



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

PRATAAP SNACKS LIMITED

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

1. Introduction

- This Code of Conduct ('Code') shall be called "The Code of Conduct for Board of Directors and Senior Management" 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 (Listing Regulations). 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. Amended on 21st May, 2019.

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 Director, Non-Executive Director, Independent Director and the Senior Management Personnel.
- "Senior Management" shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

- "Executive Director/Whole-time Director" shall mean and include Company's Managing Director and Director who is in full time employment of the Company.
- "Non-Executive Director" shall mean a Director who is not in the whole time employment of the Company.
- "Independent Director" means a director of the Company who meet the criteria of independence as per the governing provisions of the Companies Act, 2013 and Listing Regulations.
- "Relative" shall mean 'relative' as defined in Section 2(77) of the Companies Act, 2013 read with rules made thereunder.

3. Applicability

This Code shall be applicable to the following persons:

- Executive, Non-Executive and Independent Directors of the Company;
- Senior Management Personnel of the Company; and
- All other employees of the Company.

4. Duties of Directors

The Directors shall comply with the provisions of the Section 166 of the Companies Act, 2013 (the Act) to fulfil their duties, as under:

- Subject to the provisions of the 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

The directors, senior management personnel and other employees covered under this Code 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. Interested director shall not participate in the discussion or vote in the proceedings of the Board meeting and also not participate in any other manner in the conduct or supervision of such dealings.
- The senior management personnel shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.
- 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 relation 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 director or senior management personnel, 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 observe law and to the avoidance of any conduct which may be considered illegal under the same.
- Shall not trade, directly or indirectly in 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. Non-Executive Directors

A Non-Executive Director 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 business of the Company but monitors the executive activity and contributes to the development of strategy.

Non-Executive Directors shall comply with applicable laws, rules regulations, guidelines, standards, for the time being in force, 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 of 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. Duties of Independent Directors

An Independent Director shall adhere to his/ her professional conduct, role, functions and duties as specified under the Companies Act, 2013 and rules made thereunder and Listing Regulations.

➤ **Duties**

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, unless such disclosure is expressly approved by the Board or required by law.

8. Gifts, Donations & Entertainment

The directors, senior management personnel and other employees covered under this Code 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 an event.

9. Conflict of Interest

The directors, senior management personnel and other employees covered under this Code shall always act in the best interests of the Company and should avoid any situation where their personal interest 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”.

If any related party transaction is unavoidable, it must be done as per the governing provisions of the Companies Act, 2013 and Listing Regulations.

10. Transparency and Auditability

The directors, senior management personnel and other employees covered under this Code 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 senior management personnel and other employees 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

The directors, senior management personnel and other employees covered under this Code 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 law or legal or regulatory process.

12. Prevention of Insider Trading

The directors, senior management personnel and other employees covered under this Code shall ensure to comply with the Insider Trading Code of the Company and/or any other regulations/guidelines regarding insider trading issued, from time to time, by the Securities and Exchange Board of India (SEBI), to the extent applicable to them.

13. Disclosure of Information

The directors, senior management personnel and other employees covered under this Code 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 Company.

14. Work Environment Free of Harassment and Discrimination

The Company is committed to ensuring that the directors, senior management personnel and other employees covered under this Code are treated with fairness and dignity.

Accordingly, they 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.

15. Client and Supplier Relationships

The Company's prosperity is founded on client satisfaction. The Company expect that the directors, senior management personnel and other employees covered under this Code preserve the quality of its client relation by maintaining business relationship that are based on integrity, fairness and mutual respect. Similarly, they 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 fairly and honestly

16. Protection of Assets

The directors, senior management personnel and other employees covered under this Code shall protect the Company's assets, information and intellectual proprietary rights and shall not use the same for personal gain and by maintaining high standards of security, they should protect intellectual property right of all assets whether in electronic form or otherwise.

17. Occupational Health and Safety

The directors, senior management personnel and other employees covered under this Code shall abide by the Company's standards in safety matters and 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.

18. Honest and Ethical Conduct

The directors, senior management personnel and other employees covered under this Code shall act honestly, objectively and effectively in a fair and transparent manner for advancing the interests of the Company. They must abide by the policies and procedures framed and adopted by the Company and must respect and adhere to ethical and fair business practices. They shall use due care and diligence in performing their duties and responsibilities attached to their respective office and exercise their powers in good faith for fulfilling their obligations towards the Company and its Stakeholders.

19. Amendments and Updation

This Code is framed pursuant to the provisions of the Listing Regulations. In case of any subsequent changes in the provisions of the Companies Act, 2013, Listing Regulations or any other regulations which makes any of the provisions in the Code inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the Code and the Code will be modified in due course to make it consistent with law.

This Code will be reviewed by the Board as and when any changes are to be incorporated in the Code due to change in law or as may be felt appropriate by the Board. Any changes/amendment/modification in the Code will in writing and approved by Board of Directors of the Company.

20. Placement of the Code on Website

This Code and any amendment thereto shall be uploaded on the website of the Company. The same shall be sent to directors, senior management personnel and other employees for their information and compliance.

21. Affirmation of compliance of the Code

As per governing provisions of the Listing Regulations, the directors and senior management personnel shall affirm compliance with the Code on an annual basis and the same should be sent to the Compliance Officer within 15th April every year.

22. Consequences of non-compliance of the 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.

23. Accounting Practices

The Company's responsibilities to its stakeholders 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.

24. Reporting Violations

The directors, senior management personnel and other employees covered under this Code shall promptly report any actual or apparent violations of this Code. Such report may be made anonymously. Confidentiality will be maintained, to the extent permitted by law. They are also expected to cooperate in an investigation, if any, made by the Company.

25. General

The directors, senior management personnel and other employees covered under this Code requiring any clarification regarding this Code may contact the Compliance Officer of the Company.