

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

Introduction:

This code of Conduct (hereinafter referred to as 'the Code' has been framed and adopted in the meeting of Board of Directors held on 28.01.2006 by M/s. H.P. COTTON TEXTILE MILLS LIMITED having its Regd. Office at 15th K.M. Stone, Delhi Road, V.P.O. Mayar-125044, Hisar (Haryana)-India (hereinafter referred to as "the Company") in compliance with the provisions of Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchange(s).

The Code applies to the Members of Board of Directors (hereinafter referred to as "Board Members") and Members of the Senior Management Team of the Company viz. Unit Head(s), Branch Head(s), Departmental Head(s), and all other executive(s) having similar or equivalent rank in the Company and the Company Secretary of the Company (hereinafter referred to as "Senior Managers").

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

The Code shall come into force with effect from 28th January, 2006 and future amendments / modifications shall take effect from the date stated therein.

The Code shall be posted on the website of the Company.

Code of Conduct

The Board Members and the Senior Managers of the Company-

1. Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
2. Shall act in utmost good faith and exercise due care, diligence and integrity in performing their assigned duties. His acts, deeds and actions should confirm to the highest standards of propriety.
3. Shall ensure that they use the Company's assets, properties, informations documents, records and intellectual rights etc. for official purpose only and in terms of their appointment / work assigned from time to time.
4. Shall not receive and accept any money, profit or benefits from / in the Company other than his entitlement as per his terms of appointment.
5. Shall not seek, accept or receive, directly or indirectly, any reward, gift, payments, compensation or favour whether tangible or intangible, in cash or kind or in whatsoever other form from Company's business associates and or other related entities, which may be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company's interests are never compromised.
6. Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain, benefit or advantage.
7. Shall not commit any offences involving morale turpitude or any act contrary to law or opposed to the public policy.

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8. Shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the affairs of the Company, except through the designated spokesperson or authorized otherwise.
9. Shall not, without the prior approval of the Board accepts employment or a position of profit with others/ any other organization for remuneration or otherwise that are/ may be prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company.
10. Shall in conformity with applicable legal provisions disclose personal and / or financial interest in any business dealings concerning the Company and shall declare such information, transactions about their relatives (spouse, dependent children and dependent parents), if any entered into with them.
11. Shall act to ensure compliance of all the applicable codes, Acts, laws, rules, regulations and statutes directly and indirectly applicable on the Company in letter and spirit.
12. Shall ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 as also other regulations as may become applicable to them from time to time.
13. Shall ensure that all his acts deeds and actions are legal reasonable and fair and enhances the value and wealth of the Company and its stakeholders.

Annual compliance reporting:

Board Members and Senior Managers shall affirm compliance with this Code on an annual basis as at the end of each financial year of the Company within 7 days of the close of every financial year.

Acknowledgement of receipt of the Code:

Each Board Member and Senior Manager both present and future shall acknowledge receipt of the copy of this Code or any modification(s) thereto, to the Compliance Officer.

Any breach of this Code brought to the notice of the Compliance Officer; any member of the Board, senior Manager(s) shall be reported to the Board of Directors of the Company who shall take necessary action.