

JIK INDUSTRIES LIMITED

Code of Prevention of Insider Trading

A. BACKGROUND:

1. The JIK Industries Limited (hereinafter referred to as "the Company") believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.
2. The SEBI (Prohibition of Insider Trading) Regulations, 2015 ["the Regulations"] has laid down a framework for prohibition of insider trading in securities and requires a Code for Fair Disclosure and Conduct ("the Code") be laid down by companies to prevent such insider trading in securities. In line with such requirement, the Company has formulated the following guidelines which shall serve as the Code to prevent insider trading.

All capitalized terms used and not defined herein, shall bear the meaning as defined under the Regulations.

B. THE CODE:

Compliance Officer

3. The Board shall appoint a senior officer as a Compliance Officer who shall be responsible for monitoring and regulating the policies as provided in the Code.
4. The Compliance Officer will maintain a record of the shareholding of the employees and Designated Persons in the Company and any changes made therein.
5. The Compliance Officer would assist all the employees in addressing any clarification regarding the Regulations and Code.
6. The Compliance Officer shall also deal with dissemination of information and disclosure of Unpublished Price Sensitive Information. (UPSI).

Designated Persons

The Designated Persons shall include the following:

- a. All Directors, including Chairman & Managing Director, whole-time Directors and non-Executive Directors, including Government Directors.
- b. Executive Directors.
- c. All employees in the Finance & Accounts Department, Board Secretariat, HR & Administrative Department.

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- d. Officers dealing with budgeting/monitoring of results.
- e. All employees in the Secretariats of Chairman & Managing Director, whole-time Directors and Executive Directors.
- f. Connected Persons as defined under clause 2 of the Regulations which states as follows:

(d) "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 recognised 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 a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

NOTE: It is intended that a connected person is one who has a connection with the company that is expected to put him in possession of unpublished price sensitive information. Immediate relatives and other categories of persons specified above are also presumed to be connected

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persons but such a presumption is a deeming legal fiction and is rebuttable. This definition is also intended to bring into its ambit persons who may not seemingly occupy any position in a company but are in regular touch with the company and its officers and are involved in the know of the company's operations. It is intended to bring within its ambit those who would have access to or could access unpublished price sensitive information about any company or class of companies by virtue of any connection that would put them in possession of unpublished price sensitive information.

Protection of 'Price Sensitive Information'

Information in regard to the following cases shall be considered as Price Sensitive Information:

- a. Financial Results
 - b. Declaration of dividends (interim and final)
 - c. Any change in Capital Structure
 - d. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - e. material events in accordance with the listing agreement.
7. All information shall be handled within the organization on a need-to-know basis and no UPSI (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. Preferably, the Unpublished Price Sensitive Information shall be disclosed only to the Chairman & Managing Director, Director (Finance), the Officer dealing with Accounts Closing, such other Officers nominated by Director (Finance), Designated Officer in Budgeting & Control Department and Statutory Auditors.
8. It shall be the duty of each Managerial Personnel/ Directors/ Key Managerial Personnel to ensure that no UPSI (Unpublished Price Sensitive Information) is provided to any personnel without authority and all such UPSI provided and/or shared with such personnel shall only be done under specific authority and with the necessary clearance in writing. Employees/Directors shall maintain the confidentiality of all "Price Sensitive Information". They shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.
9. The Compliance Officer may require the person providing such UPSI to any person to justify to the Board the reasons for providing such UPSI.
10. In the event any person connected with the Company is in knowledge of or gets hold of any UPSI, he shall immediately report such incident to the Compliance Officer. The Compliance Officer shall immediately inform the Board about such incident and shall take all such steps to either protect further leakage of such UPSI or make such UPSI generally available, as may be decided by the Board in each case.

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11. Notwithstanding the clauses above, UPSI may be communicated, provided or allowed access to by the Board in the best interests of the Company or wherever it is required under law to do so.
12. It shall be the duty of the Compliance Officer to ensure that all documents and files containing confidential information of the Company is kept secure at all times. All information stored in electronic mode shall also be made secure.

