



RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

1. Introduction:

- 1.1 This code of Conduct shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Rashtriya Chemicals and Fertilizers Limited (hereinafter referred to as the "RCF" or "the Company" and this Code of Conduct as "this Code").
- 1.2 This Code envisages that the Board of Directors of the Company and Senior Management Personnel should act within the framework of and in compliance with the applicable laws.
- 1.3 The Board Members and Senior Management Personnel are expected to familiarize themselves with this Code and to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- 1.4 This code has been framed in accordance of in compliance with the requirement of Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the provisions of the Companies Act, 2013.
- 1.5 It shall come into force with effect from 5th May, 2017 and the amendments to the code, if any, shall be effective from the date on which the same are notified from time to time.
- 1.6 The existing Code of Conduct for Board of Directors and Senior Management Personnel of the Company is repealed with the implementation of this Code.



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2 Purpose of the Code:

The prime purpose of the Code of Conduct is to create an environment where all the Board Members and Senior Management Personnel of the Company maintain and comply to the ethical standards and ensure transparent process in managing the affairs of the Company. This code of conduct will act as guideline to all as under:

- i. Promote honest and ethical conduct.
- ii. Maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted;
- iii. Assure compliance with laws, rules and regulations that govern the Company's business activities; and
- iv. Assure the proper use of the Company's assets.

This Code does not specifically address every potential form of unacceptable conduct, and it is expected that the Board Members and Senior Management Personnel of the Company will exercise good judgment in compliance with the principles set out in this Code. The Board Members and Senior Management Personnel of the Company have a duty to avoid any circumstance that would violate the letter and spirit of this Code.

3 Definitions & Interpretations:

- 3.1 The term "Company" shall mean "Rashtriya Chemicals and Fertilizers Limited"
- 3.2 The term "Board /Board of Directors" shall mean collective body of the Directors of the Company.
- 3.3 The term "Board Members" shall mean the Members on the Board of Directors of the Company.
- 3.4 The term "Whole-time Directors" shall mean the Board Members who are in whole-time employment of the Company.
- 3.5 The term "Non Whole-time Directors" shall mean the Non-Executive Directors/Board Members who are Part-time Directors and not in whole time employment of the Company, which term also include the Institutional Directors whether the institution is an investing institution or lending institution.
- 3.6 The term "Independent Director" shall mean an Independent Director as defined in Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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- 3.7 The term "Senior Management Personnel" mean employees of the Company who are members of its core management team excluding Board of Directors and would comprise all Executive Directors, Chief General Managers, General Managers and other Functional Heads.
- 3.8 The term "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specifications of Definitions Details) Rules, 2014.
- 3.9 The term "Conflict of Interest" means where the interests or benefits of one person or entity interferes with the interests or benefits of the company.
- 3.10 In this "Code" words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

4. Applicability:

- 4.1 This "Code" shall be applicable to the following persons of the Company:
- (a) All Members of the Board of Directors of the Company.
 - (b) All Senior Management Personnel of the Company.
- 4.2 The Board of Directors and Senior Management Personnel should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

5. Display of the code on the website of the Company:

As required under the Regulation 46(2)(d) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, this code of conduct and any amendments thereto shall be posted on the website of the Company.

6. Waiver and Amendments of the code:

- 6.1 No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver in case of Board Members and by the Chairman and Managing Director in case of Senior Management Personnel.
- 6.2 The provisions of this code can be amended by the Board of Directors of the Company from time to time.



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7. Key Requirements/Fair Dealing:

The Board Members and Senior Management Personnel of the Company are to deal with others in a fair manner. One of the corner stone of the philosophy of the Company is “Respect for Individual”. Non-compliance will make individual outcaste from value system and also attract disciplinary action.

The Board Members and Senior Management Personnel shall act within the authority conferred upon them and in the best interests of the company and observe the following:

- a) Act in the best Interest of , and fulfil their fiduciary obligations to the Company.
- b) Act honestly, fairly, ethically and with integrity;
- c) Conduct in professional, courteous and respectful manner and not take improper advantage of the position of Director;
- d) Act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates;
- e) Comply with communication and other policies of the Company;
- f) Act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- g) Not to use the Company’s property or position for personal gain;
- h) Not to use any information or opportunity received by them in their capacity as Directors in a manner that would be detrimental to the Company’s interests;
- i) Act in a manner to enhance and maintain the reputation of the Company;
- j) Disclosure any personal interest regarding any matters that may come before the Board and abstain from discussion, voting or other influencing a decision on any matter in which the concerned Director has or may have such an interest;
- k) Abstain from discussion, voting or otherwise influencing a decision on any matter that may come before the Board in which they may have a conflict or potential conflict of interest;
- l) Respect the confidentiality of information relating to the affairs of the Company acquired in the course of service as Directors except when authorised or legally required to disclose such information;
- m) Not to use confidential information acquired in the course of the service as Directors for personal advantage or for the advantage of any other entity;
- n) Help, create and maintain a culture of high ethical standards and commitment to compliance;

