

SHREE PUSHKAR CHEMICALS & FERTILISERS LTD.



CODE OF CONDUCT

Shree Pushkar Chemicals & Fertilisers Ltd.
202, A Wing, Bldg. No. 3, Rahul Mittal Industrial Estate, Sir MV Road, Andheri (E), Mumbai - 400 059, India.

Tel.: + 91 22 4270 2525 • Fax: + 91 22 2850 4242

CODE OF CONDUCT

Preamble:

This code of conduct is a written document that outlines company values, principles and guidelines in a variety of areas and enables the company to publicly state to its external stakeholders viz. suppliers, customers, consumers and shareholders.

This Code of Conduct (the Code) sets forth legal and ethical standards of conduct for Board of Directors and all employees of Shree Pushkar Chemicals and Fertilizers Ltd. (“SPCFL” or the “Company”) and ensures compliance with legal requirements under Clause 49 ‘Corporate Governance’ of the Listing Agreement and the reporting requirements of Business Responsibility Reports as mandated by Securities Exchange Board of India (SEBI). SPCFL Code is designed to deter wrongdoing and to promote:

- To act in good faith, responsibility, with due care, competence and diligence without misrepresenting material facts while dealing with the third parties and promote ethical and honest behavior within the company;
- Honest, fair and ethical conduct, including the ethical handling of conflicts of interest between personal and professional relationships;
- Protection and Proper Use of Corporate Assets & Company’s Confidential Information;
- The prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code;
- Conducting business in accordance with the highest standards of ethics, complying with all applicable laws, rules and regulations.

All of our Directors and employees must conduct themselves accordingly and seek to avoid improper behavior. If one has any questions regarding this Code or its application to him in any situation, one should contact the Head, Human Resources or the Compliance Officer(s) (appointed by the Company under Corporate Governance Regulations).

APPLICABILITY:

This Code of Conduct and Ethics is applicable to all the Board of Directors, Senior Management, employees and members of SPCFL.

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Financial reporting:

SPCFL shall prepare and maintain its accounts fairly and accurately and 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.

Accounting and procedures shall fairly and accurately reflect all the company's business transactions, and shall have internal controls to provide assurance to the company's board and shareholders that the transactions are accurate and legitimate. All required information shall be accessible to company auditors and other authorized parties and government agencies. There shall be no willful omissions of any company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

No employee shall make, authorize, abet or collude in an improper payment, unlawful commission or bribing and it should be our constant endeavor to not only deliver high performance but also high transparency and accountability.

CONFLICT OF INTEREST:

The Management must avoid any conflicts of interest between company and Management. All of our Directors and employees must act in the best interests of the Company. All of our Directors and employees must refrain from engaging in any activity or having a personal interest that presents a "conflict of interest." A conflict of interest occurs when their personal interest interferes, or appears to interfere, with the interests of the Company. A conflict of interest can arise whenever our director and employee, take action or have an interest that prevents them from performing the Company duties and responsibilities honestly, objectively and effectively. In order to avoid conflicts of interest, employees, our directors and employees must observe the following restrictions, which are not to be construed as a comprehensive list:

- No employee or director or close relative of a employee or director may engage in any activity as an officer, director, employee, contractor, supplier or consultant with any enterprise (other than SPCFL) that competes with the Company.
- An employee of a the company conducting business on behalf of his company/firm or being in a position to influence a decision with regard to his company's/firm's business with a supplier or customer of which his relative is an officer or representative, resulting in a benefit directly or indirectly in any form to him or his relative.
- No employee or director may use the Company's name, property, proprietary or confidential information, or goodwill for personal gain or for the gain of others.

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- Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the company.
- An independent judgment of the company's best interest cannot be exercised. An employee, including the executive director (other than independent director) of a SPCFL, shall not accept a position of responsibility in any other non-SPCFL or not-for-profit organization without specific sanction.

**A "close relative" means a spouse, dependent child, parents, friend or any other family member.

If any conflict of interest exists due to any reasons, adequate and full disclosure by such interested persons should be made to the management of the Company and if any employee fails to make the required disclosure and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management shall take a serious view of the matter and consider suitable disciplinary action against the employee.

CORPORATE OPPORTUNITIES:

Directors, Senior Management and employees are strictly prohibited from exploiting any opportunity that may arise for their own personal gain, opportunities that are discovered through their position with the Company, use for themselves corporate information or property unless the same is disclosed prior to use in writing to the Chairman in case of employee and to the Board of Directors in case of any director.

