



# James Warren Tea Limited

## CODE OF CONDUCT FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION ("UPSI") AND REGULATING, MONITORING AND REPORTING OF TRADING BY INSIDERS

### 1. Definitions :-

- 1.1 **"Act"** means the Securities and Exchange Board of India Act, 1992.
- 1.2 **"Board"** means the Securities and Exchange Board of India.
- 1.3 **"Code"** or **"Code of Conduct"** or **"Code of PIT"** shall mean the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") and Code of Conduct to Regulate, Monitor and Report Trading Under With SEBI (Prohibition Of Insider Trading) Regulations, 2015 of trading by employees and other connected persons of James Warren Tea Limited as amended from time to time.
- 1.4 **"Company"** means **James Warren Tea Ltd.**
- 1.5 **"Compliance Officer"** means **Company Secretary** or such other senior officer, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations as may be appointed by the Board for the time being and reporting to the Board of Directors.
- 1.6 **"Director"** means a member of the Board of Directors of the Company.
- 1.7 **"Employee"** means every employee of the Company including the Directors in the employment of the Company.
- 1.8 **"Key Managerial person"** means person as defined in Section 2(51) of the Companies Act, 2013.
- 1.9 **"Chief Investor Relations Officer"** means Senior Officer who will deal with dissemination of information and disclosure of Unpublished Price Sensitive Information.
- 1.10 **"Committee"** means the Audit Committee constituted by the Company which inter-alia will also look after the implementation of these Regulations.
- 1.11 **"Connected Person"** means
- i. any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.

ii. Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established -

- a. an immediate relative of connected persons specified in clause (i); or
- b. a holding company or associate company or subsidiary company; or
- c. an intermediary as specified in Section 12 of the Act or an employee or director thereof ; or
- d. an investment company, trustee company, asset management company or an employee or director thereof; or
- e. an official of a stock exchange or of clearing house or corporation; or
- f. a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- g. a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h. an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
- i. a banker of the Company; or
- j. a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of the Company or his immediate relative or banker of the Company, has more than ten per cent, of the holding or interest

1.12 **"Dealing in securities"** means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities by any person either as principal or agent.

1.13 **"Designated Person"**(s) shall include:

- i. every employee in the grade of Managers and above;
- ii. every employee in the finance, accounts, secretarial and legal department as may be determined and informed by the Compliance Officer;
- iii. personal assistant (PA) to the Managing/Whole Time Directors ;
- iv. Promoters including promoter groups of the Company ;
- v. Directors ;
- vi. any other employee as may be determined and informed by the Compliance Officer from time to time ; and
- vii. professional firms such as auditors, accountancy firms, law firms, analysts, consultants etc. assisting or advising the Company
- viii. Connected persons.

1.14 **"Generally available Information"** means information that is accessible to the public on a non-discriminatory basis. (e. g. Information published on the website of a stock exchange, would ordinarily be considered generally available).

1.15 **"Immediate Relative"** means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities.

1.16 **"Insider"** means as any person who,

- i. a connected person, or
- ii. in possession of or having access to unpublished price sensitive information.
- iii. designated Persons
- iv. any person who is reasonably expected to have access to unpublished price sensitive information in respect of securities of a Company or who has received or has/had access to such unpublished price sensitive information.

- 1.17 **“Legitimate purpose”** shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- 1.18 **“Material Financial Relationship”** shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.
- 1.19 **“Promoter”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;
- 1.20 **“Promoter group”** shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any modification thereof;
- 1.21 **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 or any modification thereof except units of a mutual fund;
- 1.22 **“Specified ”** means specified by the Board in writing.
- 1.23 **“Takeover regulations”** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.24 **“Trading”** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly.
- 1.25 **“Trading Day”** means a day on which the recognized stock exchanges are open for trading.
- 1.26 **“Unpublished Price Sensitive Information (UPS I)”** means; any information, relating to a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:-  
i. financial results;  
ii. dividends;  
iii. change in capital structure;  
iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;  
v. changes in key managerial personnel;
- 1.27 **“Regulations”** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

**Note:** Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the same meanings respectively assigned to them in those legislation.

## **2. Role of Compliance Officer**

- 2.1 The Compliance Officer shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the Board of Directors of the Company.
- 2.2 The Compliance Officer shall report on insider trading to the Board of Directors of the Company and in particular, shall provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors.
- 2.3 The Compliance Officer shall assist insider or any other concerned person, in addressing any clarifications regarding the Regulations and the Code of Conduct of the Company.

