

LEGAL COMPLIANCE POLICY

Nagarjuna Fertilizers and Chemicals Limited (NFCL) is committed to-

- Complying with all central, state and local laws and regulations to achieve and maintain the highest business standards.
- Benchmark the internal legal practices against the International Standards.
- Not to compromise legal compliances due to financial burden
- Provide honest, correct, transparent, reliable, ethical, quality corporate information to all stakeholders in an environment of fair play, while at the same time protecting the interest of the company and to help/guide/ assist the decisions of the Board of Directors, our stakeholders and the financial markets as strategic interventions
- Maintaining an environment conducive for communication and trust between associates and management and persons dealing with the company.
- Freedom to all to ensure legal compliance,

PRINCIPLES

The following Principles lay down the basis for the development and implementation of compliances across the Company:

Principle 1- Responsibility of every associate

Every associate is responsible for legal compliance within the company and needs to have a strong compliance commitment, good corporate citizenship and responsible corporate behaviour. Ignorance of a law or regulation will not be an excuse in the functioning.

Principle 2 – Customer Focus

The Company aims to have due regard to the interests of its customers and pledges to treat them fairly. The company will provide appropriate, honest, timely and correct information.

Principle 3 – Integrity

The Company will endeavour to be honest, transparent, trustworthy and straightforward in all its business dealings.

Principle 4 – Skill, Care & Diligence

The Company shall conduct and manage its business with utmost skill, care and diligence.

Principle 5 – Business Imperative

The company views compliance as an imperative for the business and is central to the decision-making process.

Principle 6 – Best Practice

The company will develop a compliance procedure on a 'Best Practice' basis and not just to meet minimum legal and regulatory requirements.

Principle 7 – Market Conduct

The company will ensure that the business dealings are conducted in accordance with the highest standards of market conduct.

Principle 8 – Management & Control

The company will ensure that appropriate procedures are put in place to manage and control the business effectively and to meet regulatory requirements.

Principle 9 – Relations with Regulatory Authorities

The company will deal with regulatory authorities in an open and cooperative way.

SCOPE:

This policy applies to all the associates of NFCL

The following are the areas governed by this policy:-

❖ Compliance

All the statutory laws and regulations applicable to the company from time to time shall be complied. Every business/ functional unit/ department at regular intervals shall review the compliance of all applicable laws. The concerned Functional Head/ Director/ Executive(s) are responsible for the compliance.

Any non-compliance which needs immediate corrective action should be brought to the notice of the Legal department on being known.

'Compliance' by every individual is of utmost importance and any non-compliance should be viewed seriously and necessary disciplinary action taken.

❖ Company representations and authorization

Legal department to –

- i) institute, conduct, defend, intervene in, compound or compromise, refer to arbitration or abandon any suits, actions, claims or other legal proceedings by or against the company, or its Directors or Officers, or otherwise concerning the affairs of the company.
- ii) assist to regulate the affairs of the company abroad and to appoint where necessary, any person or persons to be their attorney or agents of the company abroad with such powers and upon such terms as may be thought fit.
- iii) assist to register the company with the appropriate authorities of Central government and state governments, union territories and to execute all documents and to do all such acts, deeds and things necessary for the purpose of the affairs of the company in connection with any or all the above authorities.

❖ Contracts and Agreements

All contracts/agreements/MoUs which bind the company into contractual obligation in connection with the business or affairs of the company relating to but not limited to Joint venture agreements, shareholder agreements, agreements with banks/ financial institutions, engineering, construction, fabrication, erection, commissioning, technical or process knowhow or technology for the project or to execute any deeds, assurances of property, Service agreements, Wage agreements, security bonds, lease agreements etc to be entered by the company across all departments, wherever applicable, need to be discussed and approved by the Legal department before being executed by the respective departments.

Process:- The Legal department is to be involved at an appropriate stage by the concerned functional department to negotiate, discuss and finalise all contracts/ agreements/ MoUs in the best interests of the company.

❖ Legal matters impacting the Organization

Any matter impacting the organization arising out of legal or non-legal action leading to 'Legal risk' should be referred to the Legal department for their involvement from the date such risk is perceived.

"Legal Risk", means a risk involving legally sensitive issues (e.g., a potential violation of a law or regulation, potential litigation liability etc)

Legal department to conduct 'Compliance Meets' to educate and make associates aware regarding recent important amendments/ developments etc in various statutes and to communicate regarding legal/ compliance updates to all associates through emails/ circulars etc as and when required.

INFORMATION TO THE PUBLIC

All information to the public at large regarding NFCL activities, results, plans etc which is of price sensitive nature or involve legal issues or matters affecting compliances of the company shall be dealt with by the legal department.

CUSTODIAL SERVICES

All original documents of the contracts/ agreements/ MoUs executed by the company across all departments are to be deposited with the Legal department for safe custody.

APPROVAL OF DOCUMENTS

All contracts/agreements/ MoUs discussed and approved by the Legal department will carry a '**Cover Sheet**' (**Annexure-I**) as a proof of approval by the legal department.

MODIFICATION

The Company can modify this policy at any time.

EFFECTIVE DATE:

This policy will come into force from the date of notification.

ANNEXURE-I

Legal Documentation – “Cover Sheet”

1.	Name of the Department	
2.	Subject Matter	
3.	Signing Authority	
4.	Date of Receipt	
5.	Document cleared and approved for execution	Yes / No
6.	Date of Completion	
7.	Remarks	