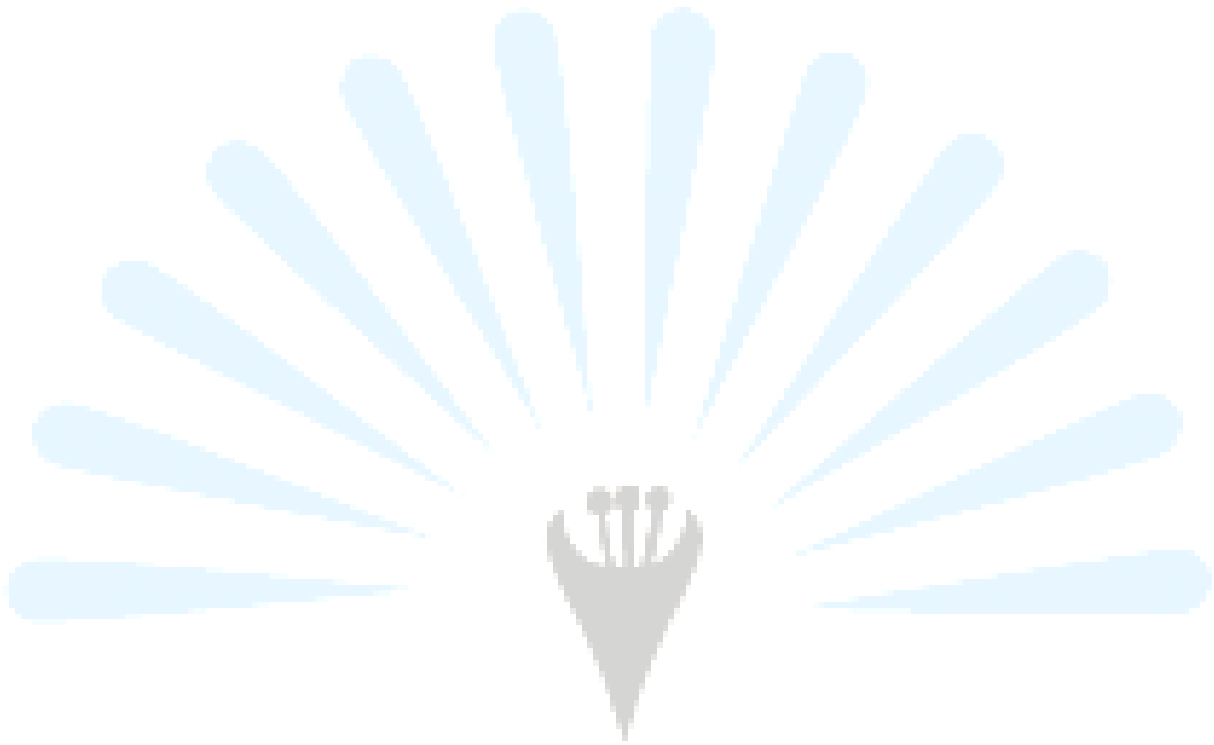


# ***Vishal Fabrics Limited***



## ***Code of Conduct For Directors and Senior Management***

## Introduction:

Regulation 46(2) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires every listed company to publish a code of conduct for its board of directors and senior management personnel on its website.

This code of conduct ("Code") has been prepared in accordance with the Listing Regulations and shall apply to the board of directors and certain members of the senior management of Vishal Fabrics Limited (the "Company").

This Code may be amended by the board of directors of the Company from time to time provided that such revised Code complies with the Listing Regulations.

## Objective:

The company's objective in establishing this "Code of Conduct" is to promote ethics, honesty and professionalism within the company. Ethical business conduct is compulsory to our business. Officers are expected to read and understand this code, uphold these standards in day to day activities and comply with all the policies and procedures.

## Applicability:

This Code of Conduct is applicable to all Senior Management Personnel which would include the Directors of the Company, the top management personnel (i.e., Executive Directors & all functional heads (including management personnel with direct functional reporting to Directors & top management personnel).