## **3. Preservation of "Price Sensitive Information"**

- 3.1 Insider shall not communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, to any person including other insiders.
- 3.2 All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations.

**Need to Know** means basis means that UPSI should be disclosed only to those within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

- 3.3 **Chinese Wall:** To prevent the misuse of confidential information the Company shall adopt a "Chinese Wall" policy which separate those areas of the Company which routinely has access to the confidential information viz. Legal, Finance, Strategy, Secretarial departments regarded as the "insider areas" from those areas which deal with sales/marketing/investing advise or other departments providing support services, considered "public areas".
  - a) The employees in the inside areas shall not communicate any UPSI to anyone in the public area.
  - b) In exceptional circumstances employees from the public area may be brought "over the wall" and given confidential information on the basis of "need to know" criteria after the approval of the relevant head of the departments.
- 3.4 Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would :
  - (i) entail an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company;
  - (ii) not attract the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such

information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.

However, the Board of Directors, for the aforesaid purposes shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, except for the limited purpose and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

Further, the board of directors shall ensure that a structured digital database is maintained containing the names of such persons or entities as the case may be with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.

#### **4. Prevention of misuse of “Unpublished Price Sensitive Information”**

**Designated persons** in the Company shall be governed by an internal code of conduct governing dealing in securities.

##### **4.1 Trading Plan**

An insider is entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.

##### **4.2 Trading Plan shall:**

- (i) not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- (ii) not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the issuer of the securities and the second trading day after the disclosure of such financial results;
- (iii) entail trading for a period of not less than twelve months;
- (iv) not entail overlap of any period for which another trading plan is already in existence
- (v) set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- (vi) not entail trading in securities for market abuse.

**4.3** To avoid any potential for violation of the regulations, the Compliance Officer shall review the Trading Plan and shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan accordingly.

**4.4** The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of

formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. Under this circumstances, the Compliance Officer shall confirm that the commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

4.5 Upon approval of the trading plan, the compliance officer shall notify the plan to the stock changes on which the securities are listed.

## **5. Trading Window and Closure of Trading Window**

5.1 (i) Trading window means platform of the stock exchanges where the securities of the Company are listed and which is available for trading in the securities of the Company by the Insider.

(ii) The trading window shall be closed from the end of every quarter till 48 hours after the declaration of financial results. The Compliance Officer after taking into account various factors including the unpublished price sensitive information in question becoming generally available and being capable of assimilation by the market, shall decide the timing for re-opening of the trading window, however in any event it shall not be earlier than 48 (forty-eight) hours after the information becomes generally available.

(iii) During the closure of the trading window, the Designated Persons are not allowed to trade in the Securities of the Company.

5.2 The Compliance Officer shall intimate the closure of trading window by putting the same on the website of the Company viz. [www.jameswarrentea.com](http://www.jameswarrentea.com) when he determines that a designated person can reasonably be expected to have possession of unpublished price sensitive information. Such closure shall be imposed in relation to such securities to which such unpublished price sensitive information relates.

5.3 The trading window shall also be applicable to any person having contractual or fiduciary relation with the Company, such as auditors, accountancy firms, law firms, analysts, consultants etc., assisting or advising the Company.

## **6. Pre-clearance of trades**

All Designated Persons, who intend to deal in the securities of the Company when the trading window is opened and if the value of the proposed trades is above 1,00,000 shares or up to Rs. 10.00 Lakhs (Market Price) or 2% of the paid-up value in the Share Capital of the Company, whichever is less, should get pre-clearance for the transaction from the Compliance Officer. However, no designated person shall be entitled to apply for pre-clearance of any proposed trade if such designated person is in possession of unpublished price sensitive information even if the trading window is not closed. The pre-clearance procedure shall be hereunder:

(i) An application may be made to the Compliance officer indicating the estimated number of securities that the Designated Person intends to deal in, the details as to the depository with which he has a security account, the details as to the securities in such depository mode and such other details as may be required by the Compliance Officer.

(ii) An undertaking shall be executed in favour of the Company by such Designated Person incorporating, *inter alia*, the following clauses, as may be applicable:

(a) That the Designated Person does not have any access or has not received any "Unpublished Price Sensitive Information" up to the time of signing the

undertaking.

