

ADARSH MERCANTILE LIMITED

CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1. Introduction

This Code of Conduct for Directors and Senior Management Personnel (the “Code”) helps to maintain the standards of business conduct for **Adarsh Mercantile Limited** (the “Company”), and ensures compliance with legal requirements, specifically under Corporate Governance compliance. The members of the Board of Directors of Company acknowledge and accept the scope and extent of their duties as Directors. They have a responsibility to carry out their duties in an honest manner and within the scope of their authority, as set forth in the laws of India as well as in the Memorandum and Articles of Association of the Company. As Directors, they must act within the bounds of the authority conferred upon them and with the duty to make and enact informed decisions and policies in the best interests of the Company. The matters covered in this code are of the utmost importance to the Company, our Shareholders and our business partners. Further, these are essential so that we can conduct our business in accordance with our stated values. The Board of Directors has adopted the following Code of Conduct and the Directors and Senior Managers are expected to adhere to the standards of care, loyalty, good faith and the avoidance of conflicts of interest that follow.

2. Applicability

The Code applies to the directors of the Company (hereinafter referred to as “Board Members”) and Key Managerial Personnel and Members of the Senior Management of the Company one level below the Executive Directors (hereinafter referred to as the “Senior Managers”).

All the Officers are expected to abide by this code as well as other applicable policies or guidelines, as maybe laid down from time to time. Any violation of this code may result in disciplinary action, up to and including immediate termination.

3. Code of Conduct

Board Members and Senior Managers will:

- Act in the best interests of, and fulfill their fiduciary obligations to the Company.
- Act honestly, fairly, ethically and with integrity.
- Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position.
- Deal fairly with all Stakeholders.
- Comply with all applicable laws, rules and regulations.
- Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated.
- Not use the Company’s property or position for personal gain.
- Not use any information or opportunity received by them in their capacity as Directors or Senior Management in a manner that would be detrimental to the Company’s interests.
- Act in a manner to enhance and maintain the reputation of the Company.
- Abstain from discussion, voting or otherwise influencing a decision on any matters that may come before the board in which they may have a conflict or potential conflict of interest.

- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors or Senior Management, except when authorized or legally required to disclose such information.
- Not use confidential information acquired in the course of their service as Directors or Senior Management for their personal advantage or for the advantage of any other entity.
- Help, create and maintain a culture of high ethical standards and commitment to compliance.
- Make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operations of the Company and its Board of Directors.
- Not take place any discrimination on the grounds of race, cast, religion, marital status or gender amongst the employees and all stakeholders of the Company.
- Provide a healthy work environment and shall conform to environmental laws and shall endeavour to prevent wastage of natural resources in the course of conduct of business.
- Make reasonable efforts to attend Board and Committee meetings regularly.
- Mention and help the Company in maintaining the highest degree of Corporate Governance Practice.

4. 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/she 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/ she 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/ she 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/ her 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.

5. Annual Compliance Reporting

Board Member and Senior Managers shall affirm compliance with this Code on an annual basis as at the end of each financial year.

The Senior Management will seek to promote fair, accurate, timely and understandable disclosure in the reports and documents filed or submitted to regulatory bodies and circulated to shareholders.

6. 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.

7. Interpretation

Any question relating to how this Code should be interpreted or applied should be addressed to the CFO and/ or Company Secretary cum Compliance Officer of the Company.

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