

THE VICTORIA MILLS LIMITED

CODE OF CONDUCT

FOR

BOARD MEMBERS & SENIOR MANAGEMENT PERSONNEL

This Policy is in compliance with clause 49 of the Listing Agreement which requires the company to lay down procedures to be followed by Directors and Senior Management Personnel. The Purpose of this code is to serve as a guide to the Directors and Senior Management Personnel of The Victoria Mills Limited on the principles of integrity, transparency, business ethics and to set up standards for compliance of Corporate Governance.

1) Introduction and Background:

This Code of Business Conduct (“Code”) shall be called “The Code of Conduct for Directors and Senior Management” of **The Victoria Mills Limited** (the “**Company**”). The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled. The Code is intended to maintain the high standards of transparency, business conduct and ethics. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company’s commitment to successful operation of the Company’s business in the best interest of the shareholders, creditors, employees and other business associates. The principles embodied in this Code lay down broad standards of compliance and ethics, as required by Clause 49 of the Listing Agreement with the Stock Exchange where securities of the company are Listed.

2) Definitions & Interpretation:

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.

“**Directors**” shall mean the Executive Directors and Non- Executive Directors on the Board.

“**Compliance Officer**” shall mean the Company Secretary of the Company.

“**Conflict of interest**” means a conflict or a difference between the interests or benefits of one person or entity with that of the company;

“**Executive Directors**” shall mean Managing Directors and Whole Time Directors

“Non-Executive Directors” shall mean the Directors who are part-time directors and are not in whole time employment of the Company.

“Relative” shall mean ‘relative’ as reproduced in Annexure-I hereto.

“Senior Management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

3) Applicability:

The Code is applicable to the Directors and Senior Management Personnel of the Company.

4) Conduct Specifications:

Honesty & Integrity

- a) All Directors and Senior Management Personnel shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors and Senior Management Personnel shall act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated.
- b) All Directors and Senior Management Personnel shall discharge their duties in the best interests of the Company and fulfill their fiduciary obligations.

Financial reporting and records

- a) The Company shall prepare and maintain its financial statements fairly and accurately in accordance with the applicable laws and accounting standards.
- b) Internal accounting and audit procedures shall fairly and accurately reflect all of the Company’s business transactions and disposition of assets. All required information shall be accessible to Company’s auditors and other authorised parties.
- c) The company should maintain minutes of the meeting explicitly recording dissenting opinions.
- d) Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code.

Conflict of Interest

- a) Directors and Senior Management Personnel of the Company should not enter into any transactions of material nature, which are or are likely to be in conflict with interest of the Company.
- b) Directors and Senior Management Personnel 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 and the Board declines to pursue such opportunity for the Company.
- c) All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board and, upon a decision being taken in the matter, the person concerned will be required to take necessary action as advised to resolve/avoid the conflict.
- d) If the Director or Senior Management fails to make a disclosure as required herein, and the Board of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the concerned person, the Board would take a serious view of the matter and consider suitable disciplinary action against the person concerned.
- e) Conflicts mentioned in this clause can arise in many situations. A conflict of interest, actual or potential, may, arise inter alia where, directly or indirectly:
 - (i) the person engages in a business, relationship or activity that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the interests of the Company.
 - (ii) the person is in a position to derive a personal benefit or a benefit to any of his or her relatives by making or influencing decisions relating to any transaction; or
 - (iii) an independent judgment of the Company's best interest cannot be exercised.

Compliance with Laws/Rules & Regulations

Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behaviour, Directors and Senior Management Personnel must report to the Compliance Officer any possible violation of law, rules, regulation of this Code.

Company Meetings

The Directors should attend the Board/general meetings comprehending the agenda of the meeting circulated to them. They should also endeavour to attend all the Board meetings scheduled in the year.

Other Directorships- Disclosures

The Directors should promptly disclose their appointment/cessation from directorship of other companies.

Related Party Disclosures

The Directors shall make disclosure to the Board, and the Senior Management Personnel shall make disclosure to the Chairman of the Company with respect to any transaction with the Company in which such person is interested and in respect of which a conflict of interest can arise between the Company and the person concerned. Such disclosure shall be in accordance with the Accounting Standard (AS) 18 issued by the council of the Institute of Chartered Accountants of India in respect of “ Related Party Disclosures”.

Confidentiality of Information

- a) Any information concerning the Company’s business, its customers, suppliers etc., which is not in public domain and to which Directors and Senior Management Personnel have access or which is possessed by them by virtue of their position / status in the Company must be considered confidential and held in confidence, unless
 - (i) authorised by the Board; or
 - (ii) the same is part of the public domain at the time of disclosure; or
 - (ii) is required to be disclosed in accordance with applicable laws.

- b) Directors and Senior Management Personnel shall not provide any information either formally or informally, to the press or any other publicity media, unless specifically authorised. In all its public appearance with respect to disclosing information in relation to the Company’s activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorised Directors and/or employees, which the Board may authorise. The list of such authorised Directors/employees of the Company shall be notified to the Directors/Senior Management personnel from time to time.

Insider Trading

- a) Directors and Senior Management Personnel should not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information.
- b) All Directors and Senior Management Personnel should comply with 'Code of Conduct for Prevention of Insider Trading in Shares of the Company' circulated by the Company and all insider-trading guidelines issued by the Securities Exchange Board of India.

Corporate Governance

Directors and Senior Management Personnel should sincerely follow and should cause the Company to follow the philosophy of good corporate governance by possessing strong business fundamentals and delivering high performance through relentless focus on transparency, accountability, professionalisation and corporate social responsibility for enhancing shareholders' value and contributing to society at large. They should further monitor the effectiveness of the corporate governance practices and make changes as and when required.

Shareholders

Directors and Senior Management Personnel shall be committed to enhance shareholder value and in ensuring that the Company complies with all regulations and laws that govern shareholders' rights. Directors and Senior Management Personnel should cause the Board to duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

Company Property

Every Director and Senior Management Personnel should endeavor to ensure that they use the Company's assets, proprietary information and resources only for the legitimate business purposes of the Company and not for their personal gains.

Nomination, Remuneration and Evaluation

Executive Directors and Senior Management Personnel shall

- i) Ensure a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- ii) Align key executive and board remuneration with the longer term interests of company and its shareholders.
- iii) Monitor and review board evaluation framework.

5) Affirmation of the Code:

All Directors and Senior Management Personnel should sign the acknowledgment form annexed as Annexure- II hereto and return the form to the Compliance Officer indicating that they have received, read and understood and agree to comply with the Code.

6) Compliance Officer:

The Company Secretary shall act as compliance officer for the purpose of the Code, who shall be available to Directors and Senior Management Personnel to help them to comply with the code.

7) Violation of Code:

It shall be the duty of Directors and Senior Management Personnel to help the enforcement of the Code and any breach if communicated / noticed is to be reported to the Board. In case of breach of this Code by Directors and Senior Management Personnel, the same shall be considered by the Board for initiating appropriate action, as deemed necessary.

8) Amendment:

The provisions of this Code can be amended/ modified by the Board from time to time and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such amendments and modifications.

ANNEXURE- I - MEANING OF "RELATIVE"

'Relative", with reference to any person, means anyone who is related to another, if—

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

As per rule 4 of The Companies (Specification of definitions details) Rules, 2014, a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:

1. Father (including step-father)
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's wife
5. Daughter
6. Daughter's husband
7. Brother (including step-brother)
8. Sister (including step-sister)

ANNEXURE- II
ACKNOWLEDGMENT

THE VICTORIA MILLS 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 –III
ANNUAL COMPLIANCE REPORT

THE VICTORIA MILLS 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**