All Senior Management Personnel are expected to comply with the letter and spirit of this Code. The Senior Management Personnel should continue to comply with other applicable laws & regulations and the relevant policies, rules and procedures of the Company. The Code comes into immediate effect.

## Definitions:

**"Board"** or "Board of Directors" shall mean the board of directors of the Company.

**"Company"** shall mean Vishal Fabrics Limited.

**"Compliance Officer"** shall mean the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code.

**“Director”** shall mean a member of the Board.

**“Listing Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Senior Management”** shall mean officers/personnel of the Company who are members of the core management team excluding the Board of Directors and shall comprise all members of management one level below the executive directors, including all functional heads.

### **The Code:**

This Code requires the Directors and Senior management of the Company to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not to allow their independent judgment to be subordinated. Directors and Senior Management Personnel are expected to act in a manner to enhance and maintain the reputation of the Company.

### **Honest and Ethical Conduct:**

The Directors and Senior Management Personnel shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct not only on Company's premises & offsite but also at company sponsored business, social events etc. They shall act and conduct themselves free from fraud and deception.

### **Compliance with Law:**

Directors and Senior management of the Company must respect and comply with all laws, rules and regulations of India. They should strive to keep themselves updated in relation to laws/statutory compliances applicable to their scope of work.

Further they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

### **Conflict of Interest:**

Directors shall avoid business, financial or other direct or indirect interests or relationships that conflict with the interests of the Company. An interest or relationship of a Director or family member of a Director is regarded as conflicting with the interests of the Company if its existence might reasonably be expected to interfere with the Director's independent and objective fulfillment of his or her duties to the Company. Even situations that may appear to present a conflict of interest should be avoided unless such situation has been presented to the Board of Directors and it, or a duly designated committee of the Board, has determined that a conflict of interest does not exist or that the application of this Code to such situation should be waived.

### **Disclosure of Interest:**

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws. The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

### **Obligation under Securities Laws- 'Insider Trading':**

During the normal course of business, the Directors and the Senior Managers of the Company may come to know about price sensitive undisclosed information. They should not make profit by using such information. If it comes to the knowledge of the Company that any such activity/ transaction has been executed, it will result in penalties and legal action.

### **Confidentiality :**

Directors are expected to maintain the confidentiality of any confidential information which they receive from the Company, except to the extent that disclosure is authorized by the Company or required by law. Confidential information may include, without limitation, information regarding the Company's operating results or financial condition, strategic initiatives, service launches or terminations or major transactions and also includes intellectual property such as trade secrets, matters that may be the subject of patents, copyrights or trademarks, service plans and information regarding service performance, customer and supplier information and pricing information.

### **Protection and Proper Use of Company Assets:**

Directors and Senior Management have a fiduciary relationship with the Company and they should act like a trustee for the Company's property/ assets as well as the property/ assets of other organizations that have been entrusted to the Company. They are responsible for its safe custody and accountable for its use. The Directors and Senior Management shall not use these assets/ property except as specifically authorized and that too only for the purpose of Company business.

### **Corporate Opportunities:**

Directors and Senior Management are prohibited from taking for themselves business opportunities that arise through the use of corporate property, information or position. No Directors and Senior Management may use corporate property, information or position for personal gain, and no employee, officer or director may compete with the

Company. Competing with the Company may involve engaging in the same line of business as the Company, or any situation where the employee, officer or director takes away from the Company opportunities for sales or purchases of products, services or interests.

### **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/she 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 them 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.

### **Violation Of The Code:**

The Board of Directors will have the power to take appropriate action against anyone found violating the provisions of the Code. Where the Company has suffered a loss due to such violation, the individual responsible for such loss will have to compensate for the same, as may be decided by the Board.

### **Waivers And Amendments Of The Code:**

The Company reserves the right to continuously review and update this Code. Any amendment or waiver or any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

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