

# JAY SHREE TEA & INDUSTRIES LTD

## Code of Conduct

### Code of conduct for members of the Board and Senior Management

Regulation 17(5)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that the Board of Directors shall lay down a Code of Conduct for all Board members and senior management of the Company. This Code of Conduct shall be posted on the website of the Company. All Board members and senior management personnel shall affirm compliance with the Code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO i.e Managing Director.

The Board of Directors (the “Board”) of the Company, apart from following in actual practice, has adopted the following written Code of Conduct and Ethics (the “Code”) for directors and senior management personnel of the Company. Senior management personnel shall mean all senior members of the Management team, one level below the Managing Director such as President / Vice President and the Secretary of the Company. This Code is intended to focus on all the Board Members and senior Management personnel on areas of ethics, integrity and honesty, providing guidance to help them recognize and deal with ethical issues, mechanisms to report unethical / dishonest conducts, and help foster a culture of honesty, integrity and accountability. The Code of Conduct as approved by the Board and subsequent amendments, if any, thereto by the Board shall be posted on the website of the Company.

### Interpretation of code

In this code wherever the word ” Director ” appears it will also includes senior management personnel to the extent applicable. Any question or interpretation under this Code of Business Conduct and Ethics will be considered and dealt with by the Board or any committee or any person authorized by the Board in this behalf. The Board in justifiable cases for reasons to be recorded in writing may waive any condition of the code for compliance such, that it is not prejudicial to the interest of the Company.

The reasons for such waiver will be available at the Registered Office of the Company for information.

Each and every director and senior Management personnel is expected to comply with the letter and spirit of this Code.

### 1. Ethical Conduct

Directors/Senior Management shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair, ethical

and transparent enough to be perceived as 3 such by others. All Directors/Senior Management Executives shall strive to ensure complete implementation of and adherence to the Code in an utmost professional manner.

## 2. Good Governance

i) The Chairperson for the meeting of the Board/Committee and General Meeting would have to ensure, before transacting any business, that meetings are duly convened and held in accordance with the Companies Act, Rules, Regulations and other applicable guidelines, or any other law for the time being in force and applicable to the Company.

ii) The Chairperson should conduct the proceedings of the meeting and ensure that all items of business as have been set out in the Agenda are transacted in a proper manner. The chairman should encourage deliberations and active participation of all the Directors present in the meeting.

iii) A Director who is interested in a particular contract must disclose his interest at the Board Meeting held first after he has become interested and must therefore abstain from participating in that particular business and from voting in the resolution. Where Chairperson himself is interested in any item of business, he should entrust the conduct of the proceedings in respect of that item to any other disinterested Director and resume the Chair only after that item of business has been transacted.

iv) It is duty cast upon the Director to disclose to the company which invites him on the Board the fact of his disqualification, if any, in terms of the provisions contained in the Companies Act. Similarly, it shall be the duty of the Company Secretary to bring to the notice of the Directors in advance instances of non-compliance by the Company which would disqualify a Director from accepting appointment as Director in any other Company.

v) Independent Directors would have to act as 'Observers' while attending to meetings between management and shareholders, in order to develop a balanced understanding of shareholders concerns. However it is the Chairman of the meeting who would ensure that their views are communicated and necessary action, if any, is taken.

## 3. Transparency

The Directors/Executives would manage the affairs of the Company with better accountability to shareholders and achieve transparency of operations with disclosure of both financial and non-financial data through annual and other periodical reports. Applicable Accounting Standards would have to be followed in preparation of Accounts so that true and fair view of the affairs of the Company can be ascertained.

## 4. Overall Supervision And Control

The overall management is entrusted to all of the Directors jointly, and therefore the Board shall exercise some degree of supervision over the Managing/Executive Director and other Executives

of the Company to whom they delegate powers. Directors must question and keep a proper control over what is going on.

## 5. Equal Opportunity

The Directors/Executives shall practice a conduct that promotes equality of gender, class, caste and opportunity and should promote the same values and also exercise their duties in a manner that encourages healthy personal and career growth of the employees of the Company.

## 6. Cordial Relations

The Directors and Employees of the Company should make all efforts to establish cordial relationships with all stakeholders of the Company with whom they interface while carrying out their duties for the Company and must try to make positive contributions to the communities in which they perform such duties.

## 7. Health, Safety & Environment

The Company strives to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. The Company is committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, use and disposal of any of the intermediaries or direct materials used in its product and service offerings on the ecological environment.

