

**J.J. EXPORTERS LIMITED  
CODE ON PREVENTION OF INSIDER TRADING**

**(Effective from May 15, 2015)**

**J.J. EXPORTERS LIMITED**  
**Code on Prevention of Insider Trading**

*Index*

**Part A**

- Introduction**
- Objective and Scope of the Code**
- Applicability**
- Definitions**

**Part B**

- Duties of Compliance Officer**

**Part C**

- Disclosure of holdings in Securities**

**Part D**

- Preservation of Unpublished Price Sensitive Information**

**Part E**

- Trading Restrictions**
- Pre Clearance**

**Part F**

- Miscellaneous**

## Part A Introduction & Definitions

### Introduction

Trading in the shares / securities of the Company by persons who enjoy special status when compared with the general investor on the basis of unpublished price sensitive information and who as a result thereof are liable to use their special status for individual benefit, is commonly known as “insider trading”.

### Objective and Scope of the Code

The Company endeavors to preserve the confidentiality of unpublished price sensitive information and prevent misuse of such information to create information asymmetry to benefit the insiders to abuse the market while trading in securities of the Company. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every Designated Person (*as defined hereinafter*) has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No Designated Person may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

To achieve these objectives, the Company hereby notifies a code of conduct to regulate, monitor and report trading by Designated Persons towards achieving compliance with the Regulations (hereinafter referred to as the “**Code of Conduct**”).

### Applicability

This Code of Conduct is applicable to all Designated Persons and to such other persons as may be specified in different chapters / parts of this Code of Conduct.

## Definitions

'Act' means the Securities and Exchange Board of India Act, 1992 as amended, modified or substituted from time to time.

'Company' means J. J. Exporters Limited.

'Compliance Officer' means the Company Secretary of the Company or any other senior officer appointed by the board of Directors of the Company for the purposes of the Regulations and this Code of Conduct, who shall be financially literate and is capable of appreciating requirements for legal and regulatory compliance under these Regulations, designated so and reporting to the board of Directors and who 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 this Code of Conduct under the overall supervision of the board of Directors of the Company.

"Connected Person" means:

- (i) any person who is or has during the six months prior to the concerned act been associated with the 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 SEBI; 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.

**'Designated Person'** means:

- a) Directors and Key Managerial Personnel of the Company.
- b) Personnel / employees of the Company who are members of its core management team (excluding Directors) comprising all members of management one level below the executive Directors of the Company, including all the functional heads of the Company.
- c) Such employees working in the finance, treasury, legal, secretarial and taxation departments of the Company and in the corporate office of the Company, as may be specified by the board of Directors of the Company in consultation with the Compliance Officer;
- d) Any other person as may be specified by the board of Directors of the Company in consultation with the Compliance Officer, having due regard to such person's seniority, professional designation, role and function in the Company, and the access that such role and function would provide to UPSI.

**'Director'** means a director appointed to the board of directors of the Company.

**'Generally Available Information'** means information that is accessible to the public on a non-discriminatory basis and includes but is not limited to information published on the website of a stock exchange.

**'Immediate Relatives'** means the spouse of a person, and includes a 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.

**'Key Managerial Personnel'** shall have the meaning assigned to it under the Companies Act, 2013 as amended from time to time.

**'Promoter'** shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time.

**'Regulations'** means the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, modified or substituted from time to time.

**'SEBI'** means the Securities and Exchange Board of India.

**'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.

**'Trading'** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any Securities of the Company and **"Trade"** shall be construed accordingly.

**'Trading Day'** means a day on which the recognized stock exchanges are open for trading.

**'Trading Window'** means a period as specified by the Compliance Officer from time to time when Trading in the Securities of the Company shall be permitted in terms of Part E of this Code of Conduct.

**'Unpublished Price Sensitive Information'** or **'UPSI'** means any information, relating to the 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 of the Company 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; and (vi) material events in accordance with the listing agreement.

Words and phrases not specifically defined herein shall have the same meaning as defined under the Act, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956 and the Regulations as amended from time to time.

## **Part B** **Duties of Compliance Officer**

### **1. Compliance Officer**

Unless otherwise resolved by the board of Directors, the Company Secretary for the time being shall act as the Compliance Officer for the purpose of this Code of Conduct. The Compliance Officer shall report to the board of Directors of the Company.

### **2. Duties and responsibilities of Compliance Officer**

- 2.1 He shall be responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of UPSI, coordination of pre-clearing of trades by Designated Persons, monitoring of trades and the implementation of the Code of Conduct under the overall supervision of the board of Directors of the Company.
- 2.2 He shall maintain a record of all the Designated Persons and shall incorporate changes therein from time to time.
- 2.3 He shall assist all the Designated Persons in addressing any clarifications regarding the Regulations or this Code of Conduct.

- 2.4 He shall determine the timing of closure/opening of the Trading Window from time to time and shall immediately make an announcement thereof (including uploading of such information on the Company's website) and shall maintain a record thereof as specified from time to time.
- 2.5 He shall intimate to all Designated Persons to whom this Code of Conduct may be made applicable from time to time.
- 2.6 He shall obtain all necessary disclosures from the Designated Persons and any other persons as may be required under the Regulations and/or under this Code of Conduct, and shall give the requisite information in respect of such disclosures (to the extent necessary under the Regulations) to all the stock exchanges where the Securities of the Company are listed within 2 (two) Trading Days of receipt of such disclosure.
- 2.7 He shall maintain records of all the disclosures made by the Designated Persons (and any other persons) as required under the Regulations and/or under this Code of Conduct and any changes therein, for a minimum period of 5 (five) years.
- 2.8 The Compliance Officer shall provide reports to the chairman of the Audit Committee of the Company, including with respect to the following: (i) on a **quarterly** basis, the disclosures made by the Designated Persons (and any other persons) as per para 3.1.2 and 3.2, Part C of this Code of Conduct; and (ii) on an **annual** basis, the disclosures made by the Designated Persons as per para 3.3, Part C of this Code of Conduct.
- 2.9 He shall initiate disciplinary action and implement sanctions against the Designated Persons for any non-adherence to this Code of Conduct e.g., suspension from services, wage freeze etc. and shall also inform SEBI of the same.

**'Part C'**  
**Disclosure of Holdings in Securities**

**3. Reporting Requirements for transactions in securities**

- 3.1 Every Promoter, Key Managerial Personnel and the Directors of the Company would have to make the following initial disclosures to the Company, within the time period specified herein :

SI. No.	Initial Disclosure By whom	What To Disclose	Time Frame	Disclosure to whom (Form)
3.1.1	Key Managerial Personnel, Director and Promoter	Holding of Securities of the Company as on the date of the Regulations taking effect, i.e., on May 15, 2015, of such persons as well as of their Immediate Relatives and of any other person, for whom such person (making the disclosures) takes trading decisions.	Within 30 (thirty) days of the Regulations taking effect, i.e., by June 14, 2015.	To the Company <b>(Form 1)</b> .
3.1.2	Key Managerial Personnel, Director and Promoter	Holding of Securities of the Company as on the date of appointment as a Key Managerial Personnel or Director or as on the date of becoming a Promoter, as well as the holding of Securities of their Immediate Relatives and of any other person, for whom such person (making the disclosures) takes trading decisions.	Within 7 (seven) days of appointment as a Key Managerial Personnel or Director or becoming a Promoter.	To the Company <b>(Form 2)</b> .

3.2 Every Promoter, employee and the Directors of the Company would have to make the following continual disclosures to the Company, within the time period specified herein :

<b>Continual Disclosure By whom</b>	<b>What To Disclose</b>	<b>Time Frame</b>	<b>Disclosure to whom (Form)</b>
Promoter, Director and Employee	<p>Number of Securities acquired or disposed of by such person as well as by their Immediate Relatives and by any other persons for whom such person (making the disclosures) takes trading decisions, 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 INR (Indian Rupees) 10,00,000/- (ten lakh) or such other value as may be prescribed by SEBI, from time to time.</p> <p>Disclosure of incremental transactions after any disclosure hereunder shall be made when the transactions effected after the prior disclosure cross the aforesaid specified threshold.</p>	Within 2 (two) Trading Days of the transaction.	To the Company ( <b>Form 3</b> )

3.3 Every Designated Person would have to make the following annual disclosures to the Company, within the time period specified herein :

Annual Disclosure By whom	What To Disclose	Time Frame	Disclosure to whom (Form)
Designated Persons	Holding of Securities of the Company as on the last date of the financial year, of such persons as well as of their Immediate Relatives and of any other person, for whom such person (making the disclosures) takes trading decisions.	Within 15 (fifteen) days from the end of the financial year.	To the Company <b>(Form 4)</b> .

