

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS, KMP AND SENIOR MANAGEMENT OF SANTARAM SPINNERS LIMITED

1. Preamble:

Commitment to ethical professional conduct is a must for every employee of the company in all of its businesses/units/subsidiaries. This code, consisting of imperatives formulated as statements of personal responsibility, identifies the elements of such a commitment. It contains many, but not all issues, employees are likely to face.

The code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in a code of ethics and conduct document are subject to varying interpretations and that any ethical principle may conflict with other ethical principles in specific situations. Questions related to ethical conflicts can best be answered by thoughtful consideration of fundamental principles rather than reliance on detailed regulations. In case of conflict, the decision of the Board shall be final.

1.0 Definitions and Interpretations:

- 2.1. The term "Board Members" shall mean Directors on the Board of Directors of the Company.
- 2.2 The term "Whole-time Directors" shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the company.
- 2.3 The term "Key Managerial Personnel" shall have the same meaning as defined in Section 2(51) of the Companies Act, 2013.
- 2.3 The term "Part-time Directors" shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- 2.4 The term "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013.
- 2.5 The term "Senior Management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole time Directors, including all functional heads.

2.6 The term “the Company” shall mean “Santaram Spinners Limited”.

Note: In this Code words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3. Applicability:

3.1 This code shall be applicable to the following personnel:

- a) All Whole-time Directors including the Chairman & Managing Director and Key Managerial Personnel of the Company.
- b) All Directors including Independent Directors under the provisions of law.
- c) Senior Management.

3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

3.3 All Directors including Independent Director, Managing Director, Whole Time Director, Manager and Key Managerial Personnel must read and understand this code and ensure to abide by it in their day-to-day activities.

4. Contents of Code:

Part I General Moral Imperatives

Part II Specific Professional Responsibilities

Part III Specific Additional Provisions for Board Members and Senior Management

This code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART:I

GENERAL MORAL IMPERATIVES

1. Contribute to society and human well-being

This principle concerning the quality of life of all people affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially

responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well-being includes a safe natural environment. Therefore, all of us, who are accountable for the design, development, manufacture and promotion of company's products, must be alert to, and make others aware of, any potential damage to the local or global environment.

2. *Avoid harm to others*

"Harm" means injury or negative consequences, such as loss of property, property damage or un-wanted health and environmental impacts. This principle prohibits use of men, material and technology in ways that result in harm to our consumers, employees and the general public.

Well-intended actions, including those that accomplish assigned duties, may lead to harm unexpectedly. In such an event, the responsible person or persons are obligated to undo or mitigate the negative consequences as much as possible.

3. *Be honest and trustworthy*

Honesty is an essential component of trust. Without trust an organisation cannot function effectively. All of us are expected not to make deliberately false or deceptive claims about our products/systems, but instead provide full disclosure of all pertinent limitations and problems.

4. *Be fair and take action not to discriminate*

The values of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination on the basis of race, sex, religion, age, disability, national origin, or other such factors is an explicit violation of this code.

5. *Honor confidentiality*

The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this code.

We, therefore, will maintain the confidentiality of all material non-public information about company's business and affairs.

PART II SPECIFIC PROFESSIONAL RESPONSIBILITIES

Live the Company's Values each day:

We must live the Company's Values each day. For quick reference our core values are:

- Be passionate for adoption of New Things and ready for accepting Change
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team-work
- Loyalty and pride

Ownership:

This is our company. Always do your work and decision as it is your own and ready to accept personal responsibility and accountability to meet business needs.

Passion for winning:

We all are leaders in our area of responsibility with a deep commitment to deliver results. We are determined to be the best at doing what matters most.

People development:

People are our most important asset. We add value through result driven training and we encourage and reward excellence.

Consumer focus

We have superior understanding of consumer needs and develop products to fulfill them better. We always remain consumer focused and ready to adopting the new formulas, processes and technology in the interest of Consumers.

Teamwork

We work together on the principle of mutual trust and transparency in a boundary less organisation. We are intellectually honest in advocating proposals, including recognizing risks.

Innovation

Continuous innovation in products and process is the basis of our success.

Integrity

We are committed to the achievement of business success with integrity. We are honest with consumers, business partners and one another.

Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work

Excellence is perhaps the most important obligation of a professional. We must strive to achieve the highest quality, effectiveness and dignity in all that we are responsible for each day.

Acquire and maintain professional competence

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. We must participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

Know and respect existing laws

We must obey existing local, state, national, and international laws unless there is a compelling ethical basis not to do so. We should also obey the policies, procedures, rules and regulations of the company. Violation of a law or regulation may be ethical when that law or rule has inadequate moral basis or when it conflicts with another law judged to be more important. If one decides to violate a law or rule because it is viewed as unethical, or for any other reason, one must fully accept responsibility for one's actions and for the consequences.

