

JAGJANANI TEXTILES LIMITED

CODE OF BUSINESS ETHICS & CONDUCT

Introduction

Jagjanani Textiles Limited . (“The Company”), has adopted a Code of Business Ethics and Conduct (the Code) to provide guiding principles for members of the Board of Directors so that the Company’s business is conducted with honesty and integrity. This Code also provides a mechanism whereby Board members can act on a fully informed basis, in good faith, with due diligence and care and in the best interest of the Company and its shareholders. The cornerstone of this Code is that Directors should not only avoid any wrongdoing but should also avoid any appearance of wrong-doing. Since no code or policy can anticipate every situation that may arise, Directors are encouraged to discuss questions about the Code’s application to particular circumstances with the Chairman of the Audit Committee or the Chairman of the Board of Directors. The actions of Directors individually and of the Board collectively will be governed by the Code as written under the following Sections:

1. General

1.1. The Board shall ensure that there is always a balance of power and authority such that no one individual has unfettered powers of decision making, whether or not such decisions have or may have financial implications.

1.2. The Board shall comprise non-executive Directors of sufficient caliber and number, for their views to carry significant weight in the Board’s decisions.

1.3. Board meetings, which should be held not less than four times every year, should provide opportunities to Directors to deliberate upon policy matters, review implementation of Board decisions, exercise effective control over the Company and monitor the working of management, including performance appraisals.

1.4. Every Director must approach Board meetings with an open and independent mind, participate in the debate on each issue raised, consider the arguments for and against each motion and reach a decision that he believes, in good faith and on reasonable grounds, to be in the best interests of the Company as a whole.

1.5. Every Director must recognize that, in acting as a Director of the Company, his dominant purpose or object must be to serve the interests of the members of the Company as a whole, in precedence to or even in subjugation of the interests of any particular individual or group of Directors or stakeholders.

1.6. Every Director owes a fiduciary duty to the Company and its stakeholders and his personal or commercial interests must not come in the way of discharging such duty, in the larger interests of the Company.

1.7. A Director may rely on information and advice received from officers and employees of the Company but only if the Director has reasons to believe that the officer or employee is reliable and competent in relation to the matters concerned. The Director must make an independent

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assessment of the information or advice before relying upon it.

1.8. Where any decision taken at meeting of the Board or a Committee thereof is not unanimous, a dissenting Director should disclose the fact that he has dissented with reasons for dissenting.

1.9. No Director should engage in any conduct, professional or personal, nor make any statement that is likely to prejudice the Company's business or to harm, defame or otherwise bring discredit upon or denigrate the Company, its Directors, employees, suppliers or customers.

2. Compliance with Laws and Company Policies

Directors are expected to comply with applicable laws and the Company's policies and to monitor legal and ethical compliance by the Company's officers and other employees, who shall also be deemed to be aware of all such applicable laws and the Company's policies.

3. Financial Reporting and Records

3.1 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.

3.2 Internal accounting and Audit Procedures shall fairly and accurately reflect all the Company's business transactions and disposition of assets. All required information shall be accessible to Company Auditors and other Authorized parties and Government agencies. There shall be no willful omissions of any Company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

3.3 Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of this Code, apart from inviting appropriate Civil or Criminal action under the relevant laws.

4. "Insider Trading"

In the normal course of business, Directors may come into possession of significant unpublished and price sensitive information. Such information is the property of the Company and it is against Company policy and SEBI regulations, to profit from it by buying or selling securities or passing on the information to others, to enable them to profit, or for them to profit on behalf of the Director.

5. Conflicts of Interests

Each director should endeavor to avoid having his or her private interests interfere with (i) the interests of the Company or (ii) his or her ability to perform his or her duties and responsibilities objectively and effectively. Directors should avoid receiving or permitting members of their

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immediate family to receive improper personal benefits from the Company, including loans from or guarantees of obligations by the Company. A director should make a full disclosure to the entire Board of any transaction of relationship that such a director reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions or relationships.

6. Competition and Fair Dealing

6.1 Every Director shall endeavor to deal fairly with the Company's customers, suppliers, competitors and employees and shall oversee fair business dealing by the Company's officers and employees. No Director should take unfair business advantage of any person or entity through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair dealing.

6.2 The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. Directors and members of their immediate families should not accept gifts from any person or entities when the gifts are made in order to influence the Director's action as a member of the Board, or where acceptance of the gift could create the appearance of impropriety.

7. Confidentiality

The Company's confidential information (including Board or Committee papers) made available to or received by a Director remains the property of the Company. No Director should disclose such information or allow it to be disclosed, unless that disclosure has been duly authorized by the Board or is in pursuance of statutory requirements.

8. Protection and Proper Use of Company Assets

Directors should protect the Company's assets and ensure the efficient use thereof. Directors should not use Company time, employees, supplies, equipment, buildings, or other assets for personal benefit, without the prior written approval of the Chairman of the Audit Committee or unless such use is part of a compensation or expense reimbursement program available to all Directors, or is otherwise approved by the Board.

9. Reporting of Illegal or Unethical Behaviour

Directors should promote ethical behaviour and take steps to ensure that the Company (a) encourages employees to talk to supervisors, managers and other appropriate personnel, when in doubt about the best course of action in a particular situation; (b) encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct; and (c) informs employees that the Company will not permit retaliation for reports made in good faith.

10. Sanctions

10.1 A pre-condition for adherence to this Code of Conduct is an effective and implementable set of sanctions which can be imposed in respect of breaches of varying nature and degree.

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10.2 When the Board (or its delegate) is considering whether there has been a breach of this Code of Conduct or the sanctions which are appropriate, the Board (or its delegate) will notify the Director whose conduct is in question and give him a right to be heard in person (and not by or through or in the presence of any representative) by the Board (or its delegate).

10.3 The Board shall consider the seriousness of any contravention of this Code and may then impose such sanctions as it considers warranted, including but not limited to suspension or removal of the guilty Director from membership of the Board or any Committee or Committees of the Board or from all or any of the Boards of the subsidiaries where the power to appoint such Director as a Director of that company vests with the Company.

10.4 A Director may be removed or suspended from membership of the Board or Committee whether or not the proceedings of the Board or Committee relate to the subject matter involved in the breach of this Code of Conduct.

11. Annual Review

The Board shall review and reassess the adequacy of this Code at least once a year and make any amendments that it deems appropriate.

12. Applicability to employees of the company

The relevant portion of the Code will also apply to all the managerial employees of the company as is applicable to a director of the company. In addition, it will also be applicable to consultants of the company working on a retainer basis.