



NAGARJUNA AGRICHEM LIMITED

Amended Version

of

Code of Conduct

for

Directors & Senior Management

(With effect from 13th November, 2014)



Nagarjuna Agrichem Limited

Code of Conduct for Directors and Senior Management Personnels

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

Subsequent amended Version of Code of Conduct adopted by Board of Directors on 13th November, 2014

1) Introduction:

Pursuant to the Clause 49 of the Listing Agreement the Amended version of the “Code of Conduct for Board of Directors & Senior Management” has been framed and adopted by the Board of Directors of the Company in its meeting held on 13th November, 2014.

The purpose of this Code of Conduct (the “Code”) is to conduct the business of the Company in accordance with the applicable laws, regulations, and rules, with the highest standard of ethics and shareholders 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.

2) Legal Background:

Clause 49(II)(E) of the Listing Agreement:

- a) The Board shall lay down a code of conduct for all Board members and senior management of the company. The code of conduct shall be posted on the website of the company.
- b) All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the CEO.
- c) The Code of Conduct shall suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013.



d) An Independent Director shall be held liable, only in respect of such acts of omission or commission by a 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 of the provisions contained in the Listing Agreement.

3) 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.

4) Applicability:

This Code of Conduct applies to the following:

- a) Directors / Members of the Board of Directors of the Company; (hereinafter referred to as the “**Directors**”)
- b) Chief Executive Officer;
- c) Chief Operating Officer;
- d) Company Secretary;
- e) Chief Financial Officer;
- f) All Departmental/Functional Heads of different Functions of the Company (by whatever designation they are called) (hereinafter referred to as “**Senior Managers /Officers**”).

5) Honest and Ethical Conduct:

We expect all the Directors/Officers of the Company 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 the conduct conforming to the accepted professional standards of conduct. Ethical conduct includes ethical handling of actual or apparent conflicts of interest as specified below between personal and professional relationships.

6) 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/Officer, 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 as prescribed by the Companies Act, 2013, include Spouse, Father (including Step Father), Mother (including Step Mother), Son (including Step Son), Sons' wife, Daughter, Daughter's Husband, Brother (including step Brother), Sister (including Step Sister).

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's 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.



7) 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.

8) 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.

9) 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 non-public 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.



10) 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.

11) Accountability:

The Board of Directors (BOD) shall oversee the Company's adherence to Ethical and Legal Standards. All Employees and Directors / Members 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.

12) 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.

13) 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.

14) 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.

15) 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.

16) 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.

17) 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 provisions of Securities Exchange Board of India (SEBI) Insider Trading Regulations (as amended from time to time including



statutory modifications or enactments thereof for the time being in force) while dealing with the Securities of the Company.

18) Periodic Review:

Board Member and Officers/ Senior Managers shall affirm compliance with this Code on an annual basis as at the end of the each financial year of the Company (as per Appendix I within 7 days of the close of every financial year).

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 in the acknowledgement form annexed to this Code as Appendix – II.

19) 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/HPD Department. The Company will take appropriate disciplinary 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 co-operate fully with the appropriate authorities.

20) Waivers and Amendments of the Code:

The Company is committed to continuously reviewing and updating the policies and procedures. Therefore, this Code is subject to modification. Any amendment or



Nagarjuna Agrichem Limited

Code of Conduct for Directors and Senior Management Personnels

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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**Code of Conduct for Independent Directors
(Pursuant to Clause 49(II) (E) of the Listing Agreement and
the Companies Act, 2013)**

PREAMBLE:

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and Companies in the institution of Independent Directors.

1) Guidelines of professional conduct:

An Independent Director shall:

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising his duties;
- c) Exercise his responsibilities in a bonafide manner in the interest of the Company;
- d) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) Not allow any extraneous consideration that will vitiate his exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making;
- f) Not abuse his 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;
- g) Refrain from any action that would lead to loss of his independence;
- h) Where circumstance arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- i) Assist the Company in implementing the best corporate governance practices.



2) Role and functions:

The Independent Directors shall:

- a) Help in bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) Bring an objective view in the evaluation of the performance of Board and management.
- c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- d) Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- e) Safeguard the interests of all stakeholders, particularly the minority shareholders.
- f) Balance the conflicting interest of the stakeholders.
- g) 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.
- h) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

3) 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 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 behavior, 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.

4) Manner of appointment:

- a) Appointment process of Independent Directors shall be independent of the Company management; while selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in



the Board so as to enable the Board to discharge its functions and duties effectively.

- b) The appointment of Independent Directors of the Company shall be approved at the meeting of the shareholders.
- c) The explanatory statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed Director is Independent of the management.
- d) The appointment of Independent Directors shall be formalized through a letter of appointment, which shall set out:
 - i) The terms of appointment;
 - ii) The expectation of the Board from the appointed Director; the Board level committee(s) in which the Director is expected to serve and its tasks;
 - iii) The fiduciary duties that come with such an appointment along with accompanying liabilities;
 - iv) Provisions for Directors and Officers (D&O) insurance, if any;
 - v) The Code of Business Ethics that the Company expects its Directors and employees to follow;
 - vi) The list of actions that a Director should not do while functioning as such in the Company; and
 - vii) The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board's and other meetings and profit related commission, if any.
- e) The terms and conditions of appointment of Independent Directors shall be open for inspection at the registered office of the Company by any member during normal business hours.
- f) The terms and conditions of appointment of Independent Directors shall also be posted on the Company's website.



5) Re-appointment:

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

6) Resignation or removal:

- a) The resignation or removal of an Independent Director shall be in the same manner as is provided in Section 168 and 169 of the Act.
- b) An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- c) Where the Company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent Director shall not apply.

7) Separate meetings:

- a) The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent Directors and members of management;
- b) All the Independent Directors of the Company shall strive to be present at such meeting;
- c) The meeting shall:
 - i) review the performance of non-independent Directors and the Board as a whole;
 - ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive Directors;
 - iii) assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.



8) Evaluation mechanism:

- a) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- b) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

Dated this 13th day of November, 2014.



Nagarjuna Agrichem Limited

Code of Conduct for Directors and Senior Management Personnels

APPENDIX – I

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

ANNUAL COMPLIANCE REPORT*

I, Director / Officer of the M/s. Nagarjuna Agrichem Limited, do hereby solemnly, affirm that I have, in letter and spirit and to the best of my knowledge and belief, complied with the provisions of Code Of Conduct for Board Members and Senior Management during the financial year ended 31st March,

Signature :

Name :

Designation :

Address :

Dated:

Place:

* to be submitted on or before 7th day of April every year



Nagarjuna Agrichem Limited

Code of Conduct for Directors and Senior Management Personnels

APPENDIX- II

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

ACKNOWLEDGEMENT FORM

I have received and read the Company's Code of Conduct for Board Members and Senior Management of Nagarjuna Agrichem Limited. I have understood the provisions and standards contained in the Code of Conduct and agree to comply with the same.

Signature :

Name :

Designation :

Address :

Dated:

Place: