

# BHATKAWA TEA INDUSTRIES LIMITED

## CODE OF CONDUCT FOR DIRECTORS

### (IN TERMS OF SEBI (LODR) Regulations 2015)

- The Directors to act in Trusteeship capacity. Each Director is a Trustee of the stakeholders in the Company and to act in terms of the concept of Trusts as well as in terms of laws of Trusts, which encompasses fiduciary relationship.
- Directors to avoid conflict of interest and exercise powers for the benefit of the Company.
- In terms of Sec. 2(60) of the Act, persons mentioned in the subsection can be treated as an "Officer in default". Hence, all actions to be in conformity with the rules and regulations.
- Directors act collectively through the Board, but each Director to discharge duty with responsibility.
- Directors owe a duty of care to the Company i.e. not to act negligently. The standard being "a reasonable man looking after his affairs".
- Each Director to ensure that he does not suffer from disqualifications as specified in Sec. 164 of the Act.
- The other basic code of conducts to be followed are:
  - To exercise adequate skill and expertise in taking decisions.
  - To ensure that delegation of authority does not mean abdication of responsibility.
  - To ensure that authority and power as enunciated and understood are not exceeded.
  - That duty to and care of employees are maintained.
  - That duty to Creditors and Consumers as their Trustees are well respected.
  - That statutory duty is fulfilled.
  - Discharge of duties in good faith, honesty and fair dealings.
  - That there is a disclosure of interests in all affairs.
  - That no secret profits are made to the detriment of the Company.
  - That Directors' Responsibility Statement in terms of Sec. 134(5) as signed and included in the Directors' Report are adhered to.
- The duties of Independent Directors of the Company, as laid down under Schedule IV Part III to the Companies Act, 2013 are as follows:-
  - undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;

- 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;
- strive to attend all meetings of the Board of Directors and of the Board Committees of which they are a member;
- participate constructively and actively in the Board Committees in which they are chairpersons or members;
- strive to attend the general meetings of the Company;
- ensure, where they have concerns about the running of the Company or a proposed action, that these are addressed by the Board of Directors;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or Board Committee;
- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct;
- act within their authority and assist in protecting the legitimate interests of the Company, shareholders and its employees;
- not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans and unpublished price sensitive information, unless such disclosure is expressly approved by the Board of Directors or required by law.

### **BOARD OF DIRECTORS**

Name	Designation
Mr. Padmanabh Jalan	Whole-time Director
Mr. Alok Gupta	Non-Executive Director
Mrs. Rashmi Chitlangia	Independent Woman Director
Mr. Krishna Prasad Bagaria	Independent Director

## **AUDIT COMMITTEE**

The Audit committee is comprised of three Directors. The Committee is being reconstituted upon the change Board of Directors and has been meeting at regular interval. The Chairman of the Audit Committee has in depth knowledge in the areas of Accounts, Taxation, Law, Tea Plantation and Administration.

A brief description of the terms of reference of the Audit committee, which covers the areas mentioned under Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act 2013, is as follows:

- To review with the management, statutory auditors and internal Auditors on the adequacy of the internal control systems.
- To review the adequacy of the internal audit function, including the nature and scope of internal audit and approve the internal audit plan for the year.
- To review the internal audit reports, to discuss with the internal auditors and management about their findings and suggest corrective action wherever necessary.
- To recommend appointment of statutory auditors, fixation of audit fees and approval for payment for any other services.
- To consider the nature and scope of statutory audit and review significant audit observations, if any.
- To review the financial reporting process and disclosure of financial information.
- To review the quarterly, half yearly and annual financials before submission to the Board.
- To review the Company's financial and risk management policies.
- To analysis substantial defaults in respect of payments to stakeholders, if any
- To investigate into any other matters covered by Section 177 of the Companies Act, 2013.
- To review the statement of application of funds used.

The Chairman of the Audit Committee has in-depth knowledge in the areas of Finance and Accounts. The SEBI(LODR) Regulations 2015 consists of mandatory and non-mandatory requirements. The Company is compliant with the mandatory clauses.

There is no audit qualification pertaining to the financial statements of the Company. The Board and the Audit Committee review adoption of non-mandatory requirements and will have the same in place at an appropriate time. There is a Vigil Mechanism and a formal Whistle Blower Policy in place and no Director/ Employee is denied access to the Audit Committee or to make any reference.

<b>Audit Committee</b>		<b>Stakeholder's Relationship Committee</b>		<b>Remuneration Committee</b>	
R.Chitlangia	Chairman	R.Chitlangia	Chairman	R.Chitlangia	Chairman
P.Jalan	Member	P.Jalan	Member	Alok Gupta	Member
K.P.Bagaria	Member	Alok Gupta	Member	K.P.Bagaria	Member

**Code of Conduct for Senior Management Personnel of Bhatkawa Tea Industries Ltd. (In terms of SEBI (LODR) Regulations 2015 as approved by Board & Audit Committee of the Company)**

- To avoid conflict of interest and exercise authority for the benefit of the Company.
- To act in conformity with the basic rules and regulations of the land.
- To keep in mind that a duty of care is owed to the Company i.e. not to act negligently, the standard being "a reasonable man looking after his affairs."
- To exercise adequate skill and expertise in the assigned job.
- To ensure that authority and power as enunciated and understood are not exceeded.
- To discharge duties in good faith with honesty and fair dealings.
- To act in the best interest of the Company.
- That confidentiality of business interests are maintained.
- That no secret profits are made to the detriment of the Company for e.g. that adequate disclosure in terms of the Insider Trading norms in dealing with the Company shares will be made.
- To comply with the terms and conditions of the employment and Company rules and regulations from time to time.
- To ensure that statutory duties in the sphere of work are fulfilled.