



## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY**

### **Introduction and Purpose**

This Code of conduct (hereinafter referred to as “Code”) is applicable to all the persons falling in the category of the Board of Directors and \*Senior Management of DHANUKA AGRITECH LIMITED ("the Company") helps in maintaining and following the standards of business conduct of the Company. **The purpose of the Code is to deter wrong-doing, promote ethical conduct in the Company and ensure compliance with the legal requirements of the Companies Act, 2013 and Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange(s).** The matters covered in this Code are of the utmost importance to the Company, its stakeholders and business partners. Further, these are essential so that the Company can conduct its business in accordance with its stated values and its legitimate interests.

***\*Senior Management for this code shall be General Manager and above including Chief Financial Officer and Company Secretary of the Company.***

### **Applicability**

The Code is applicable to the following persons (hereinafter referred to in this code as ‘the Officers’), unless repugnant to the context or specified otherwise in this code:

- (a) Members of the Board of Directors of the Company;
- (b) Senior Managerial Personnel i.e. all members of the management at and above the level of General Manager including all functional heads and such other person(s) as the Managing Director may decide; and
- (c) Chief Financial Officer and Company Secretary of the Company

Note: (b) and (c) hereinafter together referred as Officers.

All concerned are expected to read and understand this Code and to uphold standards set out under this, in his/ her day-to-day activities. As the principles set out under this are general in character, officers should also review the Company’s other applicable policies and procedures for more specific instructions. In case of any difficulty in interpretation or allied matters they may contact the Chief Financial Officer (CFO) or the Company Secretary who has been designated as the Compliance Officer.

The Board of Directors has already approved Code of Conduct, which is already applicable on all existing Board of Directors and Senior Management. This revised code shall be effective with effect from 1<sup>st</sup> April, 2019 and it would be applicable to all concerned as soon as it is approved by the Board. In case of Senior Managerial Personnel, they should sign the acknowledgment and return the same to the Company Secretary indicating that they have received, read and understood and agreed to comply with the Code. The signed acknowledgment will be filed in each Officer's personnel files.



## **Definitions**

**Interest in Transaction:** Interest in any transaction (be a contract or arrangement) either through himself/ herself or through any of the relatives defined in Section 2(77) of the Companies Act, 2013 or as may be specified under any applicable regulations, in force for the time being.

**Company:** The Company shall mean the “Dhanuka Agritech Limited”.

**Directors:** Directors shall mean all the members of the Board of Directors of the Company.

**Independent Directors:** Independent Directors shall mean the Board Members as defined under Section 2(47) read with 149(5) of the Companies Act, 2013.

**Relatives:** Relatives shall mean “relative” as defined under Section 2(77) of the Companies Act, 2013 read with the Companies (Specification of definitions details) Rules, 2014 as defined under Related Parties.

**Whole-time Directors:** The Whole time Directors shall mean the Board Members who are in whole time employment of the Company.

## **Honest and Ethical Conduct**

All persons to whom this code is applicable shall conduct their activities, on behalf of the Company and on their personal behalf with honesty, integrity and fairness. They will dedicate sufficient time, energy and attention to the Company to ensure diligent performance of their duties of office and in exercising their powers attached to that office. They shall act in good faith, responsibly, with due care, competence and diligence, without allowing their Independent judgment to be subordinated and will act in the best interests of the Company.

## **Related parties**

As a general rule, Directors and Senior Executives should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. The Company discourages the employment of relatives of Senior Executives in positions or assignments within the same department. Further, the Company prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g., an auditing or control relationship, or a supervisor/subordinate relationship).

## **Corporate opportunities**

Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors, officers and employees are expressly prohibited from:

- (a) Taking for themselves personally, opportunity that are discovered through the use of Company’s property, information or position.



- (b) Competing directly with the business of the Company or with any business that the Company is considering.
- (c) Using Company's property, information or position for personal gain if the Company has finally decided not to pursue an opportunity that relates to the Company's business activity; he/ she may pursue such activity only after disclosing the same to the Board of Directors or the person(s) nominated for this purpose.

### **Conflict of Interest**

The Board of Directors and Officers shall not engage in any business, relationship or activity, which may come in conflict with the interest of the Company, its subsidiaries or its associates.

Conflicts can arise in many situations. It is not possible to define and cover every possible conflict situation. Officers shall themselves judge by the spirit of this code, any other situations and acts that may amount to conflict or impair his/ her independence or may consult the Compliance Officer. Set forth, are some of the common circumstances that may lead to a conflict of interest, actual or potential:

- (a) should not engage in any activity/ employment that interferes with the performance or responsibility towards the Company or is otherwise in conflict with or prejudicial to the Company.
- (b) them and their immediate family members should not invest in the Company, customer(s), supplier(s), developer(s) or competitor(s) and generally refrain from investments that compromise their responsibility towards the Company.
- (c) should avoid conducting Company business with a relative or with a firm/ Company in which a relative / related party is associated in any significant role. If such related party transaction is unavoidable, it must be fully disclosed to the Board of the Company and approval be obtained therefore.
- (d) shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

### **Gifts and donations**

Under no circumstances, the Board of Directors and officers of the Company accept and/ or offer any payment, authorization or promise to pay any money, gift or anything of value from/ to any customer/ client or other person that is perceived as intended directly or indirectly to influence any business decision or any act or failure of act or commitment/ opportunity for commission of any fraud.

Inexpensive gifts, infrequent business meals, celebratory events and entertainment provided, they are not excessive or creating an appearance of impropriety, do not violate this policy.



### **Political Parties**

The Company must refrain from performing any such activity which includes supporting directly or indirectly, any specific Political Party or candidate for political office. It should not indulge in offering any donations, directly or through intermediaries, to any specific political party, candidate or campaign.

