

## **CODE OF CONDUCT & ETHICS**

### **INTRODUCTION**

As a responsible corporate citizen, Nandan Denim Limited ("the Company") has always laid considerable importance to maintaining highest standards of Corporate Governance. Irrespective of the mandatory requirements under the Statute in this regard, the Company is committed to adhering to certain values and ethics in conduct of its affairs.

This Code of Business Conduct and Ethics ("Code of Conduct" or "Code") helps ensure compliance with our standards of business conduct & ethics and also with regulatory requirements.

All Senior Management Personnel are expected to read and understand this Code of Business Conduct and Ethics, uphold these standards in day-to-day activities and also comply with all applicable standards, policies and procedures of the Company.

Ethical business conduct is critical to our business. Officers are expected to read and understand this code, uphold these standards in day to day activities and comply with all the policies and procedures. Nothing in this code creates or implies an employment contract or term of employment.

This Code of Conduct should be read in conjunction with applicable regulations & existing policies & procedures of the Company. You can also contact the Secretarial Department if you have any questions or clarifications.

### **PREFACE**

Employees of Nandan Denim Limited should do the right thing – follow the law, act honorably, and treat each other with respect.

We expect all of our employees and Board members to know and follow this Code of Conduct. Failure to do so can result in disciplinary action, including termination of employment. Any waivers of this Code for Directors or Executive Officers must be approved by our Board.

Never retaliate against anyone who reports or participates in an investigation of a possible violation of the Code.

### **APPLICABILITY**

This Code of Conduct is applicable to all Senior Management Personnel which would include the Directors of the Company, the top management personnel (i.e., Executive Directors & all functional heads (including management personnel with direct functional reporting to Directors & top management personnel)).

All Senior Management Personnel are expected to comply with the letter and spirit of this Code. The Senior Management Personnel should continue to comply with other applicable laws & regulations and the relevant policies, rules and procedures of the Company. The Code comes into immediate effect.

### **DEFINITIONS**

"Board" means the Board of Directors of the Company.

"Company" means Nandan Denim Limited, a public limited Company incorporated under the laws of India.

"Code" means this code of conduct and ethics applicable to each Director and Senior Management, as amended from time to time.

"Director" means each member of the Board of Directors of the Company, as may be appointed from time to time.

"Senior Management" mean employees of the Company, other than Directors, that are members of its core management team and includes all Executive committee members of the Company, functional heads of the Company and such other employees of the Company as may be designated as members of the Senior Management for the purpose of this Code by the Chairman or Managing Director of the Company from time to time.

**OBJECTIVE:**

- a) To set standards of ethical conduct and ensure these standards are upheld in day-to-day activities.
- b) To set standards of corporate governance by complying with all applicable laws, rules and regulations and all applicable policies and procedures adopted by the Company and to fulfill the responsibilities to stakeholders.
- c) To set and implement high standards of transparency, integrity, accountability and corporate social responsibility in all dealings.

**THE CODE:**

Each Director and each member of Senior Management will always act in the best interests of the Company and in accordance with the authority conferred on him or her and shall, without prejudice to the foregoing, always act in accordance with this Code.

The Code seeks to set standards for, and regulate, the subjects described below.

**COMPLIANCE WITH APPLICABLE LAWS & REGULATIONS:**

Senior Management Personnel must comply and where applicable, oversee compliance by employees with all the laws, rules and regulations applicable to the Company and its employees.

Each Senior Management Personnel must acquire appropriate knowledge of the requirements relating to his duties sufficient to enable him to recognize potential non-compliance issues and to know when to seek advice from the Secretarial Department on specific Company policies and procedures.

**HONESTY, INTEGRITY & ETHICAL CONDUCT**

Senior Management Personnel shall act in accordance with the highest standards of integrity, honesty, fairness and ethical conduct while working for the Company as well when representing the Company.

Honest conduct means conduct that is free from fraud or deception. Integrity & ethical conduct includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

Senior Management Personnel should promote ethical behavior and take steps to ensure that the Company promotes ethical behavior and also encourages employees to freely report violations of laws, rules, regulations or the Company's Code of Conduct to the appropriate personnel.

They shall not make or accept facilitation payments or kickbacks of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite an action. Kickbacks are typically payments made to commercial organisations in return for a business favour/advantage such as payment made to secure the award of a contract.

They must avoid any activity that might lead to or suggest that a facilitation payment or kickback will be made or accepted by the Company.

**COMPLIANCE WITH LAWS AND REGULATIONS**

In carrying out their duties and responsibilities, Directors and employees must comply with applicable laws, rules and regulations. In addition, if any Director or employee becomes aware of any information that he or she believes constitutes evidence of a violation of any securities or other laws, rules or regulations applicable to the Company or the operation of its business, by the Company, any employee or Director, then such employee or Director should bring such information to the attention of the Chairman of the Board or such other person as designated in this regard.

**COMPLIANCE STANDARDS**

- a. All suspected violations of this Code shall be promptly reported to the Board and such violations are subject to investigation by the board or any committee / or any person(s) so designated by the board. Violations will be investigated by the board or any such designated persons / committee and appropriate action will be taken in the event of any such violations.
- b. All Directors should inform the Company immediately about the emergence of any situation which may disqualify them from continuing as Director.

- c. It shall be the endeavor of every Director to attend as far as possible and actively participate in meetings of the Board and Committees thereof of which they are members.

**DUTIES:**

The independent Directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the Company;
- 6) 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;
- 7) keep themselves well informed about the Company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) 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;
- 10) 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;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of them Company, shareholders and its employees;
- 13) 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.

**AMENDMENT, MODIFICATION & WAIVERS**

Any amendment to this Code must be approved by the Board of Directors and publicly disclosed as required by any applicable law or regulation.

Any waiver of this Code for the benefit of any employees, officer or Director of the Company may be made only by the Company's Board of Directors and shall be disclosed promptly as required by applicable laws and regulations including the rules of any exchange on which the Company's securities are listed or traded.

**VIOLATION OF THE CODE:**

This is the ethical responsibility of all Directors to help enforce this Code. They should be alert to possible violations and report this to the management. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

**WAIVERS AND AMENDMENTS OF THE CODE:**

The Company reserves the right to continuously review and update this Code. Any amendment or waiver or any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

**ACKNOWLEDGMENT:**

Directors are requested to sign the enclosed acknowledgment form in token of their having received, read and accepted this Code.