



**CODE OF CONDUCT FOR ALL DIRECTORS**  
**W.E.F. 1<sup>st</sup> April, 2019**

**Introduction and Purpose**

This Code of conduct (hereinafter referred to as “Code”) is applicable for the Board of Directors of DHANUKA AGRITECH LIMITED ("the Company") and it shall help 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.

**Responsibilities of the Board of Directors:** The Board of Directors of the Company shall have the following responsibilities:

**(i) Disclosure of information:**

(1) Members of Board of Directors and key managerial personnel shall disclose to the Board of Directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.

(2) The Board of Directors and senior management 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.

**(ii) Key functions of the Board of Directors-**

- (1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
- (2) Monitoring the effectiveness of the Company’s governance practices and making changes as needed.
- (3) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (4) Aligning key managerial personnel and remuneration of Board of Directors with the longer term interests of the Company and its shareholders.
- (5) Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.
- (6) Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.



- (7) Ensuring the integrity of the Company's accounting and financial reporting systems, including the Independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (8) Overseeing the process of disclosure and communications.
- (9) Monitoring and reviewing Board of Director's evaluation framework.

**(iii) Other responsibilities:**

- (1) The Board of Directors shall provide strategic guidance to the Company and ensure effective monitoring of the management and shall be accountable to the Company and the shareholders.
- (2) The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- (3) Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- (4) The Board of Directors shall encourage continuing Directors training to ensure that ensure that the members of Board of Directors are kept up to date.
- (5) Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
- (6) The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (7) The Board of Directors shall exercise objective Independent judgement on corporate affairs.
- (8) The Board of Directors shall consider assigning a sufficient number of non-executive members of the Board of Directors capable of exercising Independent judgement to tasks where there is a potential for conflict of interest.
- (9) The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (10) The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus.
- (11) When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.
- (12) Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
- (13) In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
- (14) The Board of Directors and senior management shall facilitate the Independent Directors to perform their role effectively as a member of the Board of Directors and also a member of a committee(s) of Board of Directors

**Duties of Directors under Companies Act, 2013**

Subject to the provisions of the Companies Act, 2013, every Director of the Company shall act:



- (1) in accordance with the articles of association of the Company.
- (2) shall act 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.
- (3) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise Independent judgment.
- (4) shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (5) shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (6) shall not assign his office and any assignment so made shall be void.

### **General Obligations:**

- (1) A Director shall not be a member in more than 10 committees or act as chairperson of more than 5 committees across all listed entities in which he is a Director which shall be determined as follows:
  - (a) the limit of the committees on which a Director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
  - (b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.
- (2) Every Director shall inform the Company about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.
- (3) All members of the Board of Directors and senior management personnel shall affirm compliance with the code of conduct of Board of Directors and senior management on an annual basis.
- (4) Non-executive Directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as Directors, in the notice to the general meeting called for appointment of such Director.
- (5) Senior management shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

Explanation. For the purpose of this sub-regulation, conflict of interest relates to dealing in the shares of the Company, commercial dealings with bodies, which have shareholding of management and their relatives etc.

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