

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

1. INTRODUCTION:

1.1. This Code of Ethic ("Code") shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Vaidya Sane Ayurved Laboratories Limited ("the Company").

1.2. This 'Code' has been framed specifically in compliance with the provisions of Regulation 17(5) of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("LODR").

2. PURPOSE:

2.1. The Company's reputation depends on the conduct of its Board Members and Senior Management Personnel.

2.2. The purpose of this Code apart from meeting the requirements of LODR is to:

- a) Articulate the high standards of honesty, integrity, ethical and law abiding behaviour expected of Board Members and Senior Management Personnel;
- b) Encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers, creditors and society at large);
- c) Guide Board Members and Senior Management Personnel as to the practices thought necessary to maintain confidence in the Company's integrity; and
- d) Set out the responsibility and accountability of Board Members and Senior Management Personnel to report and investigate any reported violations of this Code or unethical or unlawful behaviour.

3. DEFINITIONS:

3.1. "Board/Directors" shall mean the Board of Directors of the Company.

3.2. "Company" shall mean Vaidya Sane Ayurved Laboratories Limited

3.3. "Conflict of Interest" means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.

3.4. "Executive Directors/Whole time Directors" shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company.

3.5. "Independent Directors" shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. (as revised from time to time).

3.6. "Non - Executive Directors" shall mean the Directors who are not in whole time employment of the Company.

3.7. "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 and all employees at Vice President Position and above.

4. CONDUCT:

- The Board of Directors and the Senior Management Personnel shall act honestly, ethically, in good faith and in the best interest of the Company and to fulfil their fiduciary obligations.
- Whilst carrying out the duties, the Board of Directors and the Senior Management Personnel shall ensure that it is executed in terms of the authorisations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors or Committee of Directors of the Company, from time to time.
- The Board of Directors and the Senior Management Personnel 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 except accepting a gift or entertainment if warranted by the accepted ethical customs and practices.
- The Board of Directors and the Senior Management Personnel shall refrain from indulging in any discriminatory practice or behaviour based on race, colour, sex, age, religion, ethnic or national origin, disability or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance.

- The Board of Directors and the Senior Management Personnel shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.
- The Board of Directors and the Senior Management Personnel shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.
- The Board of Directors and the Senior Management Personnel shall maintain confidentiality of the information that is entrusted upon them for carrying on their respective responsibilities and duties and shall not use the same for personal benefits or gains.

5. CONFLICT OF INTERESTS:

- The Board of Directors and the Senior Management Personnel shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of circumventing the personal interest involved.
- The Board of Directors and the Senior Management Personnel shall not take up any position or engagement that may be prejudicial to the interest of the Company.
- The Executive Director(s) and the Senior Management Personnel shall not take up any outside employment.

6. DUTIES OF THE DIRECTORS OF THE COMPANY:

The Companies Act, 2013 significantly specifies certain duties and responsibilities of the Directors of the Company. While the list of duties as per the provisions of the Companies Act, 2013 has been enumerated below, it should however, by no means be considered to be exhaustive:

- The Directors shall devote sufficient time and attention to professional obligations for informed and balanced decision making.
- The Directors shall act in accordance with the articles of association of the company and 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.

- The Directors shall have a clear understanding of the aims and objectives, capabilities and capacity and various policies of the Company.
- The Directors shall exercise their duties with due and reasonable care, skill and diligence.
- The Directors shall be required to intimate the change in the directorships held within thirty days of such change.
- The Directors shall bring an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct and an objective view in the evaluation of the performance of the Board and the Management.
- The Directors shall ensure that the integrity of financial information and that financial control and the systems of risk management are robust and defensible.
- The Directors shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice.
- The Directors shall strive to attend and participate constructively & actively, in all general meetings, meetings of the Board and its committees of which they are Chairman or member.
- The Directors shall not assign his office of director of the company to another person.
- The Directors shall ensure that adequate deliberations are held before approving related party transactions and shall assure themselves that the same are in the best interest of the company.

7. CODE FOR INDEPENDENT DIRECTORS SPECIFYING THEIR DUTIES:

A guide to professional conduct for Independent Directors is separately specified under the Companies Act, 2013, in Schedule IV – “Code for Independent Directors”, which lays down the guidelines of professional conduct for Independent Directors, their role & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, which is appended as **Annexure I** to this Code.