## 8. Whistle Blower

The Directors/Executives shall not engage in misinformation, disinformation or personal defamation or victimisation of any employee or stakeholder. The Company may establish a mechanism for employees to report to the management, their concerns about unethical behaviours, actual or suspected fraud or violation of the Code of Conduct. The mechanism would then have to ensure, if such a policy is in vogue, to provide for direct access of such employee(s) to the Chairman of the Audit Committee in exceptional cases which would be determined and laid down by the committee whenever the Company chooses to formulate/is required to formulate Whistle Blower Policy.

## 9. Adherence To Applicable Law

All Board Members and Senior Management must comply with applicable laws of the country and the state in all matters and in the case of matters external to India, in a manner as may be directed by the Board or the Compliance Officer. If any law is in conflict with this Code, the law shall prevail.

## 10. Sharing of Information

Any information concerning the Company's business, its customers, suppliers, etc. to which the Directors or the employees have access or which is possessed by the Directors and the

employees, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless

1. authorised by the Board; or
2. the same is part of the public domain at the time of disclosure; or
3. is required to be disclosed in accordance with applicable laws

## 11. Fair Dealing

Each Director and Employee of the Company shall endeavour to deal fairly with the Company's customers, suppliers, dealers, investors and competitors. No Director or Employee of the Company should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

## 12. Statutory Duties

The Companies Act imposes a large number of obligations on the Companies and the Directors are responsible to ensure that these are duly adhered to by the Company. These can be summarized as under:-

- a) Proper maintenance of books and register as prescribed by the Companies Act.
- b) Filing of returns and documents with the Registrar of Companies, Company Law Board, Central Government and High Court within the stipulated time.
- c) Seeking approvals from the Registrar of Companies, Company Law Board, Central Government and such other authorities, as the case may be, on issues which require approvals of these authorities from time to time.

## 13. Duty of Confidentiality

The Company's confidential information is a valuable asset. The Company's confidential information includes product information, product plans, financial information and list of customers, dealers and employees. All confidential information must be used for Company's business purpose only. Every Director and Employee must safeguard confidential information acquired during their association with the Company. Confidential information, includes all non-public information that might be of use to competitors, or harmful to the Company, if disclosed.

The Directors and Employees of the Company must maintain confidentiality of the information and shall not use confidential knowledge for their direct or indirect personal advantage or for the advantage of any other entity in which they have a direct or indirect interest.

## 14. Insider Trading

Insider Trading is prohibited by both Law as well as by the Company's policy.

Directors and their relatives as also Employees of the Company and their 'immediate family' shall not derive any benefit or assist others to derive any benefit from the access to and possession of

information about the Company, which is not in the public domain and thus constitute insider information. Insider Trading invokes severe penalties under the Regulations issued in India under the Securities and Exchange Board of India (SEBI) Act, 1992. "Price sensitive information" is an information, which relates directly or indirectly to a Company and which, if published, is likely to materially affect the price of Securities of a Company. It is important to note that both positive and negative information could be price sensitive.

Such price sensitive information might include but is not limited to the following:

- Financial information such as profits, earnings and dividends;
- Announcement of new products, developments, etc.;
- Assets revaluation;
- Investment decisions/plan(s);
- Restructuring plans;
- Raising finances;
- Major supplies and delivery agreements; and
- Acquisition/disinvestments of business(es) or units, etc.

The purpose of this policy is both to inform of the legal responsibilities and to make clear to the Directors and Employees of the Company that the misuse of sensitive information is contrary to Company's policy and applicable securities regulation laws of India.

Further information on insider trading is outlined in Code of Conduct for Prevention of Insider Trading

## 15. Conflict of Interest

Directors must promptly disclose to the Company potential conflicts of interest regarding any matters concerning the Company. "A Conflict of Interest" can occur when :

- a) A director's personal interest is adverse to or may appear to be adverse to the interests of the Company as a whole.
- b) A director, or his / her relative, receives improper personal benefits as a result of his / her position as a director of the Company.

Explanation : The expression Relatives in this Code means dependant-parents, brothers, sisters, spouse, children and daughters-in-law and sons-in-law, to more or less fall in line with the definition of this term in Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India. As illustrations only and being not exhaustive, some of the usual instances of conflicts of interest which directors should avoid, are listed below:

- a) Relationship of Company with third parties

Directors shall not receive a personal benefit from a person or an entity, which is seeking to do business or to retain business with the Company. They shall not participate in any decision taking process involving another entity in which they have direct or indirect interest.

