

BLUE CHIP TEX INDUSTRIES LIMITED

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

1. Introduction:

Blue Chip Tex Industries Limited [“the Company”] is committed towards conducting its business in accordance with applicable laws, rules and regulations and highest standards of business ethics and ethical conduct in dealing with all its stakeholders. This Code of Conduct (hereinafter referred to as “the Code”) is for the Board of Directors and the senior management (hereinafter referred to as “officers”) to maintain the standards of business conduct for the Company and ensure compliance with legal requirements.

As per Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the officers shall affirm compliance with the code on an annual basis. Therefore, every Director and Senior Management who is required to execute this document is expected to read and understand this Code and its application to the performance of his or her duties, functions and responsibilities.

The Board of Directors are responsible for setting the standards of conduct contained in this Code and for updating these standards as appropriate to reflect legal and regulatory developments. This Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability.

Every officer of the Company must, as may be applicable:

- represent the interests of the shareholders of the Company;
- exhibit high standards of integrity, commitment and independence of thought and judgement;
- dedicate adequate time, energy and attention to ensure the diligent performance of his/her duties and in case of Director make all reasonable efforts to attend Board or committee meetings;
- Comply with every provision of this Code; and
- ensure that all employees of the Company shall be treated with equal respect and dignity and shall be provided with equal opportunity to develop themselves and their career.

2. Conflict of interest:

Officers are duty bound to avoid and disclose actual and apparent conflict of interest. A conflict of interest exists where the interest or benefits of the officers conflict with the interest or benefits of the Company. Officers are prohibited from engaging in any activity that interferes with the performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Officers must disclose to the company’s audit committee any interest that they have that may conflict with the business of the Company. Investing in any customer, supplier, developer or competitor company the officer should take care to see that it does not compromise with the responsibilities to the Company.

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Under no circumstances officers may accept any offer, payment, gift or anything of value from customers, vendors, consultants, etc that is perceived to influence any business decision. Inexpensive gifts, business meals, events and entertainment do not violate this policy. It is impractical to list all possible situation of conflict of interest. If a proposed transaction or situation raises any question of doubts, officer must consult the Company's audit committee.

3. Duties of Independent Directors:

The Independent Directors of the Company shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the Company;
- ensure that their concerns about the running of the Company or a proposed action, if any, 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;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- act within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 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.

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4. Disclosure to the Stock Exchange and public:

The Company's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents filed with the exchange and other public communications. Officer should ensure that they comply with all disclosure norms and procedures and other financial reporting.

5. Compliance with governmental laws, rules and regulations:

Officers must comply with all applicable government laws, rules and regulations. Officers must acquire appropriate knowledge of all legal requirements relating to their duties. Violation of laws rules and regulations may subject officers to individual criminal or civil liability, as well as disciplinary action by the Company. It may also lead the Company to civil or criminal liability or loss of business.

6. Violation of code:

Officer's job is to help Company to enforce this code. Violations should be reported to the Audit Committee. Officer must cooperate with internal or external investigations for any violations. The Company will take appropriate action against the officer whose actions are found to violate the code or any other policy of the Company. Disciplinary action would include termination of employment. Where the Company suffers a loss it may pursue its remedies against the individuals responsible.

7. Waivers and amendments to the code:

Company would review and update the policies and procedures. The code is subject to modification. Any amendment to the code is subject to the approval of the Board of Directors and disclosed to all the officers and is pursuant to the applicable laws and regulations.

8. Clarifications:

For all queries concerning this code, the same may be consulted to the Audit Committee. All questions or reports will be confidential.