

# **CRAVATEX LIMITED**

## **CODE OF CONDUCT APPLICABLE TO DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

### **FOREWORD**

Regulation 17(5)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance requires the Board of Directors of a listed company to lay down a code of conduct for all Board members and senior management of the company. All Board members and senior management personnel are required to affirm compliance with the code on an annual basis. The Annual Report of the company is required to contain a declaration to this effect duly signed by the CEO.

### **1. NATIONAL INTEREST**

Cravatex Limited shall be committed in all its actions to benefit the economic development of the countries in which it operates and shall not engage in any activity that would adversely affect such objective. It shall not undertake any project or activity to the detriment of the Nation's interests or those that will have any adverse impact on the social and cultural life patterns of its citizens. The Company shall conduct its business affairs in accordance with the economic development and foreign policies, objectives and priorities of the Nation's government and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level as appropriate.

### **2. FINANCIAL REPORTING AND RECORDS**

The Company shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to company auditors and other authorised parties and government agencies. There shall be no wilful omissions of any company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

Any wilful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws.

### **3. COMPETITION**

The Company shall fully strive for the establishment and support of a competitive open market economy in India and abroad and shall co-operate in the efforts to promote the progressive and judicious liberalisation of trade and investment by a country.

Specifically, The Company shall not engage in activities which generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

The Company shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

### **4. EQUAL-OPPORTUNITIES EMPLOYER**

The Company shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, material status, sex, age, nationality, disability and veteran status. Employees of The Company shall be treated with dignity and in accordance with the Company's policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

### **5. GIFTS AND DONATIONS**

The Company and its directors shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business. However, The Company and its directors may accept and offer nominal gifts which are customarily given and are of commemorative nature for special events.

## **6. GOVERNMENT AGENCIES**

The Company and its directors shall not offer or give any company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favourable performance of official duties.

## **7. POLITICAL NON-ALIGNMENT**

The Company shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. THE Company shall not contribute any amount or amounts, directly or indirectly, to any specific political party or for any political purpose to any person except in accordance with and in the manner and within the limits prescribed under the provisions of applicable laws.

## **8. HEALTH, SAFETY AND ENVIRONMENT**

The Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. The Company shall be committed to prevention of the wasteful use of natural resources and minimization of any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

## **9. QUALITY OF PRODUCTS AND SERVICES**

The Company shall be committed to supplying goods and services of the highest quality standards backed by efficient after-sales service consistent with the requirement of the customers to ensure their total satisfaction. The quality standards of the Company's goods and services should at least meet the required national standards and the Company should endeavour to achieve international standards.

## **10. CORPORATE CITIZENSHIP**

The Company shall be committed to be good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates, with the objective of making them self-reliant. Such social responsibility would comprise, to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise.

## **11. CO-OPERATION OF COMPANIES**

The Company shall co-operate with other Companies by sharing physical, human and management resources as long as this does not adversely affect its business interests and shareholder value.

In the procurement of products and services The Company shall give preference to another Company as long as it can provide these on competitive terms relative to third parties.

## **12. PUBLIC REPRESENTATION OF THE COMPANY**

The Company honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing company and business information to public constituencies such as the media, the financial community, employees and shareholders, The Company shall be represented only by specifically authorised directors and employees. It will be the sole responsibility of these authorised representatives to disclose information on the Company.

## **13. THIRD PARTY REPRESENTATION**

Parties which have business dealings with the Company but are not members of the Group such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorised to represent The Company if their business conduct and ethics are known to be inconsistent with the Code.

## **14. USE OF THE BRAND**

The use of the trade name and trademark owned by the Company shall be governed by manuals, codes and agreements to be issued in this regard.

## **15. GROUP POLICIES**

The Company may recommend to its Board of Directors the adoption of policies and guidelines periodically formulated.

## **16. SHAREHOLDERS**

The Company shall be committed to enhancing shareholder value and complying with all regulations and laws that govern shareholders' rights. The Board of Directors of the Company shall duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

## **17. ETHICAL CONDUCT**

Every director of The Company shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

Every director shall be responsible for the implementation of and compliance with the Code in his professional environment. Failure to adhere to the Code could attract the most severe consequences including termination of association.

## **18. REGULATORY COMPLIANCE**

Every director of the Company shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code then the standards of the Code shall prevail.

## **19. CONFLICT OF INTEREST**

A director of the Company shall not engage in any business, relationship or activity which might detrimentally conflict with the interest of the Company or the Group. If a director is directly or indirectly concerned or interested in any contract or arrangement between the Company and another entity, in which he has material or pecuniary interest, he shall disclose the same in accordance with the provisions of Section 299 or other applicable provisions of the Companies Act, 1956.

## **20. SECURITIES TRANSACTIONS AND CONFIDENTIAL INFORMATION**

A director of the company shall scrupulously follow the provisions of the Code of internal procedures and conduct framed by the company pursuant to Regulation 12 of the SEBI (Prohibition of Insider Trading) Regulations, 1992 and other applicable Regulations in force from time to time in matters of securities transactions and pertaining to price sensitive information.

## **21. PROTECTING COMPANY ASSETS**

The assets of The Company should not be misused but employed for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

## **22. CITIZENSHIP**

A director of the Company shall in his private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of the Company or the Group.

## **23. INTEGRITY OF DATA FURNISHED**

Every director of the Company shall ensure, at all times, the integrity of data or information furnished by him to the Company.

**-:O:-**