



NAGARJUNA AGRICHEM LIMITED

Amended Version

of

Code of Conduct

for

Directors & Senior Management

(With effect from 29th October, 2011)



Original Code of conduct adopted by the Board of Directors on October 24, 2005

Amended Version of Code of Conduct adopted by the Board on 29th October, 2011

Introduction:

Pursuant to the amendment in Clause 49 of the Listing Agreement (Ref. SEBI Circular No. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29.10.2004), this 'Code of Conduct for Board of Directors & Senior Management' is being issued.

The purpose of this Code of Conduct (the "Code") is to conduct the business of the Company in accordance with the applicable laws, regulations, rules and with the highest standard of ethics shareholders and values. The matters covered in this Code are of utmost importance to the Company, and other Stakeholders. This Code shall come into force with immediate effect. Each and every Director/Officer (as defined herein below) shall be duty-bound to follow the provisions of this Code in letter and spirit. Any instance of non-compliance of any of the provisions shall be a breach of ethical conduct and shall be viewed seriously by the Company.

Accordingly, the Director/Officers (as defined herein below) are expected to read and understand this Code and uphold these standards in their business dealings and activities.

Interpretation:

The Board of Directors will handle all questions or interpretation falling under or relating to this Code. The Board may authorize any of its committee /person for this. This will have the authority to waive compliance with this Code of business conduct for any Director, Officer or Employee of the Company. The person seeking waiver of



this Code shall make full disclosure of the particular circumstances to the Board or the designated person/committee.

1) Applicability:

This Code of Conduct applies to the following:

- Directors / Officers of the Board of Directors of the Company;
(hereinafter referred to as the “**Directors**”)
- Chief Executive Officer;
- Chief Operating Officer;
- Company Secretary;
- Chief Financial Officer (by whatever designation called);
- All Departmental/Functional Heads of different Functions of the Company (by whatever designation they are called) (hereinafter referred to as “**Officers**”)

2) Honest and Ethical Conduct:

We expect all the Directors/Officers to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working at the Company’s premises, at offsite locations, at Company’s sponsored business and social events, and/or at any other place where the Directors/Officers represent the Company. We consider honest conduct to be the conduct that is free from fraud and/or deception. We consider ethical conduct to be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes ethical handling of actual or apparent conflicts of interest as specified in ‘III’ below between personal and professional relationships.



3) Conflicts of Interest:

Duty of the Directors/Officers of the Company demands that he or she avoids and discloses actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

A. Employment/Outside Employment:-

In consideration of employment with the Company, Officers are expected to devote their full attention to the business interests of the Company. Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or otherwise in conflict with or prejudicial to the Company.

For example, simultaneous engagement/employment or Directorship with competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Each Officer shall inform the Board of any change in events/circumstances/conditions that may interfere with their ability to perform their duties. Additionally, Officers must disclose to the Company's Board of Directors, any interest that they have that may conflict with the business of the Company.

B. Outside Directorships:

It is a conflict of interest to serve as a Director of any Company that competes directly with the Company. Directors/Officers must first obtain approval from the Company's Board of Directors before accepting such Directorship. Further each Director/Officer shall inform the Board of any



changes in their Board positions, relationship with other businesses (including charitable).

C. Business Interests:

If any Director/Officer is considering investment in the business of any competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities towards the Company.

D. Related Parties:

As a general rule, Director/Officers, before conducting Company business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of the Company and take their prior approval for the same. Relatives include spouse, siblings, sibling's spouse, children, children's spouse, parents, grandparents, grand children and step relationships.

E. Payments or Gifts from Others:

Under no circumstances any Director/Officer shall accept any offer, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc. of the Company, that is perceived and/or intended, directly or indirectly, to influence any business decision of the Company, any act or failure to act, any commitment of fraud or opportunity for the commitment of any fraud.

F. Corporate Opportunities:

Directors/Officers shall not exploit for their own personal gain, opportunities that are discovered through the use of Company property, information or



position, unless the opportunity is first disclosed in writing to the Company's Board of Directors.

G. Other Situations:

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Directors/Officers must consult the Company's Chairman and/or the Board of Directors.

4) Intellectual Property Policy:

Directors/Officers have utmost obligation to identify and protect the intellectual properties, trade secrets and confidential information owned by the Company and its clients or associates as it is critical to the success of the Company.

"Intellectual Property Rights" (IPR) means generally patented or potentially patentable inventions, trademarks, copyrightable subject matters and trade secrets.

