



**HMA**  
AGRO INDUSTRIES LTD.

**"HMA - CODE OF CONDUCT" FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL"**

**I. INTRODUCTION**

The purpose of this Code of Conduct (hereinafter referred to as "Code" or "HMA- Code of Conduct") is to conduct the business of the Company in accordance with the applicable laws, rules, and regulations and with the highest standard of ethics and values. The matters covered in this Code are of utmost importance to the Company, shareholders and other stakeholders. This Code shall come into force with immediate effect.

Each and every Director and Officer (as defined herein below) shall be duty-bound to follow the provisions of this Code in letter and spirit. Any instance of non-compliance of any of the provisions shall be a breach of ethical conduct and shall be viewed seriously by the Company. Accordingly, the Director and Officer (as defined herein below) are expected to read and understand this Code and uphold these standards in their business dealings and activities.

This model code of conduct for Directors and Senior Management personnel is a guide to help Directors on the Board & Senior Management team of the company to live up to the companies ethical standards.

**II. APPLICABILITY**

This Code of Conduct applies to the following:

1. All Members of the Board of Directors of the Company; (hereinafter referred to as the "Directors")
2. Following Personnel's / Senior Manager Personnel's of the Company
  - a. Chief Executive Officer;
  - b. Company Secretary / Compliance Officer;
  - c. Head of Finance function (by whatever designation called);
  - d. All Departmental/Functional heads of different functions of the Company. (By whatever designation they are called, hereinafter referred to as "Officers")
  - e. All members of management one level below the executive directors.

Nothing in this Code, in any company policies and procedures, or in other related communications (verbal or written), creates or implies an employment contract or term of employment.

Directors and Officers should sign the acknowledgment form at the end of this Code and return the form to the HR department indicating that they have received, read and understood, and agree to comply with the Code. Directors and Officers will be asked to sign an acknowledgment at the commencement of each financial year indicating their continued understanding of the Code.

**III. PURPOSE**

The prime purpose of the Code of Conduct is to create an environment where all the Directors and Officers of the Company maintain an ethical standard and compliance to the ethical standards that are laid down. This code of conduct will act as guideline to all to:

- Promote honest and ethical conduct.
- Maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted.
- Assure compliance with laws, rules and regulations that govern the Company's business activities; and
- 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 Directors and Officers of the Company will exercise good judgment in compliance with the principles set out in this Code. The Directors and Officers of the Company have a duty to avoid any circumstance that would violate the letter or spirit of this Code.

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#### **IV. GUIDELINES**

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

- a) Comply with all applicable laws, rules, regulations, confidentiality obligations and other corporate policies of the Company.
- b) Follow all policies, procedures and internal control systems of the Company.
- c) Act honestly, in good faith and in the best interest of the Company.

#### **V. HONEST AND INTEGRITY**

We expect all the Directors and Officers to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working at the Company's premises, at offsite locations, at Company's sponsored business and social events, and/or at any other place where the Director and Officer represent the Company. We consider honest conduct to be conduct that is free from fraud and/or deception. We consider ethical conduct to be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes ethical handling of actual or apparent conflicts of interest as specified below between personal and professional relationships.

#### **VI. CONFLICT OF INTEREST**

##### **General Guidance**

The Directors and senior management personnel are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company's business interests. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Relationships with prospective or existing clients, syndicates, associates, advisors, competitors or regulators must not affect the independent and sound judgment on behalf of the Company.

General guidelines to better understand several of the most common examples of situations that may cause a conflict of interest are listed below. Directors & the senior management personnel are required to disclose to the Board any situation that may be, or appear to be, a conflict of interest. When in doubt, disclosure is the best way out.

##### **(a) Related parties**

As a general rule, Director and Officer before conducting Company business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of the Company and take their prior approval for the same.

