

Jenburkt Pharmaceuticals Limited

**CODE ON PROHIBITION OF INSIDER
TRADING (Version 1.2)**

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This code of conduct for regulating, monitoring and reporting of trading by insiders of Jenburkt Pharmaceuticals Limited (hereafter the code) shall come into effect from 1st April 2019 in supersession of previous code viz. “Jenburkt Pharmaceuticals Limited’s Prohibition of Insider Trading Code 2015”, which was in pursuance of Securities and Exchange of Board of India (Prohibition of Insider Trading) Regulations 2015. [The said existing code is superseded by the Board on 5th February, 2019, pursuant to Securities and Exchange of Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, to be effective from 1st April, 2019 (hereafter “the said Regulations)]. This code is applicable to all the insiders in connection with the Company as defined hereafter.

1. Definitions:

- 1.1 **“Act”** means the Securities and Exchange Board of India Act, 1992.
- 1.2 **“Board”** means the Board of Directors of the Company.
- 1.3 **“Code” or “Code of Conduct”** shall mean Jenburkt Pharmaceuticals Limited’s Prohibition of Insider Trading Code.
- 1.4 **“Company”** means Jenburkt Pharmaceuticals Limited or JPL.
- 1.5 **“Compliance Officer”** means any senior officer, who is financially literate and capable of appreciating requirements of legal and regulatory compliances 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes pursuant to the said regulations under the overall supervision of the Board of Directors of the Company.

“Explanation – For the purpose of this regulation, “financially literate” shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.”

- 1.6 **“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 person defined 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 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.
- 1.7 **“Dealing in Securities”** means an act of subscribing to, buying, selling or agreeing to subscribe to, buy, sell or deal in the securities of JPL either as principal or agent;
- 1.8 **“Designated Person(s)”** shall mean and include:
- (i) every connected person(s), except employees of the Company other than mentioned in (ii) and (iii) below;
 - (ii) every employee of the Company, in the grade of M-4 and above;
 - (iii) every functional head and every employee in the finance, accounts and secretarial departments;
 - (iv) any other employee as may be determined and informed by the Board of Directors / Compliance Officer from time to time and
 - (v) immediate relatives of (i) to (iv) above;
- 1.9 **“Director”** means a Director on the Board of Directors of the Company;
- 1.10 **“Employee”** means every employee of the Company including the Directors in the employment of the Company;
- 1.11 **“Fiduciaries”** shall mean and include professionals whether individual or firms such as auditors, accountancy firms, law firms, analysts, banks, insolvency professional entities, consultants, etc. assisting or advising the Company.
- 1.12 **“Generally available Information”** means information that is accessible to the public on a non-discriminatory basis;
- 1.13 **“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;
- 1.14 **“Intermediary:”** An intermediary as specified in Section 12 of Securities and Exchange Board of India Act, 1992, as amended from time to time, or an employee or director of such an intermediary. This include Merchant Banker, Underwriters, Bankers to an issue, Portfolio Managers, Debenture Trustees, Registrar and Share Transfer Agent, Stock Brokers and Sub-brokers etc.
- 1.15 **“Insider”** means any person who is:
- (i) a connected person; or
 - (ii) in possession of or having access to unpublished price sensitive information;
 - (iii) a designated person or (iv) an intermediary or (v) a fiduciary and (vi) immediate relatives of all above.
- 1.16 **“Key Managerial Person”** means person as defined in Section 2(51) of the Companies Act, 2013;

- 1.17 **"Promoter"** 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;
- 1.18 **"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;
- 1.19 **"Regulation"** shall mean the Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto;
- 1.20 **"Securities"** shall have the meaning assigned to it under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or any modification thereof except units of a mutual fund;
- 1.21 **"Takeover regulations"** means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;
- 1.22 **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- 1.23 **"Trading Day"** means a day on which the recognized stock exchanges are open for trading;
- 1.24 **"Unpublished Price Sensitive Information" (UPS)** means any information, relating to Jenburkt Pharmaceuticals Ltd. 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 and
 - (v) changes in key managerial personnel.

Words and expressions used and not defined in this code but defined in the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

2. Role of Compliance Officer:

- 2.1 The Compliance Officer shall report on insider trading, if any, to the Board of Directors of the Company and in particular, shall provide reports, periodically, to the Chairman of the Audit Committee at the meeting of Audit Committee if any, or to the Chairman of the Board of Directors at the meeting of the Board, at least once in a year.
- 2.2 The Compliance Officer shall assist all the employees of the Company in addressing any clarifications regarding the Regulations and this Code.



