CODE OF CONDUCT

Dodla Dairy LIMITED
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CODE OF CONDUCT

Code of Conduct for Board Members and Senior Management
(As per Companies Act, 2013)

INTRODUCTION

In terms of the Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013 the Company has formulated and adopted a Code of Conduct ('the Code') for its Directors, Senior Management, duly approved by its Board of Directors ('the Board').

APPLICABILITY

The Code shall be applicable to:

- Directors of Dodla Dairy Limited ("The Company") and
- Members of the Senior Management of the Company
  (i.e., one level below the executive directors, including all functional heads)

OBJECTIVE

This Code sets forth the guiding principles on which the Directors and members of the Senior Management of the Company shall conduct themselves and discharge their responsibilities towards the stakeholders, government and regulatory agencies, customers, suppliers, society at large and all others with whom the Company is connected. The Directors and members of the Senior Management shall maintain and continue to enjoy the trust and confidence of company by rendering their duties in an efficient and transparent manner.

COMPLIANCE WITH APPLICABLE LAWS

The Directors and Senior Management shall comply with all applicable laws, rules, regulations and guidelines, in all areas and geographies where the Company operates, both in letter and spirit. It is therefore desirable that Directors and Senior Management acquire appropriate knowledge of the legal requirements relating to their roles and duties to enable them to be in compliance thereof and to recognize potential risks, and to know when to seek advice from the legal department / compliance officer.

DUTIES OF DIRECTORS

Every Director of the Company shall endeavour to comply with the provisions of Section 166 of the Companies Act, 2013 and rules made thereunder. Further, the independent directors shall also endeavour to perform such duties as is prescribed under Schedule IV to the Companies Act, 2013. The Executive Directors of the Company shall endeavour to comply with the provisions of Sections 166 and 203 and other applicable provisions of the Companies Act, 2013 and Rules made there under.

THE CODE

The Directors and members of the Senior Management of the Company agree to abide by the following Code of Conduct:

a. Make best efforts to attend the Board, Committee, Members and other Company meetings.
b. Always adhere and confirm to all statutory and mandatory laws, rules, regulations, bye laws as may be applicable to the Company.
c. Make concerted efforts to share and enhance the knowledge and information reserve in the Company.
d. Ensure the security of all confidential information belonging to the Company in every possible manner.
e. Be honest and fair in their dealing with Government authorities, stakeholders, customers, suppliers, service providers and business partners.
f. Not to be associated in any way, directly or indirectly, with the competitors of the Company while on Board or employment of the Company.
g. Not to derive personal benefit or undue advantages (financial or otherwise) by virtue of their position or relationship with the Company and for this purpose:

    i. shall adopt total transparency in their dealings with the Company
    ii. shall disclose full details of any direct or indirect personal interests in dealings/transactions with the Company
    iii. shall not be a party to transactions or decisions involving conflict between their personal interest and the Company's interest

h. Do not accept or derive any personal gratification from suppliers, service providers, business partners or any other agency in their dealings with them.
i. Help in establishment of the Company as Equal Opportunity Employer.
j. Cooperate with the Company in discharging its social responsibilities
k. Not to conduct themselves in a manner that harms or adversely affects the reputation of the Company in any way.
l. Accept that they shall be accountable to the Board for their actions, violations and defaults in their capacity as a Director / member of the Senior Management of the Company, as the case may be.

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

A. **Guidelines of professional conduct**

An independent director shall:

1. Uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a *bona fide* manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose

of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. Assist the company in implementing the best corporate governance practices.

B. **Role and functions:**

The independent directors shall:

1. Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. Bring an objective view in the evaluation of the performance of board and management;
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. Safeguard the interests of all stakeholders, particularly the minority shareholders;
6. Balance the conflicting interest of the stakeholders;
7. Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

C. **Duties**

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 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 behaviour, 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.

D. **Manner of appointment**

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Companies Act,2013 and the rules made there under and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:

    a. the term of appointment;
    b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
    c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
    d. provision for Directors and Officers (D and O) insurance, if any;
    e. the Code of Business Ethics that the company expects its directors and employees to follow;
    f. the list of actions that a director should not do while functioning as such in the company; and
    g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any

5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

E. RE-APPOINTMENT

The re-appointment of independent director shall be on the basis of report of performance evaluation.

F. Resignation or removal:

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Companies Act, 2013.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply

G. Separate meetings

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
   a. review the performance of non-independent directors and the Board as a whole;
   b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
   c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

H. Evaluation mechanism:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

COMPLIANCE OF THE CODE

Each Director and Senior Management Personnel shall monitor his or her personal compliance with the code. All the Board members and Senior Management Personnel shall within 30 days of close of every financial year affirm compliance with the Code. The Annual Compliance Report shall be forwarded to the Company Secretary of the Company, in the form annexed hereto as **Annexure – II.**

CONSEQUENCES OF NON – COMPLIANCE OF THIS CODE

In case of breach of this code by the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary. In case of breach of this Code by the Senior Management, the Managing Director shall deal the same.

ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members and Senior Management Personnel shall acknowledge the receipt of the code in the acknowledgement form annexed as **Annexure - I** indicating that they have received, read and understood, and agreed to comply with the code and send the same to the Company Secretary.

NO RIGHTS CREATED

This code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors and Senior Management Personnel of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.

PRIVACY AND CONFIDENTIALITY

Directors and Senior Management must maintain the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is in the public domain. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Directors and Senior Management. The Directors shall ensure that full, fair, accurate, timely and understandable disclosures are made in reports and other declarations especially those relating to the details of the companies, firms in which they or their relatives are deemed to be interested and their dealings in securities of the Company and any changes thereof, as required to be filed with the Company and/ or with statutory/ regulatory authorities and/ or forming part of any disclosures/filings required to be made in the ordinary course of the business of the Company.

FAIR DEALING

Directors and Senior Management shall not take a discriminatory stance towards or give unfair advantage to the Company’s employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. No discrimination shall be done on the basis of caste, religion, sex, nationality or disability of any kind towards any employee, customer, supplier or any business partner.

FREE AND FAIR COMPETITION

Directors and Senior Management of the Company shall ensure compliance of Competition laws designed to encourage and protect free and fair market competition in India and elsewhere. The Company is committed to comply with the said regulations to enhance free and fair market.

Date: 13 July 2018
Place: Hyderabad

Approved by: Board of Directors

Annexure – I

DODLA DAIRY LIMITED
Code of Conduct for Board Members and Senior Management Personnel

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.

Signature :
Name : …….
Designation : …….
Date : …….
Place : …….

Annexure – II

DODLA DAIRY LIMITED
Code of Conduct for Board Members and Senior Management Personnel

Annual Compliance Report

To
The Company Secretary,
Dodla Dairy Limited,
Hyderabad

I, …….. hereby confirm that I have read the Code of Conduct applicable to Directors and Senior Management of the Company and that I have complied with the requirements of this code during the period …… to ……

Signature :
Name : ……
Designation : ……
Date : ……
Place : ……