- o) Keep the Board informed in an appropriate and timely manner any information in the knowledge of the member which is related to the decision making or is otherwise critical for the Company;
- p) Treat the other members of the Board and other persons connected with the Company with respect, dignity, fairness and courtesy;
- q) Shall act in accordance with the Vision, Mission and Values of the Company.
- r) Shall ensure workplace free of discrimination & harassment based on race, colour, sex, religion, cast, age, disability, national origins or any other biases.
- s) Strive to achieve the highest quality, effectiveness and dignity in their professional work.
- t) Shall not seek or accept, directly or indirectly any gift from anyone having business dealings with the Company that could create an appearance of impropriety, inducement or in any manner influence a business decision;
- u) Shall be accountable to the stakeholders i.e. customers, shareholders, employees, vendors and society etc. in discharge of the duties of the Company.
- v) Shall comply with the code of Internal Procedures and Conduct for prevention of Insider Trading in dealing with Securities of the Company;
- w) To follow Company's Risk Management Framework to identify the business risks that surround Company's function or area of operation and to assist in the Company wide process of managing such risks, so that Company may achieve its wider business objectives;
- x) Shall avoid having any personal and/or financial interest in any business dealings concerning the Company;

8. Duties of Directors:

The Director(s) of the Company:

- i) shall act in accordance with the articles of the company, subject to the provisions of the Companies Act, 2013 as amended from time to time;
- ii) 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;
- iii) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- iv) 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;
- v) 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;

vi) shall not assign his office and any assignment so made shall be void;

Explanation: For the purpose of Clause (v), “associate” shall mean any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

9. Duties of Independent Directors:

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) 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;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) 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;
- 10) 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;
- 11) report concerns about unethical behavior, actual or suspected fraud or violation of the company’s code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) 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.



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10. **Proper Use of Company Assets:**

The Company's assets should be used only for the legitimate business purposes of the Company. The Board Members and Senior Management Personnel of the Company are prohibited from using Company assets, confidential or proprietary information or position and intellectual rights for personal gains.

11. **Discrimination and Harassment:**

The Company is committed to providing a workplace free of discrimination and harassment based on race, colour, religion, age, gender, nationality, origin, disability, veteran status, or any other biases. It would be the endeavor of every Board Member and Senior Management Personnel of the Company to see that work place is free from such environment.

If any Officer or Associate is discriminated he/she may lodge a complaint of discrimination or harassment to the Head of the Personnel Department/concerned Director of the Company.

12. **Confidential Information:**

Any Confidential information concerning the Company's business, its customers, suppliers etc., be it technical, operational or commercial must be considered confidential and held in confidence.

No Board Member and Senior Management Personnel shall provide any information either formally or informally, to the press or any other media, unless specifically authorized.

Provided that Board Members and Senior Management Personnel shall in consultation/under intimation to the Chief Investor Relations Officer of the Company be free to disclose such information which is:

- a) part of the public domain at the time of disclosure; or
- b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
- c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Ministry of Chemicals and Fertilizers, Department of Fertilizers.

13. **Conflict of Interest:**

The Board Members and Senior Management Personnel of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make



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disclosures to the competent authority relating to all material financial and commercial transactions, if any, where they or any of their relatives have personal interest that may have a potential conflict with the interest of the Company at large.

The Directors and Senior Management of the Company shall not be present at the meeting where discussion on the resolution relating to contract or arrangement with a related party is being taken.

Competent authority, in case of Board Members shall be Board of Directors and Director (Technical) in case of Senior Management Personnel.

14. Compliance with Laws, Rules and Regulations:

Any transaction undertaken in the name of the Company that would violate the laws of the land is prohibited. Particular attention is directed to the laws, rules and regulations relating to discrimination, securities, anti-trust, civil rights, and transactions with foreign officials, safety and the environment. If any uncertainty arises as to whether a course of action is within the letter and spirit of the law, advice should be obtained from the concerned Director/Chairman and Managing Director of the Company.

The Board Members and Senior Management Personnel shall comply with all laws, rules and regulations as applicable including those relating to the business of the Company.

