



**CODE OF CONDUCT
OF
FOR BOARD OF DIRECTORS
AND SENIOR MANAGEMENT
PERSONNEL**

PRATAAP SNACKS LIMITED

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT PERSONNEL

[as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Introduction

- This Code of Conduct ('Code') shall be called "The Code of Conduct for Board of Directors and Senior Management Personnel" of **Prataap Snacks Limited** ('Company').
- This Code envisages that the Board of Directors of the Company and Senior Management Personnel must act within the bounds of the authority conferred upon them and with a duty to comply with the requirements of applicable law.
- The purpose of this Code is to enhance ethics & transparency in the governance of the Company and thereby reinforce the trust and confidence reposed in the Officers by the shareholders of the Company. Officers are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- The principles enshrined in this Code are general in nature and lay down broad standards of compliance and ethics, as per requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Officers should also review other applicable policies and procedures of the Company for specific instructions and guidelines, which are to be read in conjunction with this Code.
- This Code shall come into force with effect from the 23rd September, 2016.

2. Definitions & Interpretation

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

- "Board" shall mean the Board of Directors of the Company.
- "Company" shall mean **Prataap Snacks Limited**.
- "Compliance Officer" shall mean Company Secretary of the Company.
- "Officers" shall collectively refer to the Executive Directors, Non-Executive Directors, Independent Director and the Senior Management Personnel.
- "Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this shall comprise all members of management one level below the Executive Directors, including all functional heads.

- "Executive Directors/Whole-time Directors" shall mean and include Company's Managing Director and Directors who are in full time employment of the Company.
- "Non-Executive Directors" shall mean the Directors who are not in the whole time employment of the Company.
- "Independent Directors" as per Section 149(6) of the Companies Act, 2013, an independent director in relation to a Company, means a director other than a managing director or a whole-time director or a nominee director-
 - i. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - ii. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
 - (ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
 - iii. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - iv. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - v. who, neither himself nor any of his relatives-
 - a) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
 - (i) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (ii) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent. or more of the gross turnover of such firm;

- c) holds together with his relatives two per cent. or more of the total voting power of the Company; or
 - d) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent. or more of the total voting power of the Company; or
 - e) who possesses such other qualifications as may be prescribed.
- “Relative” shall mean ‘relative’ as defined in Section 2(77) of the Companies Act, 2013 read with The Companies (Specification of definitions details) Rules, 2014 as reproduced in Appendix-III hereto.

3. Applicability

This Code shall be applicable to the following persons:

- All Whole-time Directors.
- All Non Whole-time Directors and Independent Directors unless specifically exempted from the Code or some of the provisions of the Code.
- All Senior Management Personnel of the Company and shall include employees of the Company, who are at the level of one rank below the members of the Board of Directors. This will include all employees at the level of Chief Operating Officer and above.

4. Duties of Board

Board shall comply with the provisions of the Section 166 of the Companies Act, 2013 to fulfil their duties. Accordingly, the duties of the members of the Board are:

- Subject to the provisions of this Act, a director of a Company shall act in accordance with the articles of the Company.
- 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.
- A director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- 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.

- 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.
- A director of a Company shall not assign his office and any assignment so made shall be void.

5. Commitments

Covered parties shall, in all matters related to the Company, act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- Shall act in accordance with the highest standards of personal and professional integrity, honesty, good faith, with diligence and responsiveness, excellence in quality, with academic responsibility and freedom and ethical conduct.
- Shall act in utmost good faith and fulfil the fiduciary obligations without allowing their independence of judgment to be compromised.
- Every Director who is in any way, whether directly or indirectly, concerned or has financial interest in any business dealings concerning the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors. Other Senior Management Personnel shall make such disclosure to the Chairman / Managing Director / Deputy Managing Director. No interested person shall participate in the discussion or vote in the Board's proceedings or participate in any other manner in the conduct or supervision of such dealings.
- Shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members/Company.
- Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.
- Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.
- Shall not make any statement which has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which

are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.

