

JAI CORP LIMITED

Code of Conduct and Business Ethics for

Directors

and

Senior Management

Preamble:

The Code of Conduct of Jai Corp Limited (hereinafter referred to as “the **Company**”) was originally adopted on 28th October, 2005. It was revised on 29th May, 2009 and The Code of Conduct and Ethics for Directors and Senior Management came into force with effect from the 1st day of June, 2009 (hereinafter referred to as “the **Code of 2009**”). The Code of 2009 was posted on the Company’s website and applied to all directors, officers and senior employees of the Company.

Clause 49(II)(E) of Listing Agreement applicable with effect from 1st October, 2014 to listed companies deals with “Corporate Governance” and *inter alia* requires the Board of Directors to lay down a code of conduct for all Board members and senior management of the company and such code of conduct is to be posted on the website of the company.

For the purpose of this Clause, the term “senior management” means personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

Clause (IV) of Schedule IV to the Companies Act, 2013, pertaining to ‘Manner of Appointment’ *inter alia* provides that the appointment of independent directors shall be formalised through a letter of appointment, which shall set out the Code of Business Ethics that the company expects its directors and employees to follow.

This **Code of Conduct and Business Ethics for Directors and Senior Management** (hereinafter referred to as “this **Code**” or “the **Code**”) is based on three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Company recognizes society as an important stakeholder in this enterprise and, therefore, it is the Company’s responsibility to practice good corporate citizenship. It is also the Company’s belief that in order to serve the interests of the various stakeholders in perpetuity, it has to turn itself into an institution whose dynamism and vitality are anchored in its core values.

Applicability of Code

This Code applies to all Directors, key managerial personnel and other members of the senior management of the Company (hereinafter collectively referred to as “the **Directors and Officers**”). Pursuant to Section 203(1) of the Companies Act, 2013 the following are considered as key managerial personnel: (i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director; (ii) Company Secretary; (iii) Chief Financial Officer; and (iv) such other persons as may be prescribed.

Pursuant to the Explanation to Section 179 of the Companies Act, 2013 the expression 'senior management' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

All Directors and Officers shall communicate any suspected violation of the Code promptly to the compliance officer who may bring the same to the attention of the Board of Directors or any committee of the Board formed for this purpose. Suspected violations will be investigated by or at the direction of the Board of Directors or of any committee of the Board formed for this purpose by the compliance officer and appropriate action will be taken in the event that violation is confirmed.

The Code does not specifically address every potential form of unacceptable conduct, and it is expected that all Directors and Officers shall exercise good judgment in compliance with the principles set out in this Code. Every Director and Officer has a duty to avoid any circumstance that may violate the letter or spirit of this Code.

The Company Secretary of the Company shall be the compliance officer for the purpose of this Code.

This Code, approved by the Board of Directors on 4th November, 2014, shall come into force with effect from the 5th day of November, 2014 and future amendments / modifications shall take effect from the date stated therein. This Code shall supercede and wholly replace the Code of 2009.

This Code shall be posted on the website of the Company.

Code of Conduct:

The Board members and senior management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement.

General Standards of Conduct

1. Directors and Officers are expected to exercise good judgment to ensure the safety and welfare of employees, consumers, customers, suppliers, shareholders, lenders and other stakeholders and to maintain a co-operative, efficient, positive, harmonious and productive work environment, practice integrity in inter-personal relationships, work on the principle of mutual trust, transparency and team work.
2. Directors and Officers are expected to acquire and maintain professional competence.
3. Directors and Officers are expected to observe discipline and conduct themselves, both on and off-duty, in a manner to uphold the high image of the Company.

4. Directors and Officers are expected to assist the Company in identifying, controlling, mitigating and managing business risks within the Company's risk management policy framework.
5. Directors and Officers are expected to assist the Company in providing to its employees a work environment free of harassment and free of discrimination based on race, religion, caste, creed, colour, physical or mental disability, age, sex, etc.
6. Directors and Officers should not engage in selling or distribution, or be in possession of or use narcotics/psychotropic drugs or be under influence of, alcohol while on duty.
7. As Directors and Officers represent the Company before the public and various authorities they are expected to dress neatly and appropriately in a manner consistent with the nature of their work and the image of the Company.
8. Directors and Officers should not claim from the Company unauthorized personal expenses.
9. Customer/supplier/investor Relationships –Directors and Officers who need to deal with customers, suppliers and investors should understand that they represent the Company to the people with whom they are dealing and therefore should uphold the image and goodwill generated and built-up by the Company over the years.

The following ethics should be adhered to:

1. Compliance with applicable legislations

It is the Company's policy to comply fully with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of business conduct. This policy includes strict compliance with all local, state, central and other applicable laws, rules and regulations.