- (b) That in case the Designated Person has access to or receives any “Unpublished Price Sensitive Information” after the signing of the undertaking but before the execution of the transaction he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
  - (c) That he/she has not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
  - (d) That he/she has made a full and true disclosure in the matter.
- (iii) All Designated Persons shall execute their trades in respect of securities of the Company within one of receiving pre-clearance for the same. The Designated Person shall file within 2 (two) trading days of the execution of the transaction, the details of such transaction with the Compliance Officer in the prescribed form. In case the transaction is not undertaken, an intimation to that effect shall also be given to the Compliance Officer.
- (iv) If the trades are not executed within seven days of receiving pre-clearance, the Designated Person must get fresh pre-clearance for the trades. .
- (v) All Designated Persons who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction. All Designated Persons shall also not take positions in derivative transactions in the shares of the Company at any time. In case of any contra trade be executed, inadvertently or otherwise, in violation of such a restriction, the profits from such trade shall be liable to be disgorged for remittance to the Securities and Exchange Board of India (SEBI) for credit to the Investor Protection and Education Fund administered by SEBI under the Act.  
Provided that this shall not be applicable for trades pursuant to exercise of stock options.
- (vi) The Compliance Officer may grant relaxation from strict application of such restriction on merits of each case and after recording the reasons in writing provided that such relaxation does not violate these regulations. Provided further that no such transaction would be permitted when the Trading window is closed.

## **7. Disclosure by certain persons**

### **Initial Disclosures**

- 7.1 Every promoter, member of the promoter group, Key Management Personnel and Director (including trading by their immediate relatives or by any other person for whom they take trading decision) of the Company, within thirty days of these regulations taking effect, shall disclose his holding of securities of the Company to the Company in the prescribed **Form A** annexed hereto.
- 7.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group (including trading by their immediate relatives or by any other person for whom they take trading decision) shall disclose his holding of securities of the Company as on the date of appointment or becoming a promoter, to the Company within seven days of such appointment or becoming a promoter in the prescribed **Form B** annexed hereto.

### **Continual Disclosures**

7.3 Every promoter, member of the promoter group, designated person and Director (including trading by their immediate relatives or by any other person for whom they take trading decision) of the Company shall disclose to the Company the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. Ten Lakh or such other value as may be specified in the prescribed **Form C** annexed hereto.

### **Disclosure by the Company to the Stock Exchange(s)**

7.4 The Compliance Officer shall disclose the particulars of trading under Clause 7.3 to all Stock Exchanges on which the Company is listed within 2 trading days of the receipt of disclosure or from becoming aware of such information.

### **Protection to employees filing Voluntary Disclosure Form\***

7.5 An employee who files a voluntary information disclosure form in terms of Regulation 7B or acts in the manner as specified under Regulation 7I of the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019, irrespective of whether the information is considered or rejected by SEBI and irrespective of whether the employee is eligible for a reward in terms of the said Regulations, shall not be discriminated, discharged, terminated, demoted, suspended, threatened, or harassed, for any of the following reasons:

- (i) filing a Voluntary Information Disclosure Form under PIT Regulations;
- (ii) testifying, participating, or otherwise assisting or aiding SEBI in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by SEBI; or
- (iii) breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement which are solely for preventing such employee from cooperating with SEBI in any manner.

*Explanation- For the purpose of this clause, "Employee" means an individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under the PIT Regulations and is a director, regular or contractual employee, but does not include an advocate.*

## **8. Disclosure by other connected person**

The Company at its discretion require any other connected person or class of connected persons to make disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the Company in order to monitor compliance with these regulations in the prescribed **Form D** annexed hereto.

## **9. Other Restrictions**

9.1 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.

9.2 The disclosures made under this Code shall be maintained for a period of five years.



## **10. Dissemination of Price Sensitive Information**

10.1 No information shall be passed by Specified Persons by way of making a recommendation for the purchase or sale of securities of the Company.

10.2 Disclosure/dissemination of Price Sensitive Information with special reference to analysts, media persons and institutional investors:

The following guidelines shall be followed while dealing with analysts and institutional investors:

- Only public information to be provided.
- At least two Company representatives be present at meetings with analysts, media persons and institutional investors.
- Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- Simultaneous release of information after every such meet.

## **11. Penalty for contravention of the code of conduct**

11.1 Every Designated Person shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents).

11.2 The Designated persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis and as and when the information changes:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship

11.3 Any Designated Person who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken as per the discretion of the Board.

11.4 Designated Persons who violate the Code shall also be subject to disciplinary action which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc., as the Board may deems fit.

11.5 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

11.6 This Code may be modified/amended/replaced as and when necessary by the Board of Directors on recommendations of the Audit Committee or any other Committee to be formed by the Board for the purpose.

*\* Amended pursuant to SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2019 dated 17<sup>th</sup> September, 2019.*