##### **(b) Outside Employment**

Executives Directors and Senior Management personnel shall not work for or receive payments for services from any clients, syndicates, associates, advisors, competitors of the Company without approval of the Board. Any outside activity must be strictly separated from the company's employment and should not harm job performance at the company. The Executive Directors and the Senior Management personnel shall devote themselves exclusively to the business of the Company and shall not accept any other work or assignment (part-time or otherwise).

##### **(c) Board Memberships**

Acceptance of directorship on the board of other companies, which compete, with the Company amounts to conflict of interest. Helping the community by serving on Boards of non-profit or welfare organizations is encouraged, and does not require prior approval.





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**(d) Gifts (Gifts are not always physical objects - they might also be services, favors or other items of value.)**

The Directors and Senior Management personnel shall not accept lavish gifts or gratuities or any offer, payment, promise to pay, or authorization to pay any money, or anything of value that could be interpreted to adversely affect business decisions or likely to compromise their personal or professional integrity. Gift items of nominal value, such as small promotional items bearing another company's name, business meals, gifts received because of personal relationships and not because of official position, mementos received because of attending a widely held gatherings as panelist /speaker and other customary gifts are allowed. Gifts on behalf of the Company -Some business situations call for giving gifts. These gifts shall be legal, reasonable. Directors and senior Management personnel shall not pay bribes.

**(e) Investments**

Directors and Senior Management personnel may not allow their investments to influence, or appear to influence, their independent judgment on behalf of the Company. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if a Director or Senior Manager has a significant investment in a competitor, supplier, customer, or distributor and his decisions may have a business impact on this outside party.

**(f) Diversion of Business:**

Directors and Senior Management personnel shall not divert business opportunities of the Company, by exploiting for their own personal gain. However the Directors and Senior Management personnel can pursue such business opportunities once they are fully disclosed to the company and the company declines to pursue such opportunities.

**(g) Use of Company's assets:**

The assets of the Company shall be used for legitimate business purposes and shall not be used for personal purposes. Incidental personal use, if reasonable, does not amount to violation of the code.

**(h) Corporate opportunities:**

Director and Officer shall not exploit for their own personal gain, opportunities that are discovered through the use of Company property, information or position, unless the opportunity is first disclosed in writing to the Company's Board of Directors.

**(i) Others:**

It would be impracticable to attempt to list all possible conflict of interest situations and it is possible that other such situations, which are not enumerated above, may arise. All such situations, which arise any questions or doubts, may please be brought to the notice of the Board for appropriate decision.

Every Director and Officer who is required to make a disclosure as mentioned above shall do so, in writing, to his or her immediate superior, who shall forward the information along with comments to the person designated for this purpose by the MD/CEO, who in turn will place it before the MD/CEO and/or the Board of Directors/executive committee appointed by the Board and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve/avoid the conflict.

If a Director or Officer fails to make a disclosure as required herein, 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.





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## **VII. INSIDER TRADING**

Directors and Officers should observe all applicable laws and regulations including the Company policies and Codes as applicable to them with respect to the purchase and sale of the Company's securities.

The Directors or Officers of a Company and his or her immediate family shall not derive any benefit or assist others to derive any benefit from access to and possession of Price Sensitive information about the Company or the Group.

An employee of a company shall not use or proliferate price sensitive information which is not available to the investing public and for making or giving advice on investment decisions on the securities of the Company on which such Price Sensitive information has been obtained. Such Price Sensitive information shall include (but not limiting) the following:

- Acquisition and divestiture of businesses or business units;
- Financial Information such as profits, earnings and dividends;
- Announcement of new projects or developments;
- Asset revaluations;
- Investment decisions/plans including raising finances;
- Restructuring plans;
- Major MOUs and JV Agreements;

## **VIII. CONFIDENTIAL INFORMATION**

The Directors and Senior Management Personnel should maintain confidentiality of information entrusted to them in carrying out their duties and responsibilities. The matters discussed at the Board/Committee Meetings must not be disclosed outside appropriate and reasonable circles. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of any Director. These obligations apply not only during a Director's term, but thereafter as well unless said information becomes public.