Publication of Price Sensitive Information

The Compliance Officer along with the Board shall ensure the following:

13. There is prompt public disclosure of UPSI is made that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
14. There is uniform and universal dissemination of UPSI to avoid selective disclosure.
15. There shall be prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
16. Ensuring that information shared with analysts and research personnel is not UPSI.

Trading Window

- 1) When the trading window is open, trading by designated persons shall be subject to preclearance by the compliance officer, if the value of the proposed trades is above such thresholds as the board of directors may stipulate. No designated person shall 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.
 - 2) Designated Persons shall not Trade in the Company's securities when the trading window is closed.
- 1) The trading window shall generally be closed for all Insiders when financial results or information are required to be announced by the Company.
 - 2) Additionally, the trading window shall be closed in particular for a Designated Person or class of Designated Persons when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI, for such periods as determined by the Compliance Officer.

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- 3) The trading window may be re-opened after closure, not earlier than 48 hours after the UPSI in question becomes generally available.

Pre-clearance of Trading

- 1) Designated Persons may Trade in the securities of the Company when the trading window is open, after obtaining approval of the Compliance Officer by submitting an application.
- 2) The Compliance Officer shall not approve any proposed Trade by Designated Person if the Compliance Officer determines that such Designated Person is in possession of UPSI even though the trading window is open.
- 3) The Compliance Officer may, after being satisfied that the application and undertaking are true and accurate, approve trading by a Designated Person, on the condition that the trade so approved shall be executed within seven trading days following the date of approval.
- 4) The Designated Person shall, within two days of the execution of the trade, submit the details of such Trade to the Compliance Officer.
- 5) If the pre-cleared Trade is not executed within seven trading days after the approval is given, the Designated Person must secure pre-clearance of the transaction again.
- 6) A Designated Person who Trades in securities without complying with the preclearance procedure as envisaged in these Rules or gives false undertakings and/or makes misrepresentations in the undertakings executed by him/her while complying with the pre-clearance procedure shall be subjected to the penalties as envisaged in these Rules.
- 7) Nothing in this rule shall apply to any Trade involving a value less than Rs 5 Lakhs or such other amount as may be specified by the Board of Directors from time to time (a "de minimis Trade") provided the Designated Person is not in possession of UPSI while executing the de minimis Trade.

Initial Disclosures

Every promoter, key managerial personnel and director of every company whose securities are listed on any recognized stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company within thirty days of these regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter 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.

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Continual Disclosures

Every promoter, employee and director 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 ten lakh rupees or such other value as may be specified.

The Company shall notify the particulars of such trading to the stock exchange on which the securities are listed within two trading days of receipt of the disclosure or from becoming aware of such information.

Annual Disclosure

Annual disclosure of number of shares and other securities held as on 31st March, including details of purchase/sale of shares and other securities during the financial year shall be made within 30 days from the close of each financial year by the Designated Persons.

The Compliance Officer shall maintain the records of all the declarations given in the appropriate form for a minimum period of three years.

Reporting of Violations

Compliance Officer shall promptly inform the Board of Directors of the Company, regarding violation of the Regulations. The Board of Directors shall inform the same to SEBI promptly.

Restriction on Communication and Trading by Insiders

The provisions of Chapter II of the Code shall be applicable w.r.t restrictions on Dealing with UPSI and Unauthorized use of UPSI.

PENALTY FOR CONTRAVENTION OF CODE OF CONDUCT

Any employee/officer/director who trades in securities or communicates any information for trading in securities, in contravention of this Code of Conduct would be penalized and appropriate action against her/him would be taken by the Company.

The employees/officers/directors of the Company who violate the Code of Conduct shall also be liable to disciplinary action by the Company.

The action taken by the Company against the employee shall not preclude SEBI from taking any action, as it may deem fit, in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.