

GIRNAR SPINTEX INDUSTRIES LIMITED

GIRNAR SPINTEX INDUSTRIES LIMITED CODE OF CONDUCT - APPLICABLE TO ALL DIRECTORS AND SENIOR MANAGEMENT

I. PREAMBLE

Integrity, transparency and trust form part of the core beliefs of all activities at Girnar Spintex Industries Limited (the Company), which has been the basis of its growth and development. In terms of Regulation 17(5) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time ('Listing Regulations') the Company has adopted this Code of Conduct for all Directors and Senior Management.

The Code is based on three important principles of corporate behaviour, that are, good corporate governance, good corporate citizenship and exemplary personal conduct.

This Code lays down general principles designed to guide the Directors and Senior Management in making ethical decisions. The Code is designed to provide a frame of reference against which to measure any activities. As it is not possible to address every possible situation that may arise, this Code should be construed and applied to further the said objective. The Guidelines of Conduct and duties of Independent Directors are provided in Annexure I which form integral and main part of this Code.

The guidance should be sought when they are in doubt about the proper course of action in a given situation, as it is their ultimate responsibility to "do the right thing", a responsibility that cannot be delegated.

II. APPLICABILITY:

This Code of Conduct (hereinafter referred to as "the Code") shall be applicable and binding on all the Directors and Senior Management of the Company.

Directors shall mean Board of Directors of the Company. The term "Senior Management personnel" shall mean officers/personnel/employees of the Company as defined in the Listing Regulations from time to time.

It is clarified that, wherever the term 'relative' appears in this Code, it shall mean and include the spouse, parents and children of the Directors and Senior Management.

Words or expressions not defined in the code shall have meaning as ascribed to it in Listing Regulations or the Companies Act, 2013.

III. WAIVER:

Any waiver of any provision of this Code of Conduct for Directors or Senior Management must be placed for approval before the Company's Board of Directors (or a Committee thereof), as appropriate.

IV. AFFIRMATION OF COMPLIANCE OF THE CODE

All Directors and Senior Management personnel shall affirm compliance with this Code on an annual basis and submit the Annual Declaration (in the format as per Annexure II) before April 21 every year.

V. VIOLATION

Each Director and Senior Management is the torch bearer of Ginnar Spintex's conviction in the Principles of Good Corporate Citizenship. It is one of their important responsibilities to help enforce this Code in the best interest of the Company and all its stakeholders.

They should bring to the notice of the Company any observed material violation of this Code or any other policies or laws applicable to the business of the Company or any probability of occurrence of such violations.

Although it is not intended that disciplinary action would be appropriate for every violation of the provisions of this Code, whether disciplinary action is appropriate, and the degree of discipline to be imposed, will be determined through reasonable application of the text and will depend on factors such as the seriousness of the violation, intent of the concerned Director or Senior Management personnel, whether there is a pattern of improper activity, and effect of such improper activity on others or on the corporate governance system. A violation may result in corrective action up to and including termination from the employment of senior management personnel. In case of non-compliance of this code by the Directors and /or Senior Management personnel, the same shall be dealt by the Board of Directors of the Company for initiating appropriate action, as they may deem fit and proper.

Directors and Senior Management are expected to fully co-operate during any internal or external investigations relating to such violations.

VI. AMENDMENTS

The changes required in the Code due to the amendments in statutory laws or regulations, changes to explain or elaborate further on any guidance of Conduct or the provisions of the code can be made by the Key Managerial Personnel of the Company. All other amendments shall be made with the approval of the Board of Directors of the Company. The Code shall be subject to review by the Board whenever required.

ANNEXURE 1

GUIDELINES OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

A. Good Corporate Governance – Our Philosophy

Girnar Spintex is a professionally managed company and the core value underlying our corporate philosophy is “trusteeship”. The Company is a property of the all stakeholders and entrusted to us by the stakeholders in “trust” and we as professional managers are the “trustees” to the stakeholders.

It is a duty cast upon us that the Company is managed in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct in the best interests of the stakeholders, we serve.

The Company creates an environment for efficient conduct of the business and to enable the management to meet its obligations to all its stakeholders, including but not limited to, shareholders, customers, our employees and the community in which the Company operates.

