

CODE OF CONDUCT FOR THE BOARD AND THE SENIOR MANAGEMENT PERSONNEL

I. *Need and objective of the Code*

The Listed entities are required to lay down a Code of Conduct for the Directors on the Board and its Senior Management. Senior Management has been defined to include personnel team who are members of its Senior Management and functional heads excluding the Board of Directors.

Accordingly, Vallabh Poly Plast International Ltd. (VPPIL) has laid down this Code for its Directors on the Board and its Senior Management Personnel. The subject code complies with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Code has been approved by the Board of Directors of the Company at their meeting held on 30th March, 2010 and has been last amended on 12th November, 2015.

II *VPPIL's Values & Philosophy*

This Code of Conduct attempts to set forth the guiding principles on which the Company shall operate and conduct its daily business with its multitudinous stakeholders, government and regulatory agencies, media and any one else with whom it is connected. It recognizes that VPPIL is a trustee and custodian of public money and in order to fulfill its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of its stakeholders and public at large.

VPPIL acknowledges the need to uphold the integrity of every transaction it enters into and believes the honesty and integrity in its internal conduct would be judged by its external behaviour. VPPIL shall be committed in all its actions to the interest of states/territories in which its operates. The Company is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations. VPPIL shall continue to initiate policies, which are customer centric and which promote financial

prudence.

III *Philosophy of the Code*

The Code envisages and expects—

- a. adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
- b. full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Company with government and regulatory agencies.
- c. compliance with applicable laws, rules and regulations.
- d. to address avoidance of misuse or misapplication of the VPPIL's assets and resources.
- e. the highest level of confidentiality and fair dealing within and outside the Company.

A *General Standards of conduct*

- ❖ VPPIL expects all Directors and Senior Management Personnel to exercise good judgment to ensure the interest, safety and welfare of customers, employees and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. The Directors and members of the Senior Management team while discharging duties of their office must act honestly and with due diligence. They are expected to act with the amount of utmost care and prudence, which an ordinary person is expected to take in his/her own business. These standards need to be applied while working in the premises of the Company, at offsite locations where the business is being conducted at VPPIL sponsored business and social events, or at any other place where they act as representatives of VPPIL.

B *Conflict of Interest*

- ❖ A “conflict of interest” occurs when personal interest of any member of the Board of Directors and/or of the Senior Management Personnel interferes or appears to interfere in any way with the interest of the Company. Every member of the Board of Directors and of the Senior Management Personnel has a responsibility to the Company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way they do not conflict with the VPPIL’s interest such as -

- ***Employment / Outside Employment*** – The members of the Senior Management Personnel are expected to devote their total attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to business interest of VPPIL.

- ***Business Interests*** – If any member of the Board of Directors and Senior Management Personnel considers investing in securities issued by the VPPIL’s customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to VPPIL. Many factors including the size and nature of the investment, their ability to influence the VPPIL’s decisions, their access to confidential information of VPPIL or other entity and the nature of the relationship between the VPPIL and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Company any interest that they have which may conflict with the business of the Company.

- ***Related Parties*** – As a general rule, the Directors and members of the Senior Management Personnel should avoid conducting VPPIL’s business

with a relative or any other person or any firm, Company, Association in which the relative or other person is associated in any significant role. Relative shall mean a person as defined in Section 6 of the Companies Act,1956 :

- ❖ If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the appropriate authority. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.
- ❖ In the case of any other transaction or situation giving rise to conflicts of interest, the appropriate authority should after due deliberation decide on its impact.

C *Applicable Laws*

The Directors of the VPPIL and Senior Management Personnel must comply with applicable laws, regulations, rules and regulatory orders. They should report any inadvertent non-compliance, if detected subsequently, to the concerned authorities.

D *Disclosure Standards*

VPPIL shall make full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed with Government and Regulatory agencies. The members of the Management of the Company shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors and other Statutory Agencies, as maybe required by applicable laws, rules and regulations.

E. *Use of VPPIL's Assets and Resources*

Each member of the Board of Directors and the Senior Management Personnel has a duty to the Company to advance its legitimate interest while dealing with the Company's assets and resources. Members of the Board of Directors and Senior Management Personnel are prohibited from :

- using corporate property, information or position for personal gain;

- soliciting, demanding accepting or agreeing to accept anything of value from any person while dealing with the VPPIL's assets and resources;
- acting on behalf VPPIL in any transaction in which they or any of their relative(s) have a significant direct or in indirect interest.

