

# **EVEREST ORGANICS LIMITED**

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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Arror Village, Sadasivpet Mandal,  
Medak District,  
Telangana – 502291

Corporate Office  
Plot No. 127 &128,  
Amar Co-Op. Society  
Opp. Madhapur Police Station India  
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Hyderabad – 500033, India

**CIN : L24230TG1993PLC015426**

### **Regd. Office**

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### **Corp. Office**

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## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

### **PREAMBLE**

Section 177 of the Companies Act, 2013 requires every listed company and such class or classes of companies, as may be prescribed to establish a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. Further such Vigil Mechanism under “shall provide for adequate safeguards against victimization of persons who use such mechanism and make provisions for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.”

Pursuant to the provisions of Section 177 (9) & (10) read with rule 7 of Chapter XII of the Companies Act, 2013, the Company has set up and adopted the following Vigil Mechanism which lays down the principles and standards governing the management of grievances and concerns of employees and directors of the Company and shall be overseen by the Audit Committee (hereinafter referred to as ‘Committee’) of the Company. The Mechanism as set up herein-below shall enable the employees and the directors of the Company to report their genuine concerns or grievances about the actual and potential violation of the principles and standards laid down herein.

Any actual or potential violation of the above mentioned, howsoever insignificant or perceived as such, is a matter of serious concern for the Company. Such a vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

Effective October 1, 2014, Clause 49 of the Listing Agreement between listed companies and the Stock Exchanges, *inter alia*, provides for a mandatory requirement for all listed companies to establish a mechanism called “Whistle Blower Policy” for employees to report to the management instances of unethical behaviour, actual or suspected, fraud or violation of the company’s code of conduct.

### **POLICY**

In compliance of the above requirements, Everest Organics Limited, (EOL), being a Listed Company has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

### **POLICY OBJECTIVES**

The Vigil (Whistle Blower) Mechanism aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or policy which have adopted or will be adopted in future course.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safeguards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

## **DEFINITIONS**

**“Protected Disclosure”** means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title “SCOPE OF THE POLICY” with respect to the Company. It should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

**“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

**“Vigilance Officer/Vigilance Committee or Committee”** is a person or Committee of persons, nominated/appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

**“Whistle Blower”** is a Director or employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.

## **SCOPE**

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company’s rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies and other matters or activities on account of which the interest of the Company is affected and involving:

- Breach of the Company’s Code of Conduct any
- Breach of Business Integrity and Ethics
- Breach of terms and conditions of employment and rules thereof

- Intentional Financial irregularities, including fraud, or suspected fraud
- Deliberate violation of laws/regulations
- Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment
- Manipulation of company data/records
- Pilferation of confidential/propriety information
- Gross Wastage/misappropriation of Company funds/assets

However the mechanism does not release the employees from their duty of confidentiality in the course of their work and nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

## **ELIGIBILITY**

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## **PROCEDURE**

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after the Whistle Blower becomes aware of the same and should either be typed or written in a legible handwriting in English in the format as provided as per Annexure – 1 to this mechanism.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as “**Protected disclosure under the Whistle Blower policy**” or sent through email with the subject “**Protected disclosure under the Whistle Blower policy**”. If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

The contact details of the Vigilance Officer are as under:-

**Name and Address** – Sri kakarlapudi Sirisha  
1<sup>st</sup> Floor Lakeview Plaza,  
Plot No. 127 & 128,  
Amar Co-op. Society,  
Opp. Madhapur Police Station Road,  
Near Durgam Cheruvu,  
Madhapur, Hyderabad – 500 033

In order to protect the identity of the complainant, the Vigilance Officer will not issue any acknowledgement to the complainants and they are not advised neither to write their name / address on the envelope nor enter into any further correspondence with the Vigilance Officer.

Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance Officer.

On receipt of the protected disclosure the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

## **INVESTIGATION**

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company/ Committee constituted for the same /an outside agency before referring the matter to the Audit Committee of the Company.

The Audit Committee, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 60 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

The Committee as it deems fit, may call for further information from the complainant.

The employee / Director against whom disclosure has been reported shall :-

- Co-operate with committee or any person appointed in this regard.
- Have a right to consult any person of his choice other than members of committee and /or complainant.

- Not interfere in investigation conducted by Committee.
- Not withhold, tamper or destroy any of evidences.
- Unless otherwise restricted, be given an opportunity to respond to material findings.
- Not threaten, influence or intimidate complainant or any of witnesses.
- Have a right to know the outcomes of investigation.

## **DECISION AND REPORTING**

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

If the decision is not to the satisfaction of the Complainant then the complainant has the right to report the event to the appropriate legal and investigating authority.

Any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action or the Committee may impose such penalty / fine, as it may deem fit depending upon the nature of fraud or unethical act done by the person, in accordance with the rules, procedures and policies of the Company.

## **CONFIDENTIALITY**

The complainant, Vigilance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall, maintain confidentiality of all matters under this Policy, discuss only to the extent or with those persons as required under this policy for completing the process of investigations and keep the papers in safe custody.

## **PROTECTION**

No unfair treatment will be meted out to a complainant (Whistle Blower) by virtue of his/ her having reported a Protected Disclosure under this policy. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against complainants. Complete protection will therefore be given to complainant against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion,

refusal of promotion or the like including any direct or indirect use of authority to obstruct the complainant's right to continue to perform his duties /functions including making further disclosure.

The Company will take steps to minimize difficulties which the complainant may experience as a result of making the disclosure. Thus, if the complainant is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the complainant to receive advice about the procedure, etc.

A complainant may report any violation of the above clause to the Chairman of the Committee, who shall investigate into the same and recommend suitable action to the management. The identity of the complainant shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority.

In the event of the identity of the complainant being disclosed, the Committee is authorized to initiate appropriate action as per extent regulations against the person or agency making such disclosure. The identity of the complainant, if known, shall remain confidential to those persons directly involved in applying this mechanism, unless the issue requires investigation by law enforcement agencies.

Any other employee assisting in the said investigation shall also be protected to the same extent as the Complainant. Provided however that the complainant before making a complaint has reasonable belief that an issue exists and that he has acted in good faith. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

## **DISQUALIFICATIONS**

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.

Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

## **ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in

exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

### **COMMUNICATION**

Directors and Employees shall be informed of the Policy by publishing on the notice board and the website of the Company.

### **RETENTION OF DOCUMENTS**

All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 5 (five) years or such other period as specified by any other law in force, whichever is more.

### **AMENDMENT**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described as above.



Annexure – 1

Date :

Name of The Complainant :  
(Employee / Director)

\_\_\_\_\_

Email id :

\_\_\_\_\_

Address :

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Contact No. :

\_\_\_\_\_

Subject matter which is being  
reported :

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Name of person /  
Event focused at :

\_\_\_\_\_

\_\_\_\_\_

Brief about concern :

\_\_\_\_\_

\_\_\_\_\_

Evidence if any :

\_\_\_\_\_

\_\_\_\_\_  
Signature