- b) Compensation from non-Company sources

Directors shall not accept compensation (in any form) for services performed for the Company from any source other than the Company.

#### c) Gifts

Directors shall not offer, give or receive gifts from persons or an entities dealing with the Company, where any such gift is perceived as intended directly or indirectly, to influence any business decision. Gifts given to suppliers or customers or received from suppliers or customers should be appropriate to circumstances and should not be of a kind that can create an appearance of impropriety. It is particularly clarified that gifts given or received on festive occasions consistent with the accepted business practices and which can not be reasonably construed as payment or consideration for influencing or rewarding a particular decision or action, should not violate this Code.

### 16. Duties of Independent Directors

The duties of Independent Directors of the Company, as laid down under Schedule IV to the Companies Act, 2013, are incorporated herein pursuant to Regulation 17(5)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It shall be the duty of Independent Directors to:

- a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
- b) 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;
- c) Strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member
- d) Participate constructively and actively in the committee of the Board in which they are chairpersons or members;
- e) Strive to attend the general meetings of the Company;
- f) 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;
- g) Keep themselves well informed about the Company and the external environment in which it operates;
- h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

- i) Pay sufficient attention and ensure that adequate deliberation are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- j) Ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) Report concerns about unethical behavior, actual or suspected fraud or violation of the Company`s code of conduct or ethical policy;
- l) Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m) 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.

## 17. Encouraging the Reporting of Any Illegal or Unethical Behavior.

Directors should promote ethical behavior and take steps to ensure that the company :

- a) Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.
- b) Encourages employees to report violations of laws, rules, regulations, or the Company`s Code of Conduct to the appropriate personnel.
- c) Informs employees that the Company will not allow retaliation for reports made in good faith.

## 18. Other Duties/Responsibilities

The Director/Executives of the Company:

- Shall not knowingly suppress a material fact, which can be detrimental to the interest of the Company, from the appropriate authority/body.
- Shall not give any directions, which expose to risk, the health and safety of any person. Shall not make any statement, verify any return or form, containing any particulars, knowing them to be false.
- Shall not fail to invite the attention of the appropriate authority/body in respect of matters affecting the Company or arising out of professions, any material departure from the generally accepted principles of propriety.
- No Director or Senior Management Executive of the Company shall engage in any business, relationship or activity which might detrimentally/ prejudicially conflict with the interests of the Company.

## 19. Compliance with the Code

a) Responsibility for Compliance- Compliance with this code, both in letter and in spirit, shall be the foundation on which this Company's ethical standards shall be built in the time to come. Members of the management assume a special obligation for their own awareness and the effective communication of this Code to other employees who report to them. This Code will be distributed to each new Director/ Senior Management Employee of the Company upon commencement of his or her Directorship/ employment. Managers and supervisors are encouraged to maintain an open-door policy in responding to questions regarding this Code. Frequent discussion of ethical issues, both informally and formally, is a sign of good corporate practice. These responsibilities of the employees cannot be delegated.

b) Action in case of violations Employees and Directors who violate this Code may be subject to disciplinary action, up to and including discharge. Senior Management employees and Directors who have knowledge of a violation and fail to move promptly to report or correct it and Senior Management employees and Directors who direct or approve violations may also be subject to disciplinary action up to and including discharge. Furthermore, violations of some provisions of this Code are illegal and may subject the employee or Director to civil and criminal liability.

c) Queries Any Executive Director or Members of Senior Management team having any query regarding the best course of action in a particular situation should promptly contact the Compliance Officer for a suitable counseling. The discussion with the Compliance Officer may be concerned with the employee's activities or activities of others and may involve apparent conflicts between such employee's specifically assigned responsibility and the standards set in this code.

## 20. Review and Amendment

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. This Code will be reviewed by the Board of Directors of the Company at reasonable intervals. Any change in the Code shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Code or the entire Code, at any time, as it deems fit, or from time to time and their decision in this respect shall be final and binding. Any subsequent amendment/modification in the Listing Regulations and/or any other laws in this regard shall automatically apply to this Code.

It terms of Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 30 days of close of every financial year. The Annual Compliance Report shall be forwarded to the Company Secretary.

## 21. COMPLIANCE OFFICER

Company Secretary of the Company shall be the Compliance Officer for the purpose of this Code.