F. CONFIDENTIALITY AND FAIR DEALINGS

1. *VPPIL's Confidential Information*

- VPPIL's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Company and commercial, legal, scientific, technical data that are either provided to or made availability to each member of the Board of Directors and the Senior Management Personnel by the Company either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Company. All confidential information must be used for VPPIL's business purposes only.
- This responsibility includes the safeguarding, securing and proper disclosure of confidential information in accordance with the VPPIL's policy of maintaining and managing records. This obligation extends to confidential information of third parties, which the Company has rightfully received under non-disclosure agreements.
- To further the VPPIL's business, confidential information that may have to be disclosed to potential business partners. Such disclosures should be made after considering its potential benefits and risks. Care should be taken to divulge the most sensitive information, only after the said potential business partner has signed a confidentiality

agreement with the Company.

- Any publication or publicly made statement that might be perceived or construed as attributable to the Company made outside the scope of any appropriate authority in the Company should include a disclaimer that the publication or statement represents the views of the specific authority and not of the Company.

2 *Other Confidential Information*

VPPIL has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Company to enter into a business relationship. At other times VPPIL may request that a third party provide confidential information to permit VPPIL to evaluate a potential business relationship with the party. Therefore, special care must be taken by the Board of Directors and Senior Management of the Company to handle confidential information of others responsibility. Such confidential information should be handled in accordance with the agreements with such third parties.

- VPPIL requires that every Director and the Senior Management should fully comply with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.
- Directors and the Senior Management shall not accept any offer, payment, promise to pay, or authorization to pay any money, gift or anything of value from customers, suppliers, shareholders, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud or opportunity for the commission of any fraud.

IV *Good Corporate Governance practices*

Each member of the Board of Directors and the Senior Management of the

Company should adhere to the following as may be applicable so as to ensure compliance with good Corporate Governance practices:

(a) *Dos*

- Attend Board meetings regularly and participate in the deliberations and discussions effectively.
- Study the Board papers thoroughly and enquire about follow-up reports on definite time schedule.
- Involve actively in the matter of formulation of general policies.
- Be familiar with the broad objectives of the Company and the policies laid down by the Government and the various laws and legislations.
- Ensure confidentiality of the Company's agenda papers, notes and minutes.

(b) *Don'ts*

- Do not interfere in the day to day functioning of the Company.
- Do not reveal any information relating to any constituent of the Company to anyone.
- Do not display the logo/distinctive design of VPPIL on their personal visiting cards / letter heads.
- Do not sponsor any proposal relating to loans, investments, building or sites for Company's premises, enlistment or empanelment of contractors, architects, auditors, doctors, lawyers and other professionals etc.
- Do not do anything, which will interfere with and/or be subversive of maintenance of discipline, good conduct and integrity of the staff.

Duties of Independent Directors

Schedule IV – “Code for Independent Directors” of Companies Act, 2013, lays down the guidelines of professional conduct for Independent Directors, their role & duties, alongwith appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, which is

appended as Annexure I to this Code.

V *Annual Declaration*

Every member of the Senior Management and every Director shall sign and submit the annual declaration (as per Annexure II) before April 15 every year, affirming compliance with the provisions of this Code.

VI *Waivers*

- ❖ Any waiver of any provision of this Code of Conduct for a member of the Company's Board of Directors or a member of the Senior Management must be approved in writing by the Board of Directors of the Company.

The matters covered in this Code of Conduct are of the utmost importance to the VPPIL, its stakeholders and its business partners and are essential to the Company's ability to conduct its business in accordance with its value system.

I have received and read the VPPIL's Code of Conduct and agree to comply with the same.

Name

Signature

Place

Date

CODE FOR INDEPENDENT DIRECTORS (As per Schedule IV of Companies Act, 2013)

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

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) Scrutinise 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.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;

- (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or Removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case

may be, the requirement of replacement by a new independent director shall not apply.

VII. 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.

DECLARATION

To,

The Company Secretary,
Vallabh Poly Plast International Ltd.
194

Mumbai 400 062

Dear Sir,

I , Mr./Mrs. _____ (designation)
do hereby acknowledge and confirm that during the financial year 2005-06, to the best
of my knowledge and belief, I have not violated any of the provisions of this Code or
any of the policies of the Company or legal/regulatory requirements, as may be
applicable to my responsibility.

Signature

Name :

Designation :

Place :

Date :

1. Kindly sign and return this declaration on or before _____, 2009
2. This declaration shall be valid for the Financial Year 2008-2009