- Shall not commit any offence involving moral turpitude.
- Shall exercise powers conferred upon him for achieving business goals of the Company in a fair and honest manner with reasonable direction and after weighing of the consequences of such use.
- Shall respect the confidentiality of any proprietary information accessed during the course of discharge of duties and ensure that such information is not used for personal gain.
- Shall act on the business principal of equity and justice, confidential interest of client and ultimate goal of the Company.
- Shall commit to observance laws and to the avoidance of any conduct which may be considered illegal under the same.
- Shall not trade, directly or indirectly for shares, securities and commodities considering the price sensitive information which they may have direct access / influence and exposure by virtue of their fiduciary position or office of profit.
- Shall not act upon any confidential information relating to clients especially in share, securities and commodities other than in official capacity in the ordinary course of business.
- Shall not commit verbal or physical conduct of a sexual nature to anyone by virtue of their office position.
- should maintain and should cause the Company to maintain a proper and adequate system of internal controls for financial reporting.
- should strive for causing the Company to maintain cordial employee relations and assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

6. Code of Conduct for Non-Executive Directors

A Non-Executive Director (NED) is a member of the Board of Directors of the Company who does not form part of the executive management team. He is not involved in the day-to-day running of business but monitors the executive activity and contributes to the development of strategy. It is clarified that an Independent Director of the Company as such is a Non-Executive Director of the Company, and accordingly, this Code also applies to Independent Directors of the Company.

Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities, and be committed to maintaining high standards of integrity in every sphere of activity.

Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position and shall promptly report to the Company any violations of law or ethical principles which come to their knowledge during their dealings with the Company.

Non-Executive Directors shall not offer or accept gifts, hospitality or other inducements which may influence the decision. However, receiving gifts during the traditional festive seasons or during certain corporate events should be restricted to promotional or advertising material.

7. Conduct, Role, Functions and Duties of Independent Directors as per the Companies Act, 2013

An Independent Director shall adhere to his/ her professional conduct, role, functions and duties as specified under the Companies Act, 2013 and the Rules thereunder and SEBI (LODR) Regulation, in particular, Schedule IV of the 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.

➤ Guidelines of professional conduct

An Independent Director shall:

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising his duties;
- c. exercise his responsibilities in a bona fide manner in the interest of the Company;
- d. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e. 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;
- f. 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;
- g. refrain from any action that would lead to loss of his independence;
- h. where circumstances arise which make an Independent Director lose his independence,
- i. the Independent Director must immediately inform the Board accordingly; and
- j. assist the Company in implementing the best corporate governance practices.

➤ **Role and functions**

The Independent Directors shall:

- a. 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;
- b. bring an objective view in the evaluation of the performance of Board and management;
- c. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e. safeguard the interests of all stakeholders, particularly the minority shareholders;
- f. balance the conflicting interest of the stakeholders;
- g. 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;
- h. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

➤ **Duties of Independent Directors**

The Independent Directors shall:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the Company;
- f. 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;
- g. keep themselves well informed about the Company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. 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;

- j. 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;
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information,

8. Gifts, Donations & Entertainment

Covered parties shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business. However, the Board Members and Senior Management may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events.

9. Conflict of Interest

Covered Parties must always act in the best interests of the Company and should avoid any situation where their personal interests conflict or could conflict with their obligations toward the Company. They must not, directly or through any members of their families, relatives or persons living with them or with whom they are associated, or in any other manner:

- (i) Have any financial interest that could have a negative impact on the performance of their duties, or derive any financial benefit from any contract between the Company and a third party, where they are in a position to influence the decisions that are taken regarding that contract; or
- (ii) Attempt to influence any decision of the Company concerning any matter with a view to derive any direct or indirect personal benefit For the purpose of this clause :

“Conflict of Interest” shall mean the interests or benefits of one person or entity conflict with the interests or benefits of the Company”.

“Relative” shall mean and include “relatives” as defined in Section 2(77) of Companies Act, 2013 read with Rule 4 of the Companies (Specification of definition details) Rules, 2014.

If a related party transaction is unavoidable, it must be made as per the provisions of Companies Act, 2013 and Listing Agreement. Also any dealings with a related party must be conducted in a manner such that no preferential treatment is given to such party.

10. Transparency and Auditability

All Covered Persons shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes. All managers shall voluntarily ensure that their areas of operation are open to audit and the conduct of their activities is totally auditable.

11. Confidentiality of Information

Covered Parties shall ensure and take all reasonable measures to protect the confidentiality of non-public information, its business, customers and other materially significant information obtained or created in connection with any activities and to prevent unauthorised disclosure of such information unless required by applicable laws or regulations or legal or regulatory process.

12. Prevention of Insider Trading

Covered Parties shall also comply with the existing Code of Conduct for Prevention of Insider Trading laid down in conformity with The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.

13. Compliance of Law

Covered Parties shall comply with all laws, rules and regulations which arises on account of their being on the Board of the Company.

14. Disclosure of Information

Covered Parties shall endeavour to produce full, fair, accurate, timely and understandable disclosures in reports and documents files with or submits to the regulators and in other public communications made by Co.

