

**S P APPARELS LIMITED**

***CODE FOR***

**BOARD MEMBERS**

**AND**

**SENIOR MANAGEMENT PERSONNEL**

## **1. INTRODUCTION**

1.1 This Code of Conduct (“this Code”) shall be called "The Code of Conduct for Board Members and Senior Management Personnel of S P Apparels Limited" (hereinafter referred to as “the Company”).

1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.

1.3 In terms of the Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to ‘Corporate Governance’, as amended from time to time, it is mandatory that a code of conduct is laid and be made applicable to all Board Members and all Senior Management Personnel of the Company. Hence to meet this requirement, this Code of Conduct has been formulated by the Board. This Code broadly lays down the general principles to be followed by the Board Members and the Senior Management Personnel as a guide for making ethical decisions.

## **2. DEFINITIONS & INTERPRETATIONS**

2.1 The term “Company” or “S P” shall mean S P Apparels Ltd.

2.2 The term "Board/Board Members" shall mean Directors on the Board of Directors of the Company.

2.3 The term “Whole-time Director” shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the Company.

2.4 The term “Independent Director” shall have the same meaning as defined in Section 2(47) of the Companies Act, 2013.

2.5 The term “Relative” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013.

2.6 The term “Senior Management Personnel” shall mean personnel of the Company who are members of its core management team excluding Board of Directors.

## **3. APPLICABILITY**

3.1 The Code is applicable to the following persons, hereinafter referred to as 'Directors and Senior Management Personnel' : All Members of the Board of Directors of the Company; and Senior Management of the Company.

3.2 Directors and Senior Management Personnel are expected to read and understand the Code, uphold these standards in their day-to-day activities, and comply with all applicable laws, rules and regulations and all applicable policies and procedures adopted by the Company that govern the conduct of its employees.

## **4. KEY REQUIREMENTS**

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company and must observe the following Code of Conduct:

- Shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness.
- Shall act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated.
- Shall act in the best interest of the Company and shall always endeavour to fulfil their obligations towards the Company and to fulfil their fiduciary duties.
- Shall not derive personal benefit or undue advantages (financial or otherwise) by virtue of their position or relationship with the Company, and for this purpose
- Shall adopt transparency in their dealings with the Company.
- Shall disclose full details of any direct or indirect personal interests in dealings/transactions with the Company.
- Shall not be party to transactions or decisions involving conflict between their personal interest and the Company's interest.
- Shall not assign his/her office and any assignment so made shall be void.
- Shall Conduct themselves and their activities outside the Company in such manner as not to adversely affect the image or reputation of the Company.
- Shall Inform the Company immediately if there is any personal development (relating to his/her business/professional activities) which could be incompatible with the level and stature of his/her position and responsibility with the Company.
- Shall always abide by the above Code of Conduct, and shall be accountable to the Board for their actions/violations/defaults.
- Shall not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.
- Shall not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders or any foreign country; Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member and Senior Management Personnel, which are purely factual in nature and are not considered as confidential, in his/her official capacity or in due performance of the duties assigned to him/her.
- Shall not commit any offence involving moral turpitude.
- Shall ensure workplace free of discrimination & harassment based on race, colour, religion, caste, age, gender, nationality, origin, disability, disease, veteran status, or any other biases.

- Will use reasonable efforts to attend Board and Committee meetings regularly. All Directors will dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision-making by reviewing in advance any materials distributed and making reasonable inquiries.
- Will make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of the Company and its Board of Directors.
- Shall protect the Company's assets including physical assets, property, information and intellectual rights and shall not use the same for personal gain.
- Shall be accountable to the stakeholders i.e. shareholders, debtors, creditors, contractors, suppliers, customers, regulators, Government etc. in discharge of the duties of the Company.
- Shall act in accordance with and keeping in mind the Vision, Mission and Values of the Company.
- Shall not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
- Shall assist the Company in implementing the best corporate governance practices.
- In addition to the above, an Independent Director on the Board of the Company shall abide by the Code for Independent Directors as provided in Schedule IV of the Companies Act, 2013.

## **5. CONFLICTS OF INTEREST**

Directors and members of senior management of the Company are expected to dedicate their best efforts to advancing the Company's interests and to make decisions that affect the Company based on the Company's best interests and independent of outside influences. A conflict of interest occurs when a director's/member's of senior management team private interest interferes in any way, or even appears to interfere, with the interest of the Company as a whole. Directors and members of senior management of the Company should avoid conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company shall be disclosed promptly to the Chairman of the Board.

## **6. GIFTS**

Directors and members of senior management of the Company and their immediate families may not accept gifts from persons or firms who deal with the Company where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest. Gifts and entertainment may be exchanged at a level that does not exceed customary local courtesies extended in accordance with ethical business practices and applicable law.

## **7. JUDICIAL PROCEEDINGS**

The Directors and Senior Management Personnel must avoid activities that could involve or lead to involvement of the company or its personnel in any unlawful practice, including the employment of personnel or use of company assets for illegal gain. Lawsuits, legal proceedings and investigations concerning S P Apparels must be handled quickly and properly in order to protect and defend the company.

## **8. PREVENTION OF INSIDER TRADING**

The Board Members and Senior Management Personnel shall comply with insider trading guidelines issued by SEBI and the S P Apparels Code of Fair Disclosures and Code of Conduct for Prevention of Insider Trading, in dealing with securities of the Company.

## **9. CONFIDENTIALITY OF INFORMATION**

Subject to the Code of Corporate Disclosure Practices as may be prevalent in the Company from time to time any information concerning the Company's business, its products, technology, customers, suppliers, etc. to which the Board Members and Senior Management Personnel have access or which are in their possession, must be considered confidential and held in confidence. No Board Member and Senior Management Personnel shall provide any information either formally or informally, to the press or any other media, unless specifically authorized. The Board Members and Senior Management Personnel shall also be required to maintain confidentiality of information for a period of 6 months after separation from the Company. Provided that Board Members and Senior Management Personnel shall in consultation/under intimation to the Public Spokesperson of the Company be free to disclose such information which is: (a) part of the public domain at the time of disclosure; or (b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Committees or Sub-Committees; or (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from government or regulatory authorities.

## **10. DUTIES OF INDEPENDENT DIRECTOR**

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 the 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.

#### **11. AMENDMENTS TO THE CODE**

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management shall be duly informed of such amendments and modifications.

#### **12. WAIVERS**

No waiver of any of the provisions of this Code shall be effective unless, the Board of Directors of the Company approves such waiver in case of Board Members and by Chairman in case of Senior Management Personnel.

#### **13. NON-COMPLIANCE OF THE CODE**

Suspected violations of this Code must be reported to the Chairman of the Board or the Members of the Board. All reported violations would be appropriately investigated.

#### **Acknowledgement of Receipt of Code of Business Conduct and Ethics**

I have received and read the S P Apparels Code of Conduct. I understand the norms, standards and the policies contained in the S P Apparels Code of Conduct, and understand that there may be additional policies or laws specific to my job. I further agree to comply with the S P Apparels Code of Conduct.

Signature :

Name: