

## CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Pursuant to the Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Reviewed, Updated and Approved by Board of Directors in their Meeting held on 20<sup>th</sup> May, 2026

### **1. INTRODUCTION**

A code of conduct is guiding principles of behavior and activities. The code of conduct for board members and senior management personnel of a company helps to maintain public trust and to achieve business success through best corporate governance. It ensures highest standard of ethical conduct of every board member and senior management personnel and helps to achieve performance goals with sincerity. An effectual code of conduct needs that all board member and senior management personnel demonstrate the highest standards of Integrity, transparency, accountability and professionalism. The reputation of a company highly depends on behavior/conduct of its board members and senior management personnel. Pursuant to the Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has adopted this “Code of Conduct for Directors and Senior Management Personnel” (the “Code of Conduct”) to maintain the highest standards of Corporate Governance. The board members and senior management personnel of the Company must study and comply with this code of conduct. All board members and senior management personnel shall sign the affirmation of compliance with this Code of Conduct mentioned at the end of this code of conduct and return to the Company Secretary.

### **2. APPLICABILITY**

This Code applies to:

- All Directors of the Company, whether executive or non-executive including nominee directors.
- All Senior Management Executives.

Senior Management Executives shall include:

- a. All executives of the Company from the rank of General Manager and above; and
- b. All employees of the Company, reporting directly to the Managing Director/Manager/Executive Director(s) irrespective of their grade.
- c. All Directors and Senior Management Executives are expected to comply with the letter and spirit of this Code. The Senior Management Executives shall continue to comply with applicable laws & regulations and the relevant policies, rules and procedures of the Company.

### **3. SCOPE**

The Board of Directors (the Board) and the Senior Management of the Company agree to abide by the following Code of Conduct:

- Attend Board/Shareholders/Committee/ Senior Management meeting and seek prior leave of absence from such meetings.
- Dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his / her duties, including preparing for meetings and decision making.
- Seek to comply with all corporate policies.
- Act in good faith and in the best interests of the Company and fulfill their fiduciary obligations / responsibilities to Company's shareholders, stakeholders, customers, suppliers etc.
- Comply with all applicable laws, rules, regulations and guidelines applicable to the Company.
- Transactions, directly or indirectly, involving securities of the Company shall not be undertaken without complying with the Code of Conduct for Prevention of Insider Trading in Securities of the Company.
- Avoid any situation in which there is an actual or apparent conflict of interest that could interfere with the Director's or member of senior management's judgment in taking decisions in the Company's best interests.
- A Director who has a material personal / pecuniary interest in any matter should notify the Board of his / their interest and must not vote on the matter. Any member of Senior management who has a material personal / pecuniary interest in any contracts, arrangements or transactions should inform the Company Secretary.
- Make available to and share with fellow Directors and members of senior management information as may be appropriate to ensure proper conduct and sound operation of the Company and its Board of Directors.
- Ensure the security of all confidential information, such as, technologies, processes, patents, know how, designs, drawings, marketing and financial strategies etc. available to them in the course of discharge of their services and not use such information for their personal advantage. In addition, directors, members of senior management and their relatives shall not trade in securities when in possession of unpublished price sensitive information.
- Ensure that they use the Company's assets, properties and services for official purposes only or as per the terms of their appointment.
- Not receive directly or indirectly any benefits / favours from the Company's business associates / constituents which is intended or can be perceived as being given to gain favour for dealing with the Company.
- Ensure to provide safe and healthy working environment and preservation of environment so as to avoid wastage of energy, natural resources and to own legal and moral responsibility for the safety and protection of the environment.
- Encourage and support the professional development of the employees of the Company and provide them all necessary assistance and cooperation.
- Undertake corporate social responsibility like preparing and implementing resettlement / rehabilitation policies, and initiatives to develop and nurture neighboring communities.
- They shall not use corporate property, information or position for personal gain and desist sharing them with other Companies.
- Act honestly, fairly and ethically and with integrity.
- Act in the manner to enhance and maintain reputation of the Company.
- Endeavor to promote the interest of disadvantaged and impaired sections of the society and also support community development, social welfare, women welfare, children education and sports promotion.

#### **4. DUTIES OF INDEPENDENT DIRECTORS:**

(Pursuant to section 149, section 166 and Schedule IV of the Companies Act, 2013)

### **(I) Guidelines of professional conduct:**

#### **An independent director shall:**

- (1) Uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

### **(II) Role and functions:**

#### **The independent directors shall--**

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **(III) Duties:**

#### **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.

**(VI) Separate Meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) Review the performance of non-independent directors and the Board as a whole;
  - (b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**(IX) General duties of Directors pursuant to Section 166 of the Companies Act, 2013:**

- (1) Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.

- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.

## **5. Prevention of Insider Trading, and Restriction on Communication of Unpublished Price Sensitive Information**

- No Board member and Senior Management Personnel shall, either on his own behalf or on behalf of any other person, deal in securities of the Company when in possession of any unpublished price sensitive information.
- No Board member and SMP shall communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to/from any person, except where the communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. All information shall be handled within the Company on a need-to-know basis.

## **6. Duties towards Shareholders**

The Board members being trustees and having fiduciary duties towards the Company shall serve the best interests of all stakeholders of the Company with utmost care and caution. The Board **procedures** as prescribed shall be followed. They shall attend board/committee meetings regularly and effectively, equip themselves for valuable contribution and provide constructive ideas and assistance possibly for an ideal management and in the best interest of the Company. They shall act in good faith and make full disclosure to the Company in question of all material transactions.

## **7. Use and Protection of Company's Assets**

- All Board members and SMP shall secure and protect the properties (including intellectual properties) of the Company and not use them for a personal gain;
- No Board member and SMP shall misuse Company facilities and assets including company's software and licenses. In the use of Company facilities and assets, care shall be exercised to ensure that costs are reasonable and there is no wastage.

## **8. Confidentiality of Information**

- Every Board member/SMP shall maintain secrecy about all papers/information of the Company being in his/her possession. An act or action by a director/SMP should not result against the overall interest of the Company and any directions/guidelines issued by the Statutory/Legal Authorities.

- No director/SMP, except the managing director/chief executive officer who is responsible for overall day-to-day functions of the Company, shall interfere in day-to-day functioning of the Company, or exercise any influence of any kind on any employee/office/branch of the Company.
- Every Board member/SMP, before entering upon his duties, shall make a declaration of fidelity and secrecy in the form set out in this document.

## **9. Health, Safety and Environment**

All Board members and SMP shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

## **10. Gifts and Donations**

Board member/SMP shall not accept gift or reward from another company or person related to his/her services(s) to the Company.

Consequences of non-compliance of this Code of Conduct

The Company will take appropriate action against any Officer whose actions are found to violate the code of conduct or any other policy of the Company, after giving him a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities and regulators. Any waiver of any provision of this code of conduct for any Board member/SMP should be approved by the Board of Company in writing.

## **11. Conflict of Interest**

All Board members and SMP shall ensure that their personal interest shall not have conflict with their duties.

## **12. Disqualification**

A person, who is disqualified for being appointed as director under Companies Act, 2013 or under any other law for the time being in force, shall not be appointed as director of the Company and shall not hold such post.

## **13. Other Directorship/Partnership**

- Unless specifically permitted by the Board, the Board Members shall not serve as Director of any other Company or as Partner of a Firm that is engaged in a competing business with the Company. This clause is not applicable to Nominee Directors.
- Key Managerial Personnel and Senior Management Personnel shall obtain prior approval of the Chairman/Managing Director/Competent Authority for accepting Directorship of any other company or partnership of a firm.

## **14. Affirmation of compliance with this Code of Conduct**

All Board member and Senior Management Personnel shall affirm compliance with this code of conduct on annual basis. The affirmation regarding compliance of the Code of Conduct is to be given within 30 days of the conclusion of the financial year to the Company Secretary. The annual report of the Company shall contain a declaration to this effect signed by the Chairman/MD/CEO.

## **15. Review and Disclosure**

- This Code of Conduct shall be reviewed from time to time and any amendments or modifications thereto, shall be subject to the review and approval of the Board of Directors of the Company.
- This Code of Conduct shall be uploaded on the website of the Company in compliance of the applicable laws and regulations.

**Annual Affirmation under Regulation 26(3)**

(To be obtained from Board Members and Senior Management Personnel annually)

Date: \_\_\_\_\_

To:

The Company Secretary  
Vishal Fabrics Limited  
Shanti Corporate House Near  
Hira Rupa Hall, Bopal-  
Ambli Road,  
Bopal Ahmedabad- 380058

**Subject: Annual Affirmation of Compliance with the Code of Conduct under Regulation 26(3) of SEBI (LODR) Regulations, 2015**

I, \_\_\_\_\_ holding the position \_\_\_\_\_ designated as Senior Management Personnel in Vishal Fabrics Ltd, hereby confirm that I have read and understood the Code of Conduct for Board of Directors and Senior Management Personnel adopted by the Company in compliance with Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I affirm that during the financial year \_\_\_\_\_, I have complied with the provisions of the said Code of Conduct to the best of my knowledge and belief.

I further confirm that I have made full and complete disclosures of any interest or transaction that could potentially conflict with the interests of the Company.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Declaration of Fidelity and Secrecy**

I, do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as Director/Officer\* (as the case may be) of Vishal Fabrics Limited and which properly relate to the office or position in the said Vishal Fabrics Limited held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of Vishal Fabrics Limited or to the affairs of any person having any dealing with the said company; nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the said company and relating to the business of Vishal Fabrics Limited or to the business of any person having any dealing with the said Company

Signature.....  
Name.....  
Designation.....  
Date.....  
Place.....

**Format B**  
**Disclosure under Regulation 26(5)**

(To be obtained from Senior Management on a periodic basis or at the time of occurrence of potential conflict)

Note: This disclosure is mandatory even in case of *nil transaction* during the financial year. The appropriate information in the below format need to be aligned.

Date: \_\_\_\_\_

To:

The Company Secretary

[Name of the Company]

[Registered Office Address]

**Subject: Disclosure of Material Financial and Commercial Transactions involving Conflict of Interest under Regulation 26(5) of SEBI (LODR) Regulations, 2015**

Pursuant to the requirements of Regulation 26(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby disclose the following transaction(s) during the reporting period that may have a potential conflict with the interest of the Company.

**Disclosure Details**

Particulars	Description
Name of the Person Disclosing	[Name of Senior Management]
Designation	[Designation]
Department	[Business Unit/Function]
Nature of Transaction	[e.g., Vendor Engagement / Service Contract / Business Tie-up]
Name of Entity Involved	[e.g., XYZ Pvt. Ltd.]
Relationship	[e.g., Owned by brother / spouse is a director, etc.]
Approx. Transaction Value	Rs. [Amount]
Period of Transaction	From [Date] to [Date]
Comments / Additional Remarks	[Any mitigating control or explanation, if applicable]

**I understand that any willful non-disclosure or misstatement may result in regulatory or disciplinary consequences.**

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Designation:** \_\_\_\_\_

**Employee ID:** \_\_\_\_\_

**Date:** \_\_\_\_\_