

**THE BIRLA COTTON SPINNING AND WEAVING MILLS LIMITED**  
**CODE OF CONDUCT FOR ALL MEMBERS OF BOARD OF DIRECTORS AND**  
**SENIOR MANAGEMENT**

**1. Introduction:**

The Company aims to be the industry leader by achieving excellence in everything it does including standards of business conduct. This objective shall be achieved by adopting a policy to conduct its business with responsibility, integrity, fairness, transparency and honesty. The purpose of this code of conduct (“**Code**”) is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to shareholders and all other stakeholders. This code of conduct is also a tool in carrying out the Company’s social responsibility in a more effective manner. This Code sets out a broad policy for one’s conduct in dealing with the Company, fellow directors, Senior Management & employees and the external environment in which the Company operates.

The Code is formulated to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 (“**Statutory Regulations & Acts**”)

**2. Application of this Code**

This Code applies to all the Directors, Senior Management personnel and all the Employees of the Company.

For the purpose of this Code:

“**Director**” shall mean a member of the Board of Directors of the Company and its committees whereof; and

“**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; and

“**Employee**” shall mean every person on permanent or temporary rolls of the Company at its various business locations

hereinafter collectively referred to as (“**covered persons**”)

**3. Affirmation on Compliance of Code**

The CEO of the Company shall sign a declaration stating that the members of board of directors and senior management personnel have affirmed compliance with the code.

The CEO of the Company is the Compliance Officer for the purpose of this Code.

#### **4. Governing Principles and Responsibilities under Code**

The purpose of this code is to outline the principles governing the conduct of the Covered persons for discharge of their functions and duties in the Company, in following areas ;

##### **a) Regulatory Compliance**

Covered persons, in his/her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he/ she operates.

The Covered persons shall act in adherence to the Statutory Regulations.

##### **b) Honest and Ethical Conduct**

The Covered persons of the Company should act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Honest conduct is conduct that is free from any fraud or deception. Ethical conduct is conduct conforming to accepted professional standards of conduct and shall include ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

##### **c) Conflicts of Interest**

The covered persons shall not engage in any activity or enter into any pecuniary relationship which might result in conflict of interest, either directly or indirectly. A “conflict of interest” occurs when an individual’s private interest directly or indirectly interferes or appears to interfere with the interests of the Company. The covered persons must act at all times in the Company’s best interests and avoid putting themselves in a position where their personal interests conflict or appear to conflict with the interests of the Company. Their personal interests will also include those of their relatives. Any Director, Senior Executive or other Employee, who is aware of a conflict of interest or is concerned that a conflict might develop, is required to disclose the matter promptly to the Board of Directors in case of a Director, to the Chief Executive Officer in case of a Senior Executive and to the Company Secretary in case of any other Employee.

##### **d) Misuse of Opportunities and Information**

The covered persons owe a duty to the Company to advance the Company’s business interest when appropriate. The covered are prohibited from taking (or directing to a third party) a business opportunity (relevant to the line of business intended to be pursued by the Company) that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. The covered persons are prohibited from using corporate property, information or position for personal gain and from competing with the Company. Wherever, it is difficult to differentiate between personal and Company benefits or there are both personal and Company benefits in certain activities, the only prudent course of conduct for the covered persons is to make sure that any use of Company property or services or such transactions that is not solely for the benefit of the Company has prior approval of the competent authority.

### **e) Confidential Information**

During the course of employment or dealing with the Company, any information of a confidential nature (whether about the Company, other companies or individuals) that is known to covered persons shall be treated as confidential unless publicly available. Such information should be used only for the purpose of the business of the Company. This obligation continues for three years after leaving the Company. The Company also respects the rights of others regarding their confidential information. Where information is received from third parties under conditions of confidentiality, the covered persons shall comply with those conditions but no-one should solicit confidential information from third parties without prior authorisation. The use of Company information for personal gain is strictly prohibited. In particular, Directors and Employees or members of their families should not trade in securities of the Company when in possession of unpublished price sensitive material. The covered employees (to the extent applicable to them) shall also comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and 'Code of Conduct to Regulate, Monitor and Report Trading in Securities of the Company'.

### **f) Fair Dealing**

The Company does not seek competitive advantages through illegal or unethical business practices. Each Director and Employee should endeavour to deal fairly with the Company's customers, service providers, suppliers, competitors and other Employees. No Director or Employee should take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice. The covered persons shall immediately bring to the notice of the Board and CEO, respectively, any unethical behavior and actual or suspected fraud.

### **g) Protection and proper use of Company Assets**

The assets of the Company shall not be misused by the covered persons during the course of conducting the business of the Company or otherwise. The assets include tangible assets such as equipment and machinery, systems, facilities, materials, resources, etc. as well as intangible assets such as patents, proprietary information, process, design, etc. whether patented or not, relationships with customers and suppliers, etc.

### **h) Bribery**

The payment of bribes, kickbacks or other payments of this nature in cash or kind to obtain business or otherwise gain advantage for the Company is strictly prohibited, irrespective of whether payments or offers are made directly or indirectly.

### **i) Gifts and Entertainment**

Though business gifts and entertainment are customary in many parts of the world they need to be viewed with caution. The covered persons may accept and offer nominal gifts which are customarily given and/ or are of commemorative nature for special events. Except

for above, the covered persons shall neither receive nor offer or make directly/ indirectly any illegal payments, gifts or any benefits which are intended to obtain unethical favour.

#### **j) Safety, Health and Environment**

The Company's vision envisages no compromise in its commitment to safety, health and responsible care for the environment. Health and safety of the people in and around its area of operations are of paramount importance to the Company. The Company is committed to environment protection, pollution control and maintenance of ecological balance. The Company shall maintain high standards of pollution control, environment protection and safety.

#### **5. Provisions Applicable to Independent Directors**

In addition to the provisions contained in this code, the independent Directors shall also adhere to the "code for Independent Directors" as outline under Schedule IV of the Companies Act, 2013.

#### **6. Implementation**

The covered persons are accountable for full compliance with this Code of Conduct. Sanctions for breach of this Code shall be determined by the Board of Directors. Sanctions may include serious disciplinary action, removal from office as well as other remedies, all to the extent permitted by law and as appropriate under the circumstances. The CEO shall report to the Company's Board on the Code's operation and effectiveness along with any significant breach of the Code.

#### **7. Interpretation**

Any question relating to how this Code should be interpreted or applied should be addressed to the CEO.