

# JAY SHREE TEA & INDUSTRIES LIMITED

## POLICY ON RELATED PARTY TRANSACTIONS

- 1) The Related Party Transaction policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.
- 2) The Policy is framed as per, Section 188 of the Companies Act, 2013 and the requirement of Clause 49 of the Listing Agreement stipulate proper approval and reporting of transaction between the Company and its Related parties. Such transactions are appropriate only if they are in best interest of the Company and its Shareholders. The Company is required to disclose each year in the Financial Statement certain transactions between the Company and Related Parties as well as its Policy concerning the materiality of such transaction and dealing with Related Parties.
- 3) The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transaction other than those Exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).
- 4) All Related Party Transaction shall require prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:
  - i) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions of repetitive nature.
  - ii) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
  - iii) Such omnibus approval shall specify:
    - a) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
    - b) the indicative base price / current contracted price and the formula for variation in the price if any;
    - c) such other conditions as the Audit Committee may deem fit.

5) The Audit Committee may also, in the interest of the conduct of the affairs of the Company, grant omnibus approval for Related Party Transactions that cannot be foreseen and for which aforesaid details are not available up to a value of Rs.1 crore per transaction or such limit of the amount as may be revised under clause 49 of the Listing Agreement.

6) Audit Committee shall review, at least on quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

7) In the event any contact or arrangement with a related party is not in the ordinary course of business or at arm`s length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

8) All material Related Party Transaction, other than those with Exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company. A transaction with a Related Party is considered material if the transaction(s) to be entered into, either individually or taken together with previous transactions with such Related Party during a financial year, exceeds ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

9) This Policy shall automatically get amended to the extent, it is not in line the provisions of the Companies Act as amended from time to time and Rules framed thereunder and/or amendment in Clause 49 of the Listing Agreement.