The company shall welcome every opportunity that comes in its way and work on it if it's beneficial to the company for its future growth, however if the board of directors of the Company decide that the Company will not pursue the said opportunities that relates to the Business of the Company, then Directors/senior management may not do the same.

INSIDER TRADING & PRICE SENSITIVE INFORMATIONS:

All directors and Senior managerial personals must comply with the SEBI Insider Trading Regulations, 1992. Directors and Personnel covered by the said Insider Trading code, all other employees covered under this Code and third parties who are in a confidential relationship with SPCFL(as well as such individuals' household members and close relatives) ("Covered Persons"), shall not trade in or recommend the purchase or sale of SPCFL common shares (or any other equity or debt securities of SPCFL) while they are in possession of material information regarding the operations or prospects of SPCFL that have not been publicly disclosed and disseminated.

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Before making any transaction directly or indirectly as regard securities of the Company, without informing Compliance Officer of the Company and must strictly comply with the Insider Trading Regulations laid down by SEBI

Third Party Engagement and Representation:

Our responsibility does not end at our premises. We should act as catalysts to cascade Responsible Practices across our entire value chain. Any member of our value chain found to be indulging in irresponsible and unethical business practices should be condemned and appropriate action should be taken.

Parties which have business dealings with the SPCFL, such as consultants, agents, sales representatives, distributors, channel partners, contractors and suppliers, shall not be authorized to represent a SPCFL without the written permission of the SPCFL. Third parties and their employees are expected to abide by the Code in their interaction with, and on behalf of, SPCFL.

HONEST AND ETHICAL CONDUCTS & FAIR DEALING:

SPCFL believes that business conduct can be ethical only when it rests on the core values of Honest, Integrity, Fairness, Respect, Purposefulness, Trust, Responsibility, Citizenship and Care. Every employee of a SPCFL, including full-time directors and the chief executive, shall exhibit culturally appropriate deportment, and deal on behalf of the company with professionalism, honesty and integrity, while conforming to high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be so by third parties. They also should not take unfair advantage through concealment of information which is ought to be disclosed, manipulation, confidential, trade secret information, misrepresentation of material facts or any other unfair practice. Every employee of a SPCFL shall preserve the human rights of every individual and the community, and shall strive to honour commitments.

Every employee shall be responsible for the implementation of and compliance with the Code in his / her environment. Failure to adhere to the Code could attract severe consequences, including termination of employment.

ETHICS = TRUTHFULNESS + TRANSPARENCY + RIGHTEOUSNESS + MORALITY

Business ethics which is also known as corporate ethics is a form of applied ethics or professional ethics that examines ethical principles and moral or ethical problems that arises in a business environment. It applies to all aspects of business conduct and it is relevant to the conduct of individuals and entire organizations.

Compliance with Laws, Rules and Regulations:

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Directors and employees of the Company must comply with all applicable laws, rules, regulations, notifications, policies as may be made applicable to the Company from time to time which are issued by any statutory/regulatory authorities, the state Government or Government of India and also update themselves for latest amendments issued by such authorities relating to their duties and responsibilities. Any officer who is uncertain about the applicability of rules/regulations, at that time they should take expert advice before taking any decision that may have harmful effects on the Company.

Also, in order to assist the Company in promoting lawful and ethical behavior, Directors and employees must report any violation of law, rules, regulation to the authorities incharge.

Confidential Information and Corporate Secrecy:

All secret information like trade related & confidential information that are made available or provided to the officers of the Company and has obtained by virtue of his employment with the Company. All directors and employees must maintain the secrecy or confidentiality regarding the disclosure of confidential information regarding SPCFL's business, financial, legal, regulatory or operations, whether intentional or accidental, can adversely affect the financial stability and competitive position of SPCFL and the job security of its employees.

On account of this risk of harm to SPCFL, individuals must not, during the term of their employment by, service or affiliation with SPCFL or thereafter, disclose to third parties any confidential information obtained during the course of employment or after.