## **IX. FAIRDEALING**

The Directors and Senior Management Personnel should endeavor to deal fairly and not seek to take unfair advantage of the Company through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

## **X. LEGAL COMPLIANCE**

The Directors and Senior Management personnel shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to perform their obligations diligently. The Directors and Senior Management personnel shall also comply with the internal policies and procedures of the Company to the extent applicable to them including but not limited to compliance with Prohibition of Insider trading policy of the company.

Violations of applicable governmental laws, rules and regulations may subject Director and Officer to individual criminal and/or civil liability. Such individual violations may also subject the Company to civil and/or criminal liability and/ or the loss of business.

In addition, if any Director becomes aware of any information that he believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Company or the operation of its business, by the Company, any employee or another Director, then such Director should bring such information to the attention of the Chairman of the Audit Committee.

## **XI. DUTIES OF DIRECTORS**

Every Director of the Company shall endeavour to comply with the provisions of Section 166 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, relating to the duties of directors.

In addition, Independent Directors shall also perform the duties as prescribed in Schedule IV to the Companies Act, 2013, as amended from time to time.

*C. S. S.*





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## **XII. DISCLOSURES**

Company's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that Company file with, or submit to, the stock exchange, SEBI and/or any other government agency and in all other public communications made by the Company. Company's Directors and Officers have the general responsibility for preparing such filings and communications and shall ensure that the same shall conform to all applicable laws and regulations.

## **XIII. ACCOUNTING AND REPORTING**

All the Directors and Officers of the Company are expected to follow the Company's Accounting Policies. All accounting records should accurately reflect and describe corporate transactions. The recordation of such data must not be falsified or altered in any way to conceal or distort assets, liabilities, revenues, expenses or the nature of the activity.

All public disclosures made by the Company, including disclosures in reports and documents filed with or submitted to the Statutory Authorities shall be accurate and complete in all material respects. All the Directors & Officers are expected to carefully consider all inquiries from the Company related to the disclosure requirements and promptly supply complete and accurate responses.

## **XIV. NON-COMPLIANCE**

Suspected violations of this Code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations shall be appropriately investigated. Any waiver of this Code must be approved by the Board of Directors and publicly disclosed if required by any applicable law or regulation.

## **XV. PENALTY FOR BREACH**

The Directors and Senior Management are accountable for full compliance with this Code of Conduct. Sanctions for breach of this Code shall be determined by the Board of Directors in case of Directors and by the Chairman & Managing Director/Co-Chairman and Managing Director in case of Senior Management. Sanctions may include disciplinary action, removal from office as well as other remedies, deemed appropriate and permitted by law.

Any significant breach of the Code must be notified to the Board of Directors and the Chairman & Managing Director/Co-Chairman and Managing Director, as the case may be, who will in turn report it to the Company's Board of Directors on the Code's operation and effectiveness alongwith any significant breach of the Code.

## **XVI. PROVISIONS APPLICABLE TO INDEPENDENT DIRECTORS**

In addition to the provisions contained in this Code, following shall also be applicable to Independent Directors (IDs) of the Company:

### **a). Disclosures:**

Every ID shall at the first meeting of Board in which he participates as a Director and thereafter at the first meeting of Board in every financial year or wherever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

### **b.) Code for Independent Directors:**

All IDs shall act in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 2013 read with the Listing Regulations. Schedule IV of the Companies Act, 2013 ('Code for Independent Directors') stipulates detailed functions, duties and guidelines for professional conduct of IDs. A copy of the said Code is enclosed as **Annexure-A**.





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#### XVII. INTERPRETATION

Any question relating to how this Code should be interpreted or applied should be addressed to the Compliance Officer (the Company Secretary).