B. Good Corporate Citizenship – What we stand for

1) Dealing with people in the Organisation –We are a family

The Directors and Senior Management personnel are the guiding force of the Company. The Directors and Senior Management personnel shall conduct himself/ herself in a professional manner and treat others with respect, fairness, and dignity. They shall act honestly, fairly, ethically and with integrity. All the Directors and Senior Management personnel in their dealings with other employees/third parties shall uphold the values which are the core of our Philosophy– trust, teamwork, meritocracy, self-respect and human dignity. These values form the basis of our policies and processes.

Girnar Spintex is committed to a work environment that is fair and non-discriminatory. The Company provides equal opportunity to all and does not discriminate on the basis of origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason.

As a good corporate citizen the Company demands, demonstrates and promotes professional behaviour and respectful treatment of all its employees.

The Company encourages the use of Corporate Whistle Blower Mechanism, which provides directors and employees of the Company with a platform to communicate to the management, concerns about unethical behaviour, actual or suspected fraud or violation of this Code, in a secure and confidential manner.

2) Compliance with laws, rules and regulations – We Respect Law at all times

Compliance with all applicable laws and regulations must never be compromised. All directors and senior management personnel shall comply with all applicable laws, rules and regulations including Listing Regulations, Codes under SEBI (Prohibition of Insider Trading), Regulations, 2015. Additionally, senior management personnel shall adhere to internal rules and regulations as they apply in a given situation. Those internal rules are specific to the Company and may go beyond what is required by the law.

Whilst carrying out duties comply with and ensure compliance of legal/ regulatory requirements as applicable to the business of the Company and endeavour that before any directions are given or decisions are taken, relevant legal/ regulatory requirements are taken into account.

If any Director or Senior Management becomes aware of any information that may be perceived to be violating any legal/ regulatory requirement as applicable to the business of the Company, which may subject the Company and/ or its officers to litigation/ prosecution, he/she shall forthwith bring the same to the notice of his/ her immediate superior.

Further, if they become aware of any suspected or actual instances of fraud, misconduct or irregularity or failure of internal control system of material nature, which is likely to impact the business interest of the Company, he/ she shall forthwith bring the same to the notice of the Chairman of the Company/ Audit Committee Chairman.

3) Safety, health and environment policy – Our priority and responsibility towards future generations

Girnar Spintex believes that health and safety of our employees contributes to our long-term success and businesses operate in a sustainable manner only if they achieve good environmental practices.

The Company should take the responsibility for maintaining a productive workplace by minimizing the risk of accidents, injury and exposure to health hazards. Good physical working conditions, high standards of hygiene and housekeeping are ensured.

Company should provide safety training covering new employees as well as periodic refresher training to inculcate safety awareness in employees and adopt the best practices. Company should adopt processes designed to prevent serious or fatal accidents.

We are committed to reducing our environmental impact and continually improving our environmental performance as an integral and fundamental part of our business strategy and operating methods. It is our priority to encourage our customers, suppliers and all business associates to do the same. This not only makes sound commercial sense for all but also it is also a matter of delivering on our duty towards future generations.

C. Exemplary Personal Conduct – Who we are

4) Avoid Conflict of Interest - Always act in the best interest of the Company

The Directors and Senior Management personnel should be scrupulous in avoiding 'conflicts of interest' with the Company. They should always act in the best interest of the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof and obtain prior written approval from the applicable authority. All Directors shall disclose any interest in the contract or arrangement under the provisions of Companies Act 2013 and abstain from discussion, voting or otherwise influencing a decision on any matter that may come before the Board in which they may have conflict or potential conflict of interest.

They should act in good faith, responsibly with due care, competence and diligence, without allowing their independent judgment to be subordinated.

A conflict of interest may arise:

- 1) When a Director or Senior Management personnel takes action or has interests that may make it difficult to perform his or her work objectively and effectively;
- 2) Entering into transactions or arrangements (directly or indirectly through relatives) with firms, companies or body corporate, for personal gain, which may conflict with the business interest of the Company.
- 3) The receipt of any personal benefit by a member of his or her family from any supplier, customer or competitor of the Company unless disclosed to Applicable Authority;
- 4) Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- 5) Any investment interest by Senior Management personnel or their relative, who is in possession of any unpublished price sensitive information, in any supplier, customer, or competitor of the Company;
- 6) Any consulting or employment relationship with any supplier, customer, business associate or
- 7) competitor of the Company.

While conducting business abroad, Directors and Senior Management are advised to seek legal advice or guidance before giving or offering or accepting any gifts, as the giving or offering or acceptance of gifts, may be construed to be unlawful under the local laws. They should not accept from or give to stakeholders gifts or other benefits not customary in normal social intercourse.

When a decision is taken in a matter where a Director or Senior Management personnel is concerned or interested, the concerned officer shall be required to take necessary action, as advised, to resolve / avoid the conflict. If a Director or officer from Senior Management fails to make the required disclosure/ remedial actions, the Company shall take a serious view of the matter and consider suitable disciplinary action against him/ her.

5) Use of Assets and Information – Company property, leave it, where it belongs

Every Director and Senior Management personnel shall:

- a. Ensure that facilities/amenities provided to him/her by the Company are used with proper care and diligence and that he/she endeavours to return possession thereof on his/ her resignation, termination or retirement from the services of the Company.
- b. Not to use the property of the Company for personal gain.
- c. Not derive any benefit or assist any other person(s) to derive any benefit by virtue of having access to or possessing of price sensitive information relating to financial results or operations of the Company and/or of its subsidiary/ associate companies and/or of companies with whom the Company has business dealings, which are not in public domain and shall remain compliant with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, at all times.
- d. Ensure that the proprietary information and trade secrets belonging to the Company, including any information concerning pricing, products and services, internal systems, trademarks, copyrights and designs that are being developed, shall be held in strict confidence and utmost care shall be exercised to avoid inadvertent access and/ or its inappropriate disclosure. Such information shall be deemed to be the intellectual property

of the Company and shall be used in the manner as required or mandated as a part of the duties assigned and not for personal gain.

- e. Ensure that confidentiality is maintained with regard to personal information relating to the customers/suppliers/business associates of the Company and any other information which is confidential in nature and it is used in accordance with the policies framed by the Company and/ or as required by the concerned regulatory/ statutory authority.
- f. not use confidential information acquired in the course of their service as Director or senior management for their personal advantage or for the advantage of any other entity.

6) Transparency

Every Director and Senior Management personnel shall ensure that his/her conduct at workplace is transparent. Such transparency shall be brought about through adherence to policies, systems and processes framed by the Company.

7) Securities laws

- a) Every Director and Senior Management personnel shall ensure and take reasonable steps to protect the confidentiality of any unpublished price sensitive information relating to the business of the Company or its customers or companies with whom the Company has or is likely to enter into a material transaction and prevent its unauthorized access or disclosure, unless he/ she is required to do so under applicable laws or legal or regulatory process.
- b) No Director or Senior Management personnel shall in any manner whatsoever indulge in Insider Trading, whilst he/ she has access to unpublished price sensitive information relating to the Company or its customers or companies with whom the Company has or is likely to enter into a material transaction.

8) Lead by example

The Directors and Senior Management personnel are the guiding force and set the professional tone of the Company. Through, their words and deeds, they convey to the ecosystem what is acceptable and what is unacceptable.

D. Duties of Independent Directors –

The Independent Directors shall:

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the company;
- 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;
- Keep themselves well informed about the company and the external environment in

which it operates;

- Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- Acting within his authority, assist in protecting the legitimate interests of the company shareholders and its employees;
- 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.

ANNUAL DECLARATION

**To,
The Managing Director/Chief Executive Officer
Girnar Spintex Industries Limited**

Dear Sir,

Subject: Annual Declaration confirming compliance with the Code of Conduct

I, Mr./Mrs./Ms. _____, _____(designation) do and hereby acknowledge and confirm that during the financial year _____, to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Directors and Senior Management as may be applicable to my responsibility.

This declaration is given pursuant to Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Signature:

Name:

Designation:

Place:

Date:

Note:

1. Please sign and return this affirmation to the Company Secretary before April 21, every year.
2. This Code shall be applicable and binding on all the Directors and Senior Management from the date of their appointment and this affirmation shall be valid for the said financial year.