“Confidential Information” means all non-public information in SPCFL possession, whether through internal or external development, that might be of use to competitors, or harmful to the financial stability or competitive position of SPCFL if disclosed, including but not limited to:

- Methods, processes and techniques, including manufacturing process information
- Equipments
- Personnel data
- Customer lists
- Financial, pricing and accounting data
- Supplier data (names of suppliers, pricing, sources of supply, anticipated requirements)
- Results of regulatory inspections/audits
- Raising of finances.
- Business plans and updates to business plans
- Potential acquisitions, licenses or other business deals
- Potential divestitures
- Major supply and delivery agreements.
- Potential equity interests
- Research, clinical and pharmacological data
- Regulatory filings and approval data
- Marketing and sales information

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Including these, any buyer – seller information, strategic planning related information, commercial, technical, legal, marketing information shall remain undisclosed.

An employee of a SPCFL shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions; and strictly observe a practice of non-disclosure.

Protection and Proper Use of Corporate Assets:

The assets of the company should not be misused but employed for the purpose of conducting the business for which they are duly authorized by the Management. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and suppliers.

Executive Directors and employees should seek to protect the Company's assets. Theft, carelessness and waste have a direct impact on the Company's financial performance.

Executive Directors and employees must use the Company's assets and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else. Company equipment should not be used for non-Company business or activity.

The obligation of Directors and employees to protect the Company's assets extends to its proprietary information. Proprietary information includes intellectual property such as customer data or information, trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data reports. Unauthorized use or distribution of this information would violate Company policy and could also be illegal resulting in civil or even criminal penalties

Safety, Health & Environment:

The safety & health of the employee and the protection of people and the environment are among the Company's most important factors. We are a "ZERO" waste company and we strive for continuous improvement of its environmental, safety and health performance by developing new and better products, processes and services with efficient use of energy and resources, minimization of environmental impact.

Product & Services of the Company:

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At SPCFL we strives to be committed to supply goods and services of world-class quality standards, backed by after-sales services consistent with the requirements of its customers, while striving for their total satisfaction. We do so we can strengthen our competitiveness and performance pertaining to the industries in which the company is venturing. The Company recognizes that meeting its customers' needs is necessary for its long term growth and prosperities.

Shareholders right:

The company shall comply with all rules, regulations and laws that govern shareholders' rights. The company shall duly and fairly disclose information in accordance with the respective regulations to its shareholders which allow them to take inform decision of their investments and inform its shareholders about all relevant aspects of the company's business. The company shall be committed to enhancing shareholder value and complying with all regulations and laws that govern shareholder rights.

CONCURRENT EMPLOYMENT:

Executive Directors & Senior Management Personnel of the Company is expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity (unless disclosed to the Board of the Company) that interferes with their performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the interest of the Company or provide freelance services to anyone, with or without remuneration. Our policies prohibit any employee from accepting simultaneous employment with a Company's supplier, customer or competitor, or from taking part in any activity that enhances or supports a competitor's position.

ACCOUNTABILITY FOR ADHERENCE TO THE CODE AND NONCOMPLIANCE OF THE CODE:

Directors and employees are responsible for decision-making and for adherence to this Code.

- Internal Investigations: SPCFL will promptly investigate all alleged violations and potential violations of this Code, or of any related SPCFL standard, policy or procedure. Any allegations will be treated confidentially, to the extent consistent with SPCFL's interests and its legal obligations. All are expected to cooperate in the investigation of an alleged violation of the Code.
- If SPCFL determines that corrective action is necessary to fix a problem and avoid the likelihood of its recurrence, SPCFL will promptly decide what steps to take, including legal proceedings when appropriate.

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- **Disciplinary Action.** To the extent legally permissible under applicable law, appropriate disciplinary action will be taken, in relation to this Code or any related SPCFL's standard, policy or procedure.
- **Certification.** All Directors and employees must certify, in writing or electronically, that they have received, read, understood and shall abide by this Code.

Suspected violations of this Code must be reported to the Board or the Chairman of the Audit Committee. All reported violations would be appropriately investigated.

Amendment, modification and waiver of code:

While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be possible. This Code may be reviewed, amended, modified, or waived by the Board of Directors, subject to the disclosure and other provisions of the SEBI, and the rules there under and the applicable rules of the Stock Exchanges.

Any Director who seeks an exception to any of these policies must contact the Chairman of the Company. Any employee who seeks an exception to any of these policies must contact the Head.

Other Directorships:

The Company feels that serving on the Boards of Directors of other companies may raise substantial concerns about conflict of interest. Therefore, all Directors and employees must report / disclose such relationships to the Board, when such relationships are formalized and thereafter, on an annual basis. It is felt that service on the Board of a direct competitor is not in the interest of the Company. In view of this, the prior written consent of the Chairman in case of employee and to the Board of Directors in case of any director must be obtained before joining the Board of Directors of any company.