Accept and provide appropriate professional review

Quality professional work depends on professional reviewing and critiquing. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of their work.

Manage personnel and resources to enhance the equality of working life

Organisational leaders are responsible for ensuring that a facilitative environment is created for fellow employees to enable to deliver their best. We all, therefore, are responsible for ensuring human dignity of all our colleagues, ensuring their personal and professional development and enhancing the quality of working life.

Deal with the Media tactfully

We should guard against being misquoted and finding ourselves compromised. Our role as individuals is always to be tactful, to avoid comments, and to pass enquiries to those who are authorized to respond to them.

Be upright and avoid any inducements

Neither directly nor through family and other connections indirectly, should we solicit any personal fee, commission or other form of remuneration arising out of transactions involving the Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business-especially during bulk purchase of commodities for the organisation or awarding a contract to an agency, etc. We are likely to be offered various gifts by vendors/parties/agencies and people associated with the Company under different wraps or generally on personal celebrations or functions or religious festivals, etc.

Observe Corporate Discipline

Our flow of communication is not rigid and people are free to express themselves at all levels. However, this informality should not be misunderstood. What it means is that though there is a free exchange of opinions in the process of arriving at a decision, after the debate is over and a policy consensus has been established, all are expected to adhere to and abide by it, even when in certain instances we may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. We all must learn to recognise the difference and appreciate why we need to observe them.

Conduct ourselves in a manner that reflects credit to the Company

All of us are expected to conduct ourselves, both on and off-duty, in a manner that reflects credit to the company. The sum total of our personal attitude and behaviour has a bearing on the standing of the Company and the way in which it is perceived within the organization and by the public at large.

Be accountable to our stake-holders

All of those whom we serve be it our customers, without whom we will not be in business, our shareholders, who have an important stake in our business and the employees, who have a vested interest in making it all happen-are our stakeholders. And we must keep in mind at all times that we are accountable to our stakeholders.

“Inside information” gained from the Company or otherwise must not be used for personal gains. We undertake to comply with the Company’s Code of Conduct for Prevention of Insider Trading.

Identify, mitigate and manage business risks

It is our responsibility to follow our institutionalized Company's Risk Management Framework to identify the business risks that surround our function or area of operation and to assist in the company-wide process of managing such risks, so that the Company may achieve its wider business objectives. All of us should continuously ask ourselves "What can go wrong and what am I doing to prevent it from going wrong."

Protect The Company's properties

We all are perceived as Trustees of Company's properties, funds and other assets. We owe fiduciary duty to each stakeholder, as their agent, for protecting the Company's assets. We, therefore, must safeguard and protect the Company's assets against any misappropriation, loss, damage, theft, etc. by putting in place proper internal control systems and procedures and effectively insuring the same against any probable fire, burglary, fidelity and any other risk.

**PART:III
SPECIFIC ADDITIONAL PROVISIONS FOR BOARD MEMBERS AND
MANAGEMENT COMMITTEE MEMBERS**

As Board/Management Committee Members:

We undertake to actively participate in meetings of the Board, or the Committees thereof and the meetings of Management Committee on which we serve.

As Board members

1. We undertake to inform the Chairman of the Board of any changes in our other board positions, relationship with other business and other events/circumstances/conditions that may interfere with our ability to perform Board/Board Committee duties or may impact the judgment of the Board as to whether we meet the independence requirements of Listing Agreement with Stock Exchanges.
2. We undertake that without prior approval of the disinterested members of the Board, we will avoid apparent conflict of interest. Conflict of interest may exist when we have personal interest that may have a potential conflict with the interest of the company at large. Illustrative cases can be:
 - **Related Party Transactions:** Entering into any transactions or relationship with the Company or its subsidiaries in which we have a financial or other personal interest (either directly or indirectly such as through a family member or other person or other organisation with which we are associated).

- **Outside Directorship:** Accepting Directorship on the Board of any other Company that competes with the business of Company.
- **Consultancy/Business/Employment:** Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with our duties/responsibilities towards the Company. We should not invest or associate ourselves in any other manner with any supplier, service provider or customer of the Company.
- **Use of Official position for our personal gains:** We should not use our official position for our personal gains.

Compliance with the Code

As employees of the Company, we will uphold and promote the principles of this code: The future of the organisation depends on both technical and ethical excellence. Not only is it important for employees to adhere to the principles expressed in this Code, each employee should encourage and support adherence to the code by other employees.

Treat violations of this code as inconsistent association with the organization: Adherence of professionals to a code of ethics is largely a voluntary matter. However, if any of us do not follow this code by engaging in process misconduct, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the guilty employee.

Miscellaneous

Continual updating of code: This code is subject to continuous review and updating in line with any changes in law, changes in company's philosophy, vision, business plans or otherwise as may be deemed necessary by the board.

* * * * *