Note: This Code has also been posted on the Website of the Company [www.hmagroup.co](http://www.hmagroup.co)

#### XVIII. AMENDMENT TO THE CODE

We are committed to continuously reviewing and updating our policies and procedures to meet the requirements of any relevant statute or the business interest of the Company. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code shall be approved in writing by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of amendment or waiver.

*The Code of Conduct for Directors and Senior Management was approved by the Board of Directors in their meeting held on April 14, 2023.*

#### XIX. AFFIRMATION TO THE CODE

Every members of board of directors and senior management personnel shall provide in writing affirmation on annual basis affirming compliance with the provisions of this Code as per "Annexure I" within 7 days of closure of every financial year.

Every members of board of directors and senior management personnel shall provide in writing affirmation on appointment to board of directors or senior management personnel as per "Annexure II".

#### ANNEXURE - I

#### ANNUAL AFFIRMATION OF COMPLAINE WITH "HMA- CODE OF CONDUCT"

To,  
Company Secretary,  
HMA AGRO INDUSTRIES LIMITED  
**Regd Off:** 18/A/5/3 Tajview Crossing  
Fatehabad Road Agra Uttar Pradesh-282001

Dear Sir / Madam,

I, Mr./Mrs./Ms. \_\_\_\_\_, \_\_\_\_\_ (Designation) do hereby solemnly affirm, to the best of my knowledge and belief, that I have fully complied with the provisions of the "HMA- Code of Conduct" for Board Members and Senior Managing Personnel, during the year ended 31<sup>st</sup> March, \_\_\_\_\_.

Signature:  
Name:  
Designation:

Place:  
Date:





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ANNEXURE - II

AFFIRMATION TO COMPLY WITH CODE OF CONDUCT

To,  
Company Secretary,  
HMA AGRO INDUSTRIES LIMITED  
**Regd Off:** 18/A/5/3 Tajview Crossing  
Fatehabad Road Agra Uttar Pradesh-282001

Dear Sir/Madam,

I, Mr./Mrs./Ms. \_\_\_\_\_ (Designation) have received and read the "HMA - Code of Conduct" for Board Members and Senior Managing Personnel. I have completely understood the standards and policies contained in the said Code, do hereby agree, undertake, affirm, pledge that, I shall not violate any of the provisions of this Code or any of the policies or legal/regulatory requirements of the Company, as may be applicable to my responsibility. This affirmation shall not however extend to any information which: i) is already in the public domain; or ii) subsequently comes into the public domain; or iii) is already in my lawful possession/subsequently comes lawfully into my possession; or iv) is required to be disclosed by law, regulation or any governmental or competent regulatory authority.

Signature:  
Name:  
Designation:

Place:  
Date:

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**Annexure-A**  
**SCHEDULE-IV**  
**[See section 149(8)]**

## **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.

### **Guidelines of professional conduct:**

#### **An independent director shall:**

- Uphold ethical standards of integrity and probity;
- Act objectively and constructively while exercising his duties;
- Exercise his responsibilities in a *bona fide* manner in the interest of the company;
- Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 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;
- 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;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.







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**Role and functions:**

**The independent directors shall:**

- 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;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**Duties:**

**The 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;
- 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;

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- 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 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.

**Manner of appointment:**

- 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.
- The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 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 Act and the rules made thereunder and that the proposed director is independent of the management.



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- The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
  - The term of appointment;
  - 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;
  - the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - provision for Directors and Officers (D and O) insurance, if any;
  - the Code of Business Ethics that the company expects its directors and employees to follow;
  - the list of actions that a director should not do while functioning as such in the company; and
  - the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 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.
- The terms and conditions of appointment of independent directors shall also be posted on the company's website.

**Re-appointment:**

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

**Resignation or removal:**

- The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 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 three months from the date of such resignation or removal, as the case may be.




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- 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.

**Separate meetings:**

- The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- All the independent directors of the company shall strive to be present at such meeting;

**The meeting shall:**

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- 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.

**Evaluation mechanism:**

- The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 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.

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