15. Prevention of Insider Trading:

The Board Members and Senior Management Personnel shall comply with the Code for Prevention of Insider Trading with securities of the Company.

16. Corporate Disclosure Practices:

The Code of Practices and Procedures for fair disclosure regulates disclosure of "Unpublished Price Sensitive Information".

The Chief Investor Relations Officer is responsible for overseeing and coordinating disclosure of "Unpublished Price Sensitive Information" to stock exchanges, analysts, shareholders and media including vetting of the text of the information to be posted on the Company's website with the approval of the Director (Finance) and/ or the Chairman and Managing Director.

No person except the Chief Investor Relations Officer or those authorized by the Chief Investor Relations Officer, shall disclose any information relating to the Company's Securities to analysts/research persons and institutional investors.



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17. Related Party Disclosures:

The Board Members shall make disclosure of related party transactions to the Board of Directors and the Senior Management Personnel shall make disclosure of the related party transactions to the Chairman and Managing Director.

18. Restrictions to serve other Organizations:

Senior Management Personnel of the Company is expected to devote his or her full time and efforts during normal working hours to the service of the Company. No such person shall engage in any business or secondary employment that interferes with his or her obligations and responsibilities to the Company.

Senior Management Personnel of the Company will not serve on the Board of Directors of any corporation not owned or controlled by the Company, other than a non-profit, charitable, religious, civic or educational organization, without the prior written approval of the Chairman and Managing Director of the Company.

19. Political Contributions:

Corporate funds, credit, property or services shall not be used, directly or indirectly, to support any political party or candidate for public office, or to support or oppose any ballot measure, without the prior approval of the Board of Directors of the Company.

20. Gifts and Donations:

The Board Members and Senior Management Personnel of the Company shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favor in whatsoever form howsoever described by the customers, vendors, contractors, consultants, etc., that is perceived as intended and should never be of a kind that could create an appearance of impropriety, inducement or in any manner directly or indirectly to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud. Save and except nominal gifts which are customarily given and are of commemorative nature for special events or associated with festivals.

21. Acknowledgement of receipt of the code:

All Board Members and Senior Management Personnel shall acknowledge the receipt of this code or any modification(s) thereto, in the acknowledgement form annexed to this Code (**Appendix-I**) indicating that they have received, read and understood, and agreed to comply with the code and forward the same to the Company Secretary.

New Directors will sign such a declaration (**Appendix-I**) at the time of assuming their Office of their directorship position.

22. Compliance of Code of Conduct:

- i) Company Secretary shall be the Compliance Officer for the purpose of this code.
- ii) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this code.
- iii) Compliance Officer shall report breach of this code, if any, which comes to his notice to the:
 - a) Board in case of all Board members; and
 - b) Chairman and Managing Director in case of Senior Management Personnel
- iv) All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code.
- v) The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

23. Annual Compliance Reporting:

- 23.1 In terms of the Regulation 26(3) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel shall affirm compliance of this Code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the Chairman and Managing Director. A pro-forma of Annual Compliance Report is at **Appendix-II**. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Board Members and Senior Management Personnel leave the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with Rashtriya Chemicals and Fertilizers Limited.



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23.2 The Chairman and Managing Director of the Company and the Director (Finance) shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of this Code

24. Penalty for breach of this code by:

- i) Senior Management Personnel shall be determined by the Chairman and Managing Director;
- ii) The Whole-time Directors and Non Whole-time Directors, the same shall be examined by the Board of Directors of the Company;
- iii) Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

25. Clarifications regarding the Code:

Any member of the Board or Senior Management personnel requiring any clarification regarding this Code may contact Company Secretary/ any officer specifically designated by the Board of Directors.



APPENDIX-I

ACKNOWLEDGEMENT FORM

I, have received and read the Company's "CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL" ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this code at all times. If I have any clarifications/questions concerning the meaning/definition or application of the Code, I understood that I can consult the Company Secretary/Compliance Officer and that my clarifications/questions/requests or reports to these sources will be maintained in confidence.

Signature : _____

Name : _____

Designation : _____

Date : _____

Place : _____

This acknowledgement shall be handed over to the Board and Company Affairs Department.



APPENDIX-II

ANNUAL COMPLIANCE REPORT

* Ido hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL and there is no violation of any of the compliances under the said Code by the undersigned during the financial year ending 31st March _____. Further, I do affirm that any change(s) in the status concerning the Code will be intimated immediately to the concerned authorities of the Company.

Signature : _____
Name : _____
Designation : _____
Date : _____
Place : _____

* To be submitted within 30 days of the close of each financial year