- 3.4 In addition to the aforesaid initial, continual and annual disclosures, the Compliance Officer may 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 as may be determined by the Company.
- 3.5 The Compliance officer shall maintain records of all the declarations in the appropriate form for a minimum period of five (5) years.

**Part D**  
**Preservation of Unpublished Price Sensitive Information**

**4. Preservation of "Unpublished Price Sensitive Information"**

4.1 The Designated Persons shall maintain the confidentiality of all Unpublished Price Sensitive Information (UPSI). They shall not, while in possession of any UPSI, Trade in the Securities of the Company nor communicate / provide/allow access to such UPSI to any person (directly or indirectly) including by way of making a recommendation for the purchase or sale of Securities of the Company.

**4.2 Need to Know**

UPSI is to be handled within the Company on a "need to know" basis, i.e., no UPSI should be disclosed or communicated by the Designated Persons to any other person except in furtherance of the Designated Person's legitimate purposes, performance of duties or discharge of his legal obligations, and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

#### 4.3 **Limited access to "Unpublished Price Sensitive Information"**

Files containing UPSI shall be kept secure. Computer files must have adequate security of login and pass word, etc.

#### 4.4 **Access to UPSI in course of Due Diligence**

Unpublished Price Sensitive Information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:

- 4.4.1 an obligation to make an open offer under the takeover regulations where the board of Directors of the Company is of the informed opinion that the proposed transaction is in the best interests of the Company; or
- 4.4.2 not attracting the obligation to make an open offer under the takeover regulations but where the board of Directors of the Company is of the informed opinion that the proposed transaction is in the best interests of the Company and the information that constitutes Unpublished Price Sensitive Information is disseminated to be made generally available at least two (2) Trading Days prior to the proposed transaction being effected in such form as the board of Directors may determine.

However, the board of Directors shall require the parties to execute agreements with confidentiality and non-disclosure obligations on 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 UPSI.

### **Part E Trading Restrictions and Pre-Clearance**

#### 5. **Trading Restrictions**

The trading restrictions as enumerated in this para 5 below shall be applicable to the Designated Persons and to their Immediate Relatives, as well as to any person having a contractual or fiduciary relationship with the Company (such as auditors, accountancy firms, law firms, analysts, consultants etc. assisting or advising the Company).

## 5.1 Trading Window

- 5.1.1 The period prior to declaration/publication of UPSI is particularly sensitive for transactions in the Company's Securities. This sensitivity is due to the fact that the Designated Persons will, during that period, often possess UPSI. To ensure that Trading in securities of the Company is not undertaken during such UPSI are not generally available, the Company shall specify a trading period, to be called "trading window" for trading in the Company's Securities.
- 5.1.2 The Trading Window shall be closed when the Compliance Officer determines that a Designated Person or class of Designated Persons can reasonably be expected to have possession of UPSI. Such closure shall be imposed in relation to such Securities to which the UPSI relates.
- 5.1.3 When the Trading Window of the Company is closed, the Designated Persons and their Immediate Relatives, as well as any person having a contractual or fiduciary relation with the Company (such as auditors, accountancy firms, law firms, analysts, consultants etc. assisting or advising the Company) shall not Trade in the Securities of the Company.
- 5.1.4 For the purpose of declaration of financial results (quarterly, half-yearly or annual), the Trading Window shall be closed for a period commencing 7 (seven) days before the conclusion of the board meeting at which such quarterly/half-yearly/ annual financial results will be considered. For any other kind of item/event constituting UPSI, the Trading Window shall be closed for a period commencing from the date on which the intimation is given by the Company to the stock exchange(s) about the date of the board meeting to be held for consideration/ approval of the concerned item.
- 5.1.5 The timing for re-opening of the Trading Window shall be determined by the Compliance Officer taking into account various factors including the UPSI in question becoming Generally Available Information and

being capable of assimilation by the market, which in any event shall not be earlier than 48 (forty-eight) hours after the UPSI becomes Generally Available Information.