The Company is committed to be a good corporate citizen. All Directors and Officers of the Company must strive to perform their best at all times. All Directors and Officers of the Company must not only comply with applicable laws, rules and regulations but should also strive to promote honesty in conducting business. They must abide by the policies and procedures that govern the conduct of the Company's business.

2. Duties of Independent Directors

The following duties as applicable to Independent Directors have been laid down in Schedule IV to the Companies Act, 2013:

The independent directors shall—

- (i) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

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- (ii) 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;
- (iii) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (iv) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (v) strive to attend the general meetings of the company;
- (vi) 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;
- (vii) keep themselves well informed about the company and the external environment in which it operates;
- (viii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (ix) 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;
- (x) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (xi) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (xii) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (xiii) 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.

3. Avoidance of conflicts of interest

The Directors and Officers should avoid situations in which personal, financial or other consideration(s) may compromise, or have the appearance of compromising, the professional judgment of directors / senior management. A conflict of interest exists where the interests or benefits of Directors and Officers or of people or entities related to them conflicts with the interests or benefits of the Company. All Directors and Officers are precluded from engaging in any activity that interferes or may potentially interfere with the performance or discharge of their responsibilities towards the Company or is otherwise in conflict with the interest of, or prejudicial to, the Company. All executive directors / senior management are required to obtain approval from the Company's Board of Directors or from any committee of the Board formed for this purpose before accepting any other directorship /

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assignment in any company other than Jai Corp group companies, subsidiaries, associates. All Directors and Officers are advised to avoid conducting the Company's business with a relative, or with a business in which a relative is associated in any significant role. If any transaction proposed with such related parties is within the knowledge of the concerned Director/s and/or Officer/s, he/ they must report the same to the compliance officer. If determined to be material to the Company, the transactions shall be placed before the audit committee for review. All Directors and Officers should avoid 'conflict of interest' with the Company. In case there is likely to be a conflict of interest, he/ they should disclose all facts and circumstances thereof to the compliance officer who will place the same before the Board of Directors or any committee of the Board formed for this purpose for their approval. Holding or contesting an election for any political post by executive directors and/ or senior management is discouraged as it could interfere with the performance and discharge of responsibilities towards the Company. If any executive director and/ or senior management decide to consider a political post, the same shall be disclosed to the Board of Directors or to any committee of the Board formed for this purpose. The Board of Directors or any committee of the Board formed for this purpose shall consider whether the acceptance of such a post/s would be in any manner inconsistent with the interests of the Company and shall, accordingly, inform the applicant/s.

4. Protection of assets and resources of the Company

Protecting the Company's assets and resources is a key responsibility of every director / employee. The Company's assets and resources should be employed only for the purpose of conducting the business for which they are authorized and not for personal benefit. Care should be taken to ensure that assets and resources are not misappropriated, loaned to others, or sold or donated, without appropriate authorization and to ensure proper use of Company's assets and resources and take reasonable steps to safeguard such assets and resources against loss, damage, misuse or theft.

5. Maintenance of integrity and honesty

All Directors and Officers shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct in the Company's premises. They shall act and conduct activities free from misrepresentation, suppression and deception. Their conduct must conform to the highest standards of professional conduct.

6. Maintenance of privacy and confidentiality

"Confidential information" includes all information of or pertaining to the Company not authorized by the management for public dissemination. This includes information on trade, trade secrets, financial data, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and divestitures; non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and directors in formal meetings or otherwise, and will include all such information which is not

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available in the public domain at that point of time. The Company believes that protection of all confidential information is essential and is committed to protecting business and personal information of confidential nature obtained from clients, associates and employees. All Directors and Officers shall maintain the confidentiality of information or that of any customer, supplier or business associates of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized. The use of confidential information for one's own advantage or profit is strictly prohibited.

Confidential information shall be disclosed to persons, both internal and external, only on a 'need to know' basis and public disclosure shall be made with appropriate approval or as legally mandated.

Directors and Officers shall ensure that all confidential information available to them by virtue of the office they hold is never directly or indirectly released to any person or entity, or made public, otherwise than as stated above.

7. Prohibition of insider trading

The Company's securities are listed on the BSE and NSE. The Company is committed to comply with the applicable laws governing the listing of its securities. The Company prohibits its Directors and Officers from any fraudulent, unfair and insider trading practices in the securities market, with regard to the securities of the Company. In the normal course of business Directors and Officers may come into possession of significant price sensitive information. The receiver should not profit from it by buying or selling securities himself. Further, he must not pass on such information to others to enable them to profit or for them to profit on his behalf.

