



EVEREST ORGANICS LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Registered Office:

**Aroor Village, Sadasivapet Mandal,
Medak District, Telangana - 502 291
India**

Telephone - 08455-250113

Fascimile - 08455-250114

Email Id - drsksraju@yahoo.co.in

CIN: L24230TG1993PLC015426

Corporate Office:

**Plot No. 127 & 128, 1st Floor,
Amar Co-Op. Society, Opp: Madhapur
Police Station Road, Near Durgam Cheruvu,
Hyderabad - 500 033, Telangana, India**

Telephone - 040 - 23115956

Fascimile - 040 - 23115954

Website - www.everestorganicsltd.com



EVEREST ORGANICS LIMITED

CODE OF CONDUCT & ETHICS FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

INTRODUCTION:

This Code of conduct for the Board of Directors and the Senior Management Personnel (hereinafter referred to as “the code”) has been framed and adopted by Everest Organics Limited (hereinafter referred to as “the Company or EOL”) is hereby specifically amended as per the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

The directors, officers and employees of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management

The purpose of this code is to enhance further an ethical and transparent process in managing the affairs of the Company. This code shall be applicable and binding to the Board of Directors and Senior Management Personnel of the Company.

DEFINITION & INTERPERTATIONS:

“**Board/ Directors**” shall mean the Board of Directors of the Company.

“**Company**” shall mean Everest Organics Limited.

“**Executive Directors/Whole-time Director**” shall mean and include Managing Director and Directors who are in whole-time employment of the Company.

“**Independent director**” shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

“**Non-Executive Directors**” shall mean the Directors who are not in whole time employment of the Company.

“**Relative**” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013.

“**Senior Management Personnel**” shall mean personnel of the Company in the cadre / designation of Senior Manager and above, excluding Board of Directors. Such personnel shall hereinafter be treated as members of its core management team.

**APPLICABILITY:**

This code shall be applicable to the following persons:

- All Executive/Whole-time Directors including the Chairman of the Company.
- All Non-Executive/part-time Directors.
- All Senior Management Personnel.

CONFLICTS OF INTEREST:

The Directors and senior management should be scrupulous in avoiding 'conflicts of interest' with the Company. This is an area in which it is impossible to provide comprehensive guidance, but the guiding principle is that any event, activity or situation involving conflict or potential conflict of interest must be disclosed to the Board for guidance and appropriate action.

HONEST AND ETHICAL CONDUCT:

The Directors and senior management shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct and use their powers of office, in good faith and in the best interests of the Company as a whole.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS:

The Directors and senior management shall endeavor to ensure compliance with all applicable laws, rules, and regulations applicable to the Company. Transactions, directly or indirectly, involving securities of the Company should not be undertaken without complying with the Code of Conduct for Prohibition of Insider Trading.

CONFIDENTIALITY:

The Directors and senior management shall maintain the confidentiality of information of the Company or that of any customer, supplier or business associate of the Company to which the Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The Confidential information includes all non-public information (including private, proprietary, and other) that might be of use to competitors or the disclosure of which might be harmful to the company or its Associates. The use of confidential information for his/ her own advantage or profit is also prohibited.

PROTECTION AND PROPER USE OF COMPANY'S ASSETS:

The Directors and senior management should protect the company's assets and property. The company's assets should be used only for legitimate business purposes.

CODE OF CONDUCT FOR DIRECTORS (SECTION 166 OF THE COMPANIES ACT, 2013):

All Directors, Executive, Non-Executive and Independent Directors of the Company shall –

1. act in accordance with the Articles of the Company.
2. act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.



3. exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
6. not assign his office and any assignment so made shall be void.
7. act in accordance with and as per the requirements under the Companies Act, 2013, as amended or re-stated for the time being in force and Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under the Listing Agreement as amended from time to time.

KEY FUNCTIONS OF BOARD OF DIRECTORS AS PER SEBI (LODR) REGULATIONS, 2015:

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 and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity 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 of directors.
6. Monitoring and managing potential conflicts of interest of management, members of the board of directors 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 of director's evaluation framework.

CODE FOR INDEPENDENT DIRECTORS AS PER SCHEDULE IV TO THE COMPANIES ACT, 2013:

The code is a guide to professional conduct of Independent Directors. This is in addition to whatever has been stated above in the code and applies specifically for independent Directors of the Company.



The Guidelines for Professional Conduct, the Role and Functions and Duties of Independent Directors as enumerated hereunder are as mentioned in Schedule IV of the Companies Act, 2013 and would stand amended to the extent of on any amendment to the said schedule from time to time.

Guidelines for Professional conduct:

Every Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising their duties;
3. exercise their responsibilities in a bona fide manner in the interest of the Company;
4. devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate their 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 their 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 their 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.

Role and functions:

The Independent Directors shall:

1. Assist 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. Scrutinise 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 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.



Duties:

The Independent Directors shall:

1. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
2. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
3. Seek appropriate clarification or amplification of information and where necessary take and follow appropriate professional advice and opinion of outside experts at the expenses of the Company.
4. Strive to attend all meetings of the Board of Directors and of the Board Committees of which they are members.
5. Participate constructively and actively in the Committees of the Board in which they are chairpersons or members.
6. Strive to attend the general meetings of the Company.
7. Where they have concern about the running of the Company or proposed action, to ensure that these are addressed by the Board and, to the extent they are not resolved to insist that their concerns are recorded in the minutes of the Board Meeting.
8. Keep them well informed about the Company and the external environment in which it operates.
9. Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.
10. 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.
11. Ascertain and ensure that the Company adequate and functional vigil mechanism and to ensures that the interests of the person who uses such mechanism are not prejudicially affected on account of such use.
12. Report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct or ethics policy.
13. Acting within his authority, assist in protecting the legitimate interest of the Company, shareholders and its employees.
14. Not to 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.