- 5.1.6 Subject to paras 5.1.4 and 5.1.5 above, if the circumstances so warrant, the time for closure of the Trading Window may be increased or decreased by the Compliance Officer with the prior approval of the board of Directors of the Company.

### **Pre-Clearance**

#### **5.2 Pre-clearance of Trades**

When the Trading Window is open, Designated Persons may Trade in the Securities of the Company. Provided that:

- 5.2.1 if the value of the proposed Trades in the Securities of the Company is above INR 25,00,000 (Indian Rupees twenty five lacs) (either in one transaction or a series of transactions within a block of seven (7) Trading Days) ("**Threshold Value**"), such Trade shall require to be pre-cleared by the Compliance Officer as per the pre-dealing procedure as described in para 5.3 hereunder; and
- 5.2.2 if a Designated Person is in possession of UPSI, such Designated Person shall not Trade in Securities of the Company and / or apply for pre-clearance of a proposed Trade even if the Trading Window is not closed.

The aforesaid Threshold Value may be revised from time to time by the board of Directors of the Company.

#### **5.3 Pre-Trading Procedure**

- 5.3.1 The Designated Person intending to Trade in Securities of the Company above the Threshold Value shall make an application in the prescribed format (**Form 5**), to the Compliance Officer indicating the estimated number of Securities that he/she intends to Trade in, the details as to the depository(ies) with which he/she maintains a security account , the details as to the securities in such depository mode and such other details as may be required by any rule made by the Company in this behalf.

5.3.2 If required by the Compliance Officer, an undertaking / declaration 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 to or has not received UPSI upto the time of signing of the undertaking.
- (b) That in case the Designated Person has access to or receives UPSI after the signing of the undertaking but before the execution of the transaction, he or she shall inform the Compliance Officer of the change in his position and that he / she would completely refrain from Trading in the Securities of the Company till the time such UPSI becomes Generally Available Information.
- (c) That he or she has not contravened the Code of Conduct as notified by the Company from time to time.
- (d) That he or she has made a full and true disclosure in the matter.

5.4 Within 7 (seven) days of receiving of the application along with all relevant disclosures, as may be required, the Compliance Officer shall approve or reject the application. In case of rejection, the Compliance Officer shall also provide reasons for such decision.

5.5 All Designated Persons shall execute their approved Trades in respect of Securities of the Company within 7 (seven) Trading Days from the date on which the approval of their pre-clearance application in **Form 6** has been communicated to them and shall also report such executed Trades to the Compliance Officer in **Form 7**. If the Trade is not executed by the Designated Person within 7 (seven) Trading Days after the approval is given, then : (i) the Designated Person shall report the decision to not execute such approved Trade to the Compliance Officer in **Form 8** and shall also provide reasons for such decision; and (ii) fresh pre-clearance would need to be obtained for such Trades to be executed.

## 5.6 Other Restrictions

5.6.1 A Designated Person who is permitted to Trade in Securities of the Company as per para 5.1 above shall not

execute a *contra* trade for a minimum period of 6 (six) months from the date on which the earlier Trade was executed. The Compliance Officer is however empowered to grant relaxation from strict application of this restriction for reasons (such as personal emergency) to be recorded in writing, provided that no such relaxation shall be granted which violates the Regulations.

- 5.6.2 If a *contra* trade is 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 SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.

## **Part F Miscellaneous**

### **6. Penalty for contravention of Code of Conduct**

- 6.1 Any Designated Person who Trades in Securities of the Company or communicates any information for Trading in Securities in contravention of this Code of Conduct may be penalised and appropriate action may be taken by the Company.
- 6.2 Designated Persons of the Company who violate this Code of Conduct may be subject to disciplinary action by the Company, which may include wage / salary freeze, suspension, withholding of promotions, ineligibility for future participation in employee stock option plans, etc.
- 6.3 Such action by the Company shall not preclude the SEBI from taking any action under the Act or otherwise, in case of violation of the Regulations.

### **7. Information to SEBI in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015**

In case it is observed by the Company and / or the Compliance Officer that there has been a violation of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company and / or the Compliance Officer shall apprise SEBI of the same