15. Work Environment Free of Harassment and Discrimination

The Company is committed to ensuring that the Covered Parties are treated with fairness and dignity. Accordingly, Covered Parties shall refrain from indulging in any discriminatory practice based on race, colour, sex, age, religion, ethnic or national origin, disability or any other unlawful basis.

16. Client and Supplier Relationships

The Company's prosperity is founded on client satisfaction. Company expects covered parties to preserve the quality of its client relations by maintaining business relationships that are based on integrity, fairness and mutual respect. Similarly, Covered Parties are

expected to choose suppliers of the Company on the basis of quality, reliability, price, utility and performance or service. Suppliers are to be treated justly, fairly and honestly.

17. Protection of Assets

Covered Parties shall protect the Company's assets including physical assets, information and intellectual proprietary rights and shall not use the same for personal gain and by maintaining highest standards of security, they should protect intellectual property right of all assets whether in electronic form or otherwise.

18. Occupational Health and Safety

Covered Parties must abide by the Company's standards in safety matters, do their part to maintain a healthy and safe work environment and take necessary steps to ensure their own safety and the safety of others.

19. Other Directorships

The Directors should disclose their engagements, either as Director or in any other capacity to the Company in accordance with the provisions of the Companies Act, 2013.

Annual Compliance Reporting: In terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Covered Parties shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Managing Director & CEO. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director leaves the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with the Company.

20. Amendments, Modification and Waiver to the Code

- Amendment: The provisions of this Code can be amended / modified by the Board of Directors of the Company from time to time and all such amendments / modifications shall take effect from the date stated therein.
- Definition of Waiver: "Waiver" is defined as a material departure from a provision of the Code.
- Manner for Requesting Waivers: The Board of Directors generally will not grant waivers to the Code. Covered Parties seeking waiver must make full written disclosure of the particular situation to the Board and the waiver, if granted, must be approved in writing by the Chairman of the Board and promptly disclosed.

21. Placement of the Code on Website

This Code and any amendment thereto shall be hosted on the website of the Company.

22. Enforcement of Code of Conduct

Each Board Member shall be accountable for complying with this Code.

23. Consequences of Non-Compliance of This Code

In case of breach of this Code by anyone, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

24. Acknowledgement of Receipt of the Code

Covered Parties shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this Code.

25. Accounting Practices

The Company's responsibilities to its stockholders and investing public require that all transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. All required information shall be accessible to the Company's auditors and other authorised persons and government agencies. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company policy and the law. There shall be no wilful omissions of any Company transactions from the books and records, no advance income recognition and no hidden bank accounts and funds. Any wilful material misrepresentation of and/or misinformation of the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.

26. Reporting Violations

- Questions and Concerns Covered Persons should bring any questions regarding the Code to the attention of the Compliance Officer when determining the best course of action in a given situation.
- Responsibility to Report Violations of the Code and Law the Covered Persons should promptly report any actual or apparent violations of this Code. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law;
- Protection of Covered Persons are expected to promptly contact the Compliance Officer if he or she is of the belief that he or she has observed illegal or unethical behaviour by any employee, officer, or director, or by anyone purporting to be acting on either Company's behalf The Company will maintain the anonymity of the individual making such a report; to prevent retaliation or discrimination of any kind against anyone who reasonably

believes there has been possible illegal or unethical conduct and reports these concerns in good faith However, disciplinary action would be taken against a Covered Person who makes a report claiming illegal or unethical conduct, knowing such a report to be false; and

- Investigations Covered Persons are not permitted to carry out their own investigation, but are required to cooperate fully with any investigation made by the Company or its representatives.

ANNEXURE- I
ACKNOWLEDGMENT
PRATAAP SNACKS LIMITED
CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

ACKNOWLEDGEMENT FORM

I _____, have received and read the Company's CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT (the 'Code'). I have understood the provisions and policies contained in the Code and I agree to comply with the Code.

Signature: _____

Name: _____

Designation: _____

Date: _____

Place: _____

ANNEXURE –II
ANNUAL COMPLIANCE REPORT
PRATAAP SNACKS LIMITED
CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

ANNUAL COMPLIANCE REPORT*

I _____ do hereby solemnly affirm that to the best of my knowledge and belief I have fully complied with the provisions of the CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT during the financial year ending March 31 _____.

Signature : _____

Name : _____

Designation : _____

Date : _____

Place : _____

* To be submitted by 30th April each year.