Section 195 of the Companies Act, 2013 specifically bars a person including any director or key managerial personnel of a company from entering into insider trading excluding communication required in the ordinary course of business or profession or employment or under any law.

The said Section provides for penalty for contravention and the Explanation to that Section defines the term "insider trading".

A separate code of conduct has been put in place in this respect pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992) read with Clause 49(I)(A)(3)(d) of the Listing Agreement.

8. Health, Safety, Environment and Social Responsibility

The Company believes in sustainable development and is committed to be a responsible corporate citizen. It shall strive to provide a safe, healthy, clean and ergonomic working environment for its people. It shall prevent the wasteful use of natural resources and is committed to improving the environment, particularly with regard to the emission of greenhouse gases, and shall endeavour to offset the effect of climate change in all spheres of its activities. The Company's business and operations shall be conducted in an environment friendly manner. All Directors and Officers shall ensure compliance with all applicable environmental, safety and health laws and regulations and internal policies.

9. Disclosure of Information

All statements made to the media on behalf of the Company should be true and fair. Only persons specifically authorized by the chairman/ managing director are allowed to interact with media on specified subjects. Disclosure of any information other than statutory disclosures or those specifically authorized is prohibited. Disclosure of information on proceedings of board meetings / committee meetings / internal meetings, and disclosure of forward-looking statements is prohibited. In case any such disclosure has to be made it must be specifically approved by the chairman/ managing director/compliance officer and shall be combined with cautionary statements, wherever required.

10. Compliance Officer

The compliance officer is the principal officer for this Code. He is empowered to report to the Chairman of the Board of Directors or to any committee of the Board formed for this purpose on any matter relating to the implementation of the Code. The compliance officer should be consulted if there is any doubt or lack of clarity about any aspect in the Code. The Board of Directors or any committee of the Board formed for this purpose may also be consulted wherever required.

11. Amendment, Modification & Waivers

This Code may be amended or modified at any time by the Board subject to appropriate provisions of applicable law, rules, regulations and guidelines. As a general policy, the Board will not grant waivers to this Code. However, in extraordinary situations and for reasons to be recorded in writing, the Board may waive or grant exemption from any one or more of the provisions of this Code strictly on a case to case basis. Any such waiver shall not form a precedent.

12. Certification

As per Clause 49(II)(E)(2) of Listing Agreement applicable with effect from 1st October, 2014 executed with the stock exchanges, all Directors and Officers to whom this Code applies are required to affirm compliance with this Code on an annual basis. The Annual Report of the Company is required to contain a declaration to this effect signed by the CEO. Every Director and Officer of the Company will be required to certify compliance with the Code within 15 days of the close of each financial year of the Company.

Consequent to the provisions of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement which is applicable with effect from 1st October, 2014, any person who is appointed as a Director or in the level of Officer shall confirm reading the Code and affirm his/her obligation to strictly conform to the Code.

Such certifications shall be in the forms provided in the formats attached to this Code being Form-I and Form-II..

FORM - I

To,
The Compliance Officer,
Jai Corp Limited.

Sub.: **Annual Compliance Certificate with Code of Conduct.**

Dear Sir,

I am a member of the Board of Directors/ senior management* of the Jai Corp Limited (hereinafter referred to as “the **Company**”) and hereby acknowledge, agree, confirm and certify that:

I have received, read and understood the Code of Conduct and Business Ethics for Directors and Senior Management (hereinafter referred to as “the **Code**”) dated 4th November , 2014.

I shall be bound by the Code to the extent applicable to my functions as a member of the Board of Directors/ senior management* of the Company.

During the financial year ended March 31, , I have complied with the provisions of the Code.

To the best of my knowledge and belief, I am not aware of nor am I a party to any act which constitutes a non-compliance of the Code.

Place:

Signature:

Date:

Name:

Designation:

*delete whichever is not applicable.

FORM - II

To,
The Compliance Officer,
Jai Corp Limited.

Sub.: Confirmation of having read the Code and obligation to confirm.

Dear Sir,

I am a member of the Board of Directors/ senior management* of the Jai Corp Limited (hereinafter referred to as “the **Company**”) and hereby acknowledge, agree, confirm and certify that:

I have received, read and understood the Code of Conduct and Business Ethics for Directors and Senior Management (hereinafter referred to as “the **Code**”) dated 4th November, 2014.

I shall be bound by the Code to the extent applicable to my functions as a member of the Board of Directors/ senior management* of the Company.

I shall not be a party to any act which constitutes a non-compliance of the Code.

Place:

Signature:

Date:

Name:

Designation:

*delete whichever is not applicable.