

**CODE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE
INFORMATION (UPSI) FOR JIK INDUSTRIES LIMITED**

1. Applicability:

Securities and Exchange Board of India (SEBI) vide Gazette notification no. LAD-NRO/GN/2014-15/21/85 dated 15th January 2015 had issued Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. As per the said guidelines, the Board of Directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information. The Audit Committee of the Board (the "ACB") is empowered to review and amend this Code from time to time.

2. Objective:

The Code is framed as per the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

3. Definitions:

- (a) "Act" means the Securities and Exchange Board of India Act, 1992.
- (b) "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himself and the company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.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 percent of the holding or interest;

iii. **"Generally available information"** means information that is accessible to the public on a non-discriminatory basis.

iv. **"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.

v. **"insider"** means any person who is:

(a) a connected person; or

(b) In possession of or having access to unpublished price sensitive information;

Note : Since "generally available information" is defined, it is intended that anyone in possession of or having access to unpublished price sensitive information should be considered an "insider" regardless of how one came in possession of or had access to such information. Various circumstances are provided for such a person to demonstrate that he has not indulged in insider trading. Therefore, this definition is intended to bring within its reach any person who is in receipt of or has access to unpublished price sensitive information. The onus of showing that a certain person was in possession of or had access to unpublished price sensitive information at the time of trading would, therefore, be on the person leveling the charge after which the person who has traded when in possession of or having access to unpublished price sensitive information may demonstrate that he was not in such possession or that he has not traded or he could not access or that his trading when in possession of such information was squarely covered by the exonerating circumstances. (h)"promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2[2018] or any modification thereof; 3[(ha) "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;]

vi. **"unpublished price sensitive information"** 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, delistings, disposals and expansion of business and such other transactions; (v) changes in key managerial personnel.

4. Code:

- **Principles of Fair Disclosure:**

To adhere to the principles as mentioned in the Regulations, the Company shall ensure the following:

1. Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available;
2. Uniform and universal dissemination of UPSI to avoid selective disclosure;
3. Prompt dissemination of UPSI that gets disclosed selectively, inadvertently or otherwise to make such information generally available;
4. Appropriate and fair response to queries on news reports and requests for verification of market rumors by Regulatory Authorities;
5. Handling of all UPSI on a need to know basis.
6. The information shared with analysts and research personnel is not UPSI.

- **Sharing UPSI for legitimate purposes:**

- a. Notwithstanding anything contained in this Code, the UPSI may be shared by Compliance Officer or any appropriate authority of the Company in this behalf, only for legitimate purpose (s) which shall include the following:
 - i. Sharing of UPSI in the ordinary course of business by an Insider, Designated Person, Nodal Officer or by any Authorised Person with existing or proposed partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants.
 - Sharing of UPSI where such communication is for performance of duties.
 - Sharing of UPSI towards discharge of legal obligations.
 - Sharing of UPSI for any other purpose as may be prescribed under the applicable law for the time being in force.

Provided that such sharing should not be carried out to evade or circumvent the prohibition of SEBI (Prohibition of Insider Trading) Regulations, 2015.

- b. What shall constitute "legitimate purpose" and what shall not constitute "legitimate purpose" will be based on the business related needs of the Company. In general, legitimate purpose shall, inter-alia, include the following purposes:
 - Contractual Obligation
 - Business Strategy and Corporate Action
 - Operational efficiency
 - Regulatory Obligation
 - Need based specific purposes

- **Responsibility of the recipient of UPSI:**

- To maintain and keep secret and confidential the information received.
- To use the confidential information only for the legitimate purpose.
- To disclose the confidential information to any other person strictly on a need to know basis; and
- To safeguard the UPSI with the same degree of care to avoid unauthorised

disclosure as the receiving party uses to protect its own confidential information, but in no case less than reasonable care.

- To ensure compliance with applicable provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015.