senior Management to adhere to these rules in carrying out their duties for the Company.

The Company will take appropriate action against any Directors or Senior Management whose actions are found to violate this Code of the Company.

9. AMENDMENT

The Company reserves its right to amend or modify this Code in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the employees unless the same is notified to them.

This Code is amended by the Board of Directors at their meeting held on August 10, 2022 and shall be effective from August 10, 2022

10. ANNUAL COMPLIANCE REPORTING

All Directors and Senior Management shall affirm compliance with this Code on an annual basis as at the end of each financial year of the Company within 7 days of the close of every financial year.