### **Insider Trading**

The Directors and Senior Management shall comply with the Code of Fair Disclosure and Code of Conduct in dealing with the securities of the Company as applicable from time to time.

### **Equal Opportunities to all**

Board members should always provide an equal opportunity to all the employees of the Company irrespective of caste, creed, race, religion, marital status, age etc. so that they can groom and develop themselves as an individual. Employees are considered as an important asset of the organization and have been provided with a dignified status and an encouraging working environment so that they can cope up well with the present competitive age. The employees shall be treated with all due respect and dignity without taking into consideration their level of post and shall refrain from any kind of harassment.

### **Facilities provided by the Company**

The Board of Directors as well as Officers shall neither misuse the facilities provided by the Company nor consume them for their personal advantage. Due care shall be exercised to ensure that the Company's resources are utilized optimally. The funds of the Company must be used for legitimate purpose and not in irrelevant things.

### **Compliance with Governmental Laws, Rules and Regulations/ Internal Company Policies**

All Officers and Directors must comply with all applicable governmental laws, rules and regulations. Senior Executives must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers. Directors and Senior Management must comply with the Company's internal policies. Chief Financial Officer/ Company Secretary along with the Heads of various Departments will arrange training for those employees who are discharging the functions relating to compliance with the rules/ laws/ technical knowhow and Research & Development activities for their respective departments.

### **Financial reporting and records**

The Company shall prepare and maintain its accounts in a fair and accurate manner showing true position of the Company. The Company's Accounts shall be in accordance with the accounting and financial reporting standards which represent the generally



accepted guidelines, principles, standards, laws and regulations of the country in which the Company conducts its business affairs.

The Company shall avoid any kind of exaggeration or unwanted remarks which are opposed to public policy in any manner.

Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions. Any willful material misrepresentation of and/ or misinformation or willful omission on the financial accounts and reports shall be regarded as a violation of the code.

### **Other Directorships**

Serving on the Board of Directors of other Companies may raise substantial concerns about potential conflicts of interest. Therefore, all Directors must report/ disclose such relationships to the Board on annual basis and should adhere that service on the Board of a direct competitor is not in the interest of the Company. Directors shall adhere to maximum no. of Directorship in following manner

**Max Directorship- 7 Listed**

**If serving as WTD/MD of Listed Entity- Max directorship as Independent Director – 3 Listed Entity**

**Not member more than 10 Committee(s) out of which Not to act as Chairman of More than 5 Committee(s)**

*\*Only Audit Committee and Stakeholder's Relationship Committee of Public Ltd. and Listed entities to be counted.*

### **Confidentiality of Information**

Any information including private, proprietary and other information concerning the Company's business, its customers, suppliers etc., which is not in public domain, e.g. which might be of use to competitors or harmful to the Company or its associates, if disclosed, and to which the officer has access or possesses such information, must be considered confidential and held in confidence, unless authorized to make it public/ disclose it as directed or when disclosure is required as a matter of law. No officer shall provide any information either formally or informally, to the press or any other public media, unless specifically authorized.

### **Competition**

The Company shall act in a manner which is not harmful or illegal and must compete in the true spirits rather than through unethical and illegal practices. No Director/ Officer shall abuse/ conceal/ manipulate/ misrepresent any information and shall not get involved in monopolistic/ unfair/ restrictive trade practices. They shall strive for making their stand in the market and shall cooperate to promote the progressive and judicious liberalization of trade & investment.



### **Protection of Assets**

Officers must protect the Company's Assets, labour and information and ensure its efficient use for legitimate business purposes. They may not use these for personal use, unless approved by the Board.

### **Periodic Review**

The Board may review this Code from time to time and make amendments, if necessary. Such amendments may be required to maintain consistency with applicable laws, Company's policy or any other reason. The amendments shall be promptly disclosed upon approval of the Board on the Company's website or other means acceptable for the time being under applicable laws.

It is obligatory on the part of every officer to make an annual disclosure under this code affirming their adherence to the code on annual basis. This disclosure shall be made to the Compliance Officer on or before 30<sup>th</sup> April, for the financial year preceding the date. Additionally, every officer is to make an acknowledgement as per format enclosed hereto, on receipt of this code indicating that they have received, read and understood, and agree to comply with the code.

### **Reporting of any illegal or unethical behavior or non-adherence of laws**

Directors/Senior Management should promote ethical behavior and the Company shall ensure that the employees do not feel any hesitation or fear from reporting any illegal or unethical behavior. In fact they shall ensure that employees feel free to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action to be taken in a particular situation. They shall also take care that all legal compliances on the part of the Company should be complied with all due care and diligence and reporting should be done where there is infringement of any law.

### **Violation of the Code**

Any waiver of violation of any provision under this code, for a person required to abide by it, must be approved by the Board of Directors of the Company in writing and promptly disclosed.

As the matters covered in this code are of utmost importance to the Company, its stockholders and its business associates and are essential to the Company's ability to conduct its business in accordance with the stated values, it is expected that all concerned adhere to these rules in carrying out their duties for the Company. The Company will take appropriate disciplinary action in case of any violation of these rules/ or any other policy/ rules of the Company by person concerned including legal recourse for recovery of loss suffered, if any and the concerned person will cooperate fully with the appropriate authorities where any of the applicable laws have also been violated.





## **Residuary Clause**

Transactions given in this code are only illustrative ones and it would not be possible to quote and include all situations in which conflict of the interest may arise. So, if a situation raises any doubt or question, the person may consult the Compliance Officer.

Nothing in this code of conduct, in any Company policies and procedures, or in other related communications (verbal or written) creates/implies an employment contract or term of employment.

This code is in addition to and not in derogation with any Act, law, rules and regulations and all other applicable policies and procedures adopted by the Company that govern the conduct of its officers and or other constituents.

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