5) Compliance with Governmental Laws, Rules and Regulations:

Directors/Officers must comply with all applicable Governmental laws, rules and regulations. Directors/Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the Finance and/or Legal Department. Violations of applicable Governmental laws, rules and regulations may subject Directors/Officers to individual criminal and/or civil liability. Such individual violations may also subject the Company to civil and/or criminal liability and/or the loss of business.



6) Confidential Information:

Directors/Officers are required to maintain the confidentiality of all confidential information that they receive or become privy to in connection with the Company's business, except when disclosure is authorized or legally mandated. Confidential information includes all nonpublic information that might prejudice the ability of the Company to pursue certain objectives, be of use to competitors or harm the Company, its suppliers or its advertisers, if disclosed. Confidential information also includes any information relating to the Company's business and affairs that results in or would reasonably be expected to result in a significant change in the market value of the Company's securities or any information a reasonable investor would consider important in making an investment decision. Directors/Officers must not use confidential information for their own advantage or profit directly or indirectly.

7) Disclosures:

The Company's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that Company file with, or submit to the Stock Exchange(s), SEBI and/or any other Government agency and in all other public communications made by the Company. Company's Management has the general responsibility for preparing such filings and communications and shall ensure that the same shall conform to all applicable laws and regulations.

8) Accountability:

The Board of Directors (BOD) shall oversee the Company's adherence to ethical and legal standards. All Employees and Directors / Officers of the BOD shall



undertake to stop or prevent actions that could harm customers or reputation of the Company and to report such actions as soon as they occur to take corrective steps and see that such actions are not repeated.

9) No Rights Created:

This Code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors and Officers /Senior Management of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.

10) Protection and Proper Use of Company's Assets:

The Directors / Officers have the responsibility to protect the assets of the Company, ensure optimal utilization of assets and to report and record all transactions. Directors / Officers shall protect the Company's assets from loss, damages, misuse or theft and assets may only be used for business purposes and other purposes specifically approved by Management and must never be used for any personal or illegal purposes.

11) Company Funds:

Every Directors/Officers is personally responsible for all Company's funds over which he or she exercises control. Company's funds must be used only for Company's business purposes. Directors/Officers must not use the Company's funds for any personal purposes.

12) Environment, Health and Safety Policy:

Directors / Officers shall take environmental consciousness a step further as a Company and contribute to preserving nature as well as safety measures in own



respective work areas. Directors / Officers are responsible for conducting safe and environmentally sound operations; this is in the interest of our own well being and the quality of life of others. Directors / Officers shall abide by this policy.

13) Elimination of Child Labour:

It is the Company's policy not to engage or support Child Labour. The Company is committed to implement the provisions of the Child Labour (Prohibition and Regulation) Act, 1986. To promote this, the Company encourages its suppliers also to work towards a 'no Child Labour' policy in their industries. Directors / Officers shall strictly observe that no child labour is employed in the Company.

14) Prevention of Insider Trading:

Insider trading is prohibited both in the eyes of the Law as well as by the Company policy. Insider trading generally involves the act of subscribing to or buying or selling of the Company's Securities, when in possession of any Unpublished Price Sensitive Information about the Company.

"Price sensitive information" is such information, which relates directly or indirectly to the Company and which if published is likely to materially affect the price of Securities of the Company. It is important to note that both positive and negative information could be price sensitive.

Directors / Officers shall not derive benefit or assist others to derive benefit or assist them to derive benefit on their behalf by giving investment advice from the available access to and possession of information about the Company, which is not in public domain and thus constituting insider information. Directors / Officers shall strictly comply with the prevention of insider trading



guidelines as issued by Securities Exchange Board of India (SEBI) and the 'Code of Conduct' adopted by the Company in terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992, while dealing with the Securities of the Company.

15) Periodic Review:

Once in every year or upon revision of this Code, every Director/ Officers must acknowledge and execute an understanding of the Code and an agreement to comply. New Directors/ Officers will sign such a deed at the time when their Directorship/Employment begins.

16) Violations of the Code:

Part of the Directors/Officer's job and of his or her ethical responsibility, is to help enforce this Code. Directors/Officers should be alert to possible violations and they must co-operate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, to be avoided. Actual violations of law, this Code, or other Company policies or procedures, should be promptly reported to the Legal/HRD Department. The Company will take appropriate action against any Officer whose actions are found to violate the Code or any other policy of the Company, Disciplinary actions may include immediate termination of employment at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities.



17) Waivers and Amendments of the Code:

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

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