



Paradeep Phosphates Limited

Code of Business Conduct and Ethics

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PREAMBLE

The board of directors of Paradeep Phosphates Limited ("Company") in pursuance of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable provisions (including any statutory enactments / amendments thereof), adopted the code of conduct for members of the board of directors of the Company ("Board") and employees (Including Senior Management personnel) vide its Board meeting held on 10th August 2021

The Company is committed to ethical and lawful business conduct and perceives it as critical to the Company's success. The Company will uphold ethical and legal standards while pursuing its objectives. Consistent with these principles, the Company's Board has adopted the Code for compliance both in letter and spirit by all Directors and Employees. While it is not possible to anticipate every situation or circumstance that may arise, the Code is intended to serve as a broad guide. The Board reserves the right to amend, alter or terminate the Code at any time and for any reason, subject to applicable law.

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OBJECTIVES OF THE CODE:

In performing their functions, Directors and Employees will:

- Act with highest standard of integrity, probity, honesty, transparency and with utmost good faith.
- Protect the assets of the Company.
- Compliance with the existing laws and regulations affecting the business.
- Creating value and wealth to all the stakeholders of the Company in long run.
- Actively assist in implementing the Company's Objectives and creating an organization that is responsive, positive and driven by business and social needs.

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CODE OF BUSINESS CONDUCT AND ETHICS

3.1 Honesty & Integrity

All Directors and Employees are required to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Honest conduct is the conduct that is free from any fraud, deception and indiscipline. Ethical conduct is the conduct conforming to the accepted professional standards of conduct and shall include ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

- The Directors and the employees shall:
- Act honestly, fairly, ethically, with integrity and loyalty and conduct themselves in a professional, courteous and respectful manner;
- Act in the best interests of the Company and in a manner to enhance and maintain the reputation of the Company, and fulfill their fiduciary duties to the stakeholders of the Company;
- Act in good faith, with responsibility, due care, competence, diligence and



- Bid rotation, in which contractors bidding on the same contracts agree to take turns as low
- Bidder over a period of time. Some of these plans allow the losing bidders to become Subcontractors to the winner
- Market division, in which competitors agree to divide a market among themselves on the basis of criteria other than rotation

3.18 Black Marketing, Adulteration and Counterfeit Products

The Company views activities such as black marketing, adulteration and counterfeit products as a serious offence which results in reputational risk to the Company and therefore it takes a tough stand against it. Statutory laws and regulations impose civil and criminal penalties against companies that indulge in black marketing of their products or selling adulterated / counterfeit products. Employees and business associates shall make sure that Company products are sold in the market only through legal and proper business channels recognized by the Company and all such transactions are being recorded in the books of accounts. Also, employees and business associates shall not indulge in adulterating any Company products, buying any counterfeit products or selling any counterfeit product as a Company's product.

3.19 Record keeping and Reporting:

The directors/employees shall keep adequate books and records to substantiate the Financial Statements of the Company and shall ensure that the information kept and issued in the public domain is accurate and reflects the Company's transactions and such information and the relevant books, records and documents are in compliance within the framework of the existing laws of legal reporting and the companies policies on internal controls and reporting.

3.20 Co-Operation with Group and Associate Companies:

The employees shall cooperate with other group companies and associates companies by sharing physical, human and management resources as long as this does not adversely affect its business interests and shareholders value. In the procurement of products and services, the Company shall give preference to another group company or associate company so long as it can provide these on an arm's length basis.

3.21 Duties Of Independent Directors:

Independent Directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member and also the general meetings of the company
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;



- 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 in which it operates;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his/her 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.

4 FUNCTIONS OF THE BOARD AND GOOD CORPORATE GOVERNANCE PRACTICES

Each member of the Board of Directors and Senior Management of the Company should adhere to the following so as to ensure compliance with good Corporate Governance practices.

(i) Key Functions of the members of the Board

Without limiting the generality of the duties stated in the Companies Act, 2013, SEBI Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading framed there under and other applicable laws, the duties of a director are as under:

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, appointment of Senior Management Personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration 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.
6. Monitoring and managing potential conflicts of interest of management, members of the Board 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's evaluation framework.

(ii) Do's

1. Attend Board meetings regularly and participate in the deliberations and discussions effectively.
2. Study the Board papers thoroughly and enquire about follow up reports on definite time schedule.
3. Involve actively in the matter of formulation of general policies.
4. Be familiar with the broad objectives of the Company and the policies laid down by the government and the various laws and legislations.
5. Ensure confidentiality of the Company's agenda papers, notes and minutes.

(iii) Dont's

1. Do not reveal any information relating to any constituent of the Company to anyone.
2. Do not display the logo / distinctive design of the Company on their personal visiting cards / letter heads. Do not sponsor any proposal relating to loans, investments, buildings or sites for Company's premises, enlistment or empanelment of contractors, architects, auditors, doctors, lawyers and other professionals etc.
3. Do not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of the staff.
4. Do not buy or sell or suggest to anyone else buy or sell the securities of any company, either directly or through family members or other persons or entities, while you are aware of inside information about the company.
5. No employee including Senior Management, key managerial personnel or Director of the Company shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.
6. Do not take any personal opportunities directly or indirectly that belong to the Company or are discovered through the use of Company's property, information or position



In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, which make the provisions laid down under this Policy inconsistent with such amendment(s), clarification(s), circular(s) etc. then such amendment(s),

clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.