8. AMENDMENT TO THE CODE:

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

9. PUBLICATION OF THE CODE:

This Code and any amendments thereto shall be published / posted on the website of the Company i.e. *www.madhavbaug.org*

Annexure I

CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

This Code is a guide to professional conduct for Independent Directors and the Independent Directors are expected to adhere to these standards and fulfil their responsibilities in a professional and faithful manner. This Code shall form part of the Code of Conduct for Board of Directors and Senior Management.

1. Guidelines of professional conduct:

The independent directors are expected to maintain the following guidelines/ standards while conducting their professional duty.

- 1.1 Independent directors shall uphold ethical standards of integrity and probity in the interests of the Company;
- 1.2. They shall act objectively and constructively while exercising their duties;
- 1.3. They shall exercise their responsibilities in a bona fide manner in the interest of the Company;
- 1.4. They shall devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- 1.5. They shall not allow any extraneous considerations that will vitiate their 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;
- 1.6. They shall not abuse their 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;
- 1.7. They shall refrain from any action that would lead to loss of their independence;
- 1.8. They shall immediately inform the Board where circumstances arise which makes them lose their independence;
- 1.9. They shall assist the Company in implementing the best corporate governance practices.

2. Role and functions:

- 2.1. The independent directors shall 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;
- 2.2. They shall bring an objective view in the evaluation of the performance of board and management;
- 2.3. They shall scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 2.4. They shall satisfy themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible;
- 2.5. They shall safeguard the interests of all stakeholders, particularly the minority shareholders;
- 2.6. They shall balance the conflicting interest of the stakeholders;
- 2.7. They shall 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;
- 2.8. They shall moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

3. Duties:

- 3.1. The independent directors shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 3.2. They shall 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;
- 3.3. They shall strive to attend all meetings of the Board of Directors and of the Board committees of which they are members;
- 3.4. They shall participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 3.5. They shall strive to attend the general meetings of the Company;
- 3.6. Where they have concerns about the running of the Company or a proposed action, they shall ensure that these are addressed by the Board and, to the extent that they are not

Resolved, they shall insist that their concerns are recorded in the minutes of the Board meeting;

- 3.7. They shall keep themselves well informed about the Company and the external environment in which it operates;
- 3.8. They shall not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 3.9. They shall 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;
- 3.10. They shall ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 3.11. They shall report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- 3.12. They shall while acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 3.13. They shall 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.

4. Re-appointment:

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

5. Resignation or Removal:

- 5.1. An independent director may resign from his office by giving a notice in writing to the Company and to the Registrar of Companies in the manner and in accordance with the provisions of section 168 of the Companies Act, 2013 ("the Act").
- 5.2. An independent director may be removed from his office in accordance with the provisions of section 169 of the Companies Act, 2013.

6. Separate meetings:

61. The independent directors shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management of the Company;
- 6.2. All the independent directors shall strive to be present at such meeting;
- 6.3. Such 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.

7. Performance Evaluation:

- 7.1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 7.2. On the basis of the report of performance evaluation, it shall be determined whether to re-appoint the independent director.

8. Training Programme:

The independent directors shall attend the training programme as may be organized by the Company in order to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

9. Adherence to the Applicable Laws:

- 9.1. The independent directors shall adhere to the provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent and as may be applicable to them.
- 9.2. They shall comply with the provisions of the SEBI (LODR) regulations, 2015.
- 9.3. They shall comply with the Code of Conduct for Board of Directors and Senior Management.
- 9.4. They shall comply with the Code of Business Ethics of the Company.
- 9.5. They shall comply with all the laws to the extent and as may be applicable to the Company.

- 9.6. They shall give a declaration that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the SEBI (LODR) regulations, 2015 as amended from time to time in the format as given in 'Declaration - I' at the first meeting of the Board in which they participate as directors and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an independent director.
- 9.7. They shall from time to time furnish to the Company such declarations, disclosures, statements as may be required to be furnished by the Directors under the relevant laws.
- 9.8. An independent director shall be held liable in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in the Companies Act, 1956 or the Companies Act, 2013 and the SEBI (LODR) regulations, 2015.

ANNUAL DECLARATION

To,
The Board of Directors,
Vaidya Sane Ayurved Laboratories Limited,
Fl 5, 1047, Shriram Bhawan, Shukrawar Peth,
Pune-411002

I, _____ do hereby acknowledge and confirm that during the financial year, to the best of my knowledge and belief, I have not violated any of the provisions of Code of conduct applicable for Directors and Senior Management or any of the policies of the Company or legal/regulatory requirements, as may be applicable to my responsibility.

Signature

Name: _____

Designation: _____

Place: _____

Date: _____