

CODE OF CONDUCT FOR DIRECTORS

“Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.”

- Source “**ICSI**”

INTRODUCTION

The “Desirable Corporate Governance Code” as defined by the Committee of CII also mentions that the objective of “good” corporate governance is maximizing long-term shareholder value.

Pursuing the concept of “good corporate governance”, as accepted globally, our company, Shilp Gravures Limited (“Shilp”), has always strived to achieve the goal of maximization of shareholders’ worth through implementation of the most ethical, commercially fair and transparent means without compromising social responsibilities. The ideals, which have been the guiding force of the Company’s Philosophy on Corporate Governance, are:

1. Complete transparency and accountability in all the operations of the company
2. Maximisation of Shareholders’ worth through commercial growth
3. Sincere social, regulatory and environmental concern

OBJECTIVE

Though the above referred corporate philosophy is interwoven in the day to day operations of the company, this code is being expressly prescribed for the purpose of express communication to the shareholders of the company and to ensure that it is clearly understood by each Director, who is supposed to follow the same.

A written code would intimate all the Directors about their responsibilities towards the organization and the standards of conduct expected from them. On the other hand, the shareholders of the company would be in a position to know as to whether the globally accepted business and ethical standards and values are being followed by their organization or not.

DEFINITIONS

CODE - means Code of Conduct for Board of Directors

BOARD - means the Board of Directors of the Company

EXECUTIVE DIRECTORS – means Managing and Whole-Time Directors

NON-EXECUTIVE DIRECTORS – means all Directors other than Executive Directors.

INDEPENDENT DIRECTORS – means Non-Executive Directors as defined by clause 49 of the Listing Agreement.

APPLICABILITY

The code is applicable to all the Directors of the company. Every Director of the company shall receive and read the Code for proper and complete compliance and provide the acknowledgement to the Company in the prescribed format as attached to this Code.

CODE OF CONDUCT

(a) For the Directors of the company

Each Director of the company shall:

- (i) Respect the fiduciary capacity of a director and transact the responsibilities associated with the office as a trustee
- (ii) Act with honesty, integrity and display utmost ethical conduct while executing the office of Director of the company
- (iii) Avoid direct or indirect personal involvement in any transaction of the company and ensure that at no instance there is any conflict of interest between the personal and corporate interest. Where there is any conflict, the company's interest shall reign supreme.
- (iv) Protect the intellectual property of the company and enrich the same by full and immediate disclosure to the company of any inventions, discoveries, upgradation or evolution made by him or brought to his knowledge, while discharging his role as a Director.
- (v) Ensure that the assets of the company are not used for any personal gain. Further it shall be the duty of the Director to ensure that the assets of the company are not used for any unlawful purposes and further that the usage does not amount to a misuse or wastage.

- (vi) Owe undivided loyalty to the company by forbidding any personal involvement in any opportunity or activity wherein the company has any right or interest.
- (vii) Make complete and full disclosure as to the nature of transaction, parties to the transaction, etc. to the Board / shareholders, as may be required, in case a transaction is effected by the company with any related party of the director. Further, such transactions should be entered into only to the extent and in the manner as permitted by the prevailing law.
- (viii) Not deal in securities of the company on the basis of unpublished price sensitive information procured in course of execution of the office of directorship, except to the extent and in the manner provided by the SEBI (Insider Trading) Regulations or any other applicable law.
- (ix) Not accept Directorship or Employment in any other organisation, which directly or indirectly competes with the business of the company without the prior intimation to the company.
- (x) Not carry out any commercial activity, which directly or indirectly competes with the business of the company.
- (xi) Maintain complete secrecy and confidentiality of the information related to the company or its business. This commitment shall continue even after the termination of office.

The Board of Directors, jointly, shall:

- (i) Provide the shareholders with the true and fair report on the financial performance of the company
- (ii) Ensure that there are adequate health and safety measures laid down at the company premises as per statutory requirements.
- (iii) Exercise only the powers inherent or delegated to the Board by the appropriate authorities and ensure that the Board does not act beyond its powers.
- (iv) Ensure compliance of all applicable Acts, Regulations, Rule, By-laws or other statutory provisions, which govern the conduct of company's business.

(b) For the Executive Directors

In addition to the provisions of (a) above, each Executive Director shall:

- (i) Provide his entire time and devotion to the operations of the company and ensure that no commitments are made in his professional capacity to any other organization without the prior permission of the Board of Directors of the company.
- (ii) Dispense with all the responsibilities specifically delegated to him by the Board or entrusted through the employment agreement with the company.
- (iii) Own complete responsibility of all the functions of the Department under his control and supervision.

(c) For the Non Executive Directors

In addition to the provisions of (a) above, each Non Executive Director shall:

- (i) Ensure that the Board of Director functions professionally and is not influenced by undue biases.
- (ii) Avoid any material or pecuniary relationship with the company, its holding / subsidiary companies or its management without disclosure to the Board.
- (iii) Ensure the conduct of business in the interest of the company and its shareholders.

VIOLATIONS AND WAIVERS

The Company, through its Audit Committee of the Board of Directors, will take appropriate action against any Director whose actions are found to violate the Code or any other policy of the company. The Audit Committee shall be empowered to investigate the violation and shall present its report to the Board of Directors together with its conclusion on the action to be taken. The decision of the Audit Committee shall be final and binding to all concerned.

Any violation of law, this Code or any other Company policy, should be promptly reported to the Company Secretary or the Managing Director.

The Company reserves the right to amend this Code on review. Any amendment or waiver of any provisions shall be approved by the Board of Directors and shall be adequately disclosed on the Company's website at the earliest possible.

CLARIFICATIONS AND INTERPRETATION

Any questions relating to the meaning or application of the Code, any company policy or legal and regulatory requirements applicable to the Directors, or any clarification relating thereto shall be addressed to the Company Secretary at nileshpatel@shilpgravures.com or the Chairman of the Audit Committee at chairmanac@shilpgravures.com. The questions and queries and their sources shall be maintained in strict confidence.

END OF THE CODE

ACKNOWLEDGEMENT

I have received and read the Company's Code of Conduct for Directors. I understand the standards and the policies contained in the code and agree to comply with the same.

Name of the Director :

Signature :

Date :

Please return this form to the Company Secretary.