Gifts and Gratuities:

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, but no illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favors for the conduct of its business. No gift or other favors should ever be offered, given, provided or accepted by any Director and employees, or close relative of Director and employees unless it:

- is not a cash gift
- is consistent with customary business practices
- cannot be construed as a bribe or payoff and
- does not violate any laws or regulations.

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Common sense and moderation should prevail in business entertainment engaged in on behalf of the Company. Director and employees should provide, or accept, business entertainment to or from anyone doing business with the Company only if the entertainment is infrequent, modest and intended to serve legitimate business goals.

However, a SPCFL and its employees may, with full disclosure, accept and offer nominal gifts, provided such gifts are customarily given and / or are of a commemorative nature

Health, Safety and Drug & Alcohol Use:

The Company strives to provide each employee with a safe and healthy work environment.

Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in a condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs or alcohol in the workplace is absolutely prohibited.

Non Discrimination:

We regard the diversity of our employees as a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind including but not limited to derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Discrimination in employment is illegal under Indian laws and a violation of SPCFL policies. It is SPCFL's policy to recruit, hire, promote, assign, compensate and train qualified persons without regard to race, color, religion, sex, national origin, ancestry, age, marital status, sexual orientation or disability. An employee engaging in discrimination will be subject to disciplinary action up to and including termination of employment and / or liable to indemnify the Company for the loss incurred by the Company on account of such action / inaction and / or forfeiture of the termination benefits, if any (or to say to the extent of the loss suffered by the Company on account of his engaging in discrimination).

Sexual Harassment:

Sexual harassment is illegal under Indian laws and a violation of the Company's policies. An employee engaging in sexual harassment will be subject to disciplinary action up to and including termination of employment and/or liable to indemnify the Company for the loss

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incurred by the Company on account of his such action/inaction and/or forfeiture of the termination benefits, if any (or to say to the extent of the loss suffered by the Company on account of his engaging in sexual harassment).

Public Policy Advocacy:

We will work with policy makers as knowledge partners sharing our insights, scientific knowledge and technical expertise through our authorized personnel that can help them improve the social equity and environmental health.

In doing so, we will remain ethical, transparent and unbiased and aim towards common good. We will engage with collective platforms like trade and industry associations to raise industry benchmarks and exchange of best practices of SPCFL.

Code for Independent Directors:

The independent directors of the Company shall:

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
 - Strive to attend all meetings of the Board of Directors;
 - Participate constructively and actively in the committees of Board;
 - Strive to attend the general meetings of the company;
 - 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;
 - keep themselves well informed about the company and the external environment;
 - not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
 - 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;
 - Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
 - Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
 - 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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Duty to Report Violations:

Directors and employees are responsible for reporting in good faith to the Company any actual or possible violation of the Code or an event of misconduct, act of misdemeanor or act not in the company's interest. One should direct policy violations to the Head, in writing and only to the Head.

Officer(s) will know about his identity. The Company will investigate any matter so reported and will take appropriate corrective action. There will be no retribution against individuals for reporting in faith of policy violations. However, individuals will not be protected from possible disciplinary action if matter reported is with a malicious intent (bad faith) or if the individual has otherwise engaged in misconduct.

Dissemination, Annual Review and Amendment:

This Code shall be distributed to Directors and all employees of the Company upon commencement of his or her employment or other relationship with the Company and shall also be distributed whenever any change is effected to the Code, and each Director and employee shall certify that he or she has received, read and understood the Code and has complied with its terms every year.

The Company reserves the right to amend, alter or terminate this Code at any time without giving any reason. The Company will make public disclosure as and to the extent required by applicable laws, rules and regulations, of amendments of this Code.

This document is not an employment contract between the Company and any of its Director and employees and does not alter SPCFL employment at will policy.

Regulatory compliance:

Employees of SPCFL, in their business conduct, shall comply with all applicable laws and regulations, in letter and spirit, in all the territories in which they operate. If the ethical and professional standards of applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

Directors of a SPCFL shall comply with applicable laws and regulations of all the relevant regulatory and other authorities. As good governance practice they shall safeguard the confidentiality of all information received by them by virtue of their position.

DISCLOSURE:

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The members of the Board and the Senior Management Personnel shall affirm the compliance with the code on annual basis. The Annual Report of the Company shall carry a declaration to this effect signed by the Managing Director of the company.

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