3. Preservation of “Price Sensitive Information”:

- 3.1 All information shall be handled within the Company by the insiders on a need-to-know basis and no unpublished price sensitive information (UPSI) related to the Company or its securities shall be or caused to be communicated or provided or allowed access to by any person or to be procured from any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.
- 3.2 All designated employees and insiders must ensure that all procedures for supply of confidential information shall have “Chinese Wall” protection i.e. to prevent or create barriers on exchange of communications that could lead to conflict of interest of the disclosure of the confidential information or the recipients of such information.
- 3.3 Need to Know:
- (i) “need to know” basis means that UPSI should be disclosed for legitimate purpose only to those within the Company who need the information to perform their duties and discharge of legal obligations and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
 - (ii) All non-public information directly received by any employee should immediately be reported to the Compliance Officer.
- 3.4 Any person in receipt of unpublished price sensitive information, pursuant to a “legitimate purpose” as stated above shall be considered as “Insider” in terms of this code.
- 3.5 The functional head ensure that limited access to documents or files containing confidential information will be allowed strictly on need to know basis and they will be kept secure and that Computer files must have adequate security of login and password, etc. and other security measures.

4. Prevention of misuse of “Unpublished Price Sensitive Information”:

- 4.1 No insider shall share the UPSI or trade in the securities of the Company, while in possession of UPSI. Any such trade by them, while possessing UPSI, would be presumed to have been motivated by the knowledge and awareness of such information in the possession of the concerned, the reason for which he traded or where the traded proceeds applied will be of no relevance, as the sole act of his trading is sufficient to charge it as the insider trading. The insider is free to prove his innocence by demonstrating circumstances as included in the Regulation 4 of the said regulations.
- 4.2 The onus of establishing that the Insider was not in possession of UPSI, shall be on that person. In other cases the onus would be on SEBI.
- 4.3. Regulation 3(3) of the said regulations provide exception to such trading restrictions.
- 4.4 SEBI may specify such standards and requirements, from time to time, as it may deem necessary for the purpose of these regulations.

5. Trading Plan:

- 5.1 An insider shall be entitled to formulate a trading plan with reference to regulation 5 of the said regulations, of his own for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his behalf in accordance with such plan.



6. Restriction on trading in securities and/or sharing of UPSI for the insider:

- 6.1 They shall not trade in the securities of the Company while in possession of UPSI.
- 6.2 They can transact during the period the notional “Trading Window” is open, by pre-clearing trade from the Compliance Officer, and reporting the trade too. The Trading Window shall remain open during which they are not holding or possessing any UPSI. Trading in securities of the Company, by the Insiders, will be strictly in compliance with this code and the said regulations.
- 6.3 The notional “Trading Window” will remain closed for a duration, beginning or ending at a time or date as decided by Stock Exchange where the securities of the Company are listed or by SEBI or any other statutory authority. None of the insider shall trade in securities when the trading window is closed. The Compliance Officer shall intimate them about the period of trading window remaining closed.
- 6.4 The period of Trading Window and the restriction stated above shall also apply to any person having contractual or fiduciary relation with the Company such as Auditors, Accountancy Firms, Law firms, Analysts, Consultants, etc. assisting or advising the Company.
- 6.5 Threshold Limit: All the intended trades of the Insiders while the trading window is not closed shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade is above Rs. 10.00 lacs value, in a period of a calendar quarter. The pre-clearance application shall be in “**Form E-1**” attached hereto.
- 6.6 No Insider shall apply for pre-clearance if he /she is in possession of UPSI, even if the Trading Window is not closed.
- 6.7 The Insider shall declare shareholding of self and immediate relative in “**Form E-2**” to the compliance officer along with “**Form E-1**”. He shall also provide undertaking along with pre-clearance application, clearly stating that he is not in possession of any UPSI. The undertaking shall be in “**Form E-3**” attached hereto.
- 6.8 The Insider shall execute the pre-cleared transaction within seven trading days of pre-clearance date, failing which fresh pre-clearance need to be obtained.
- 6.9 The Compliance Officer may give pre-clearance order in “**Form E-4**” approving / disapproving pre-clearance application.
- 6.10 The Insider shall report to the Compliance Officer within two days from the end of the above stated seventh day about the trade executed, even if it is zero, in “**Form E-5**” attached hereto.
- 6.11 None of the Insider shall enter into opposite transaction during next six months of the trading date. No Insider shall enter into any derivative transactions. However for personal emergency, the Compliance Officer after receiving written application with proper justification, without violating this code, may subject to above restriction, waive off the holding period for selling of securities. The above restriction shall not be applicable for trades pursuant to exercise of stock options.
- 6.12 If any contra trade is executed in violation of 6.11 above, the profit, if any, made will be liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education fund of SEBI.
- 6.13 No information shall be passed by Insider by way of making a recommendation for the purchase or sale of securities of the Company.



7. Other Restrictions

- 7.1 All disclosures to be made public, under this code shall be in specified format of SEBI as “**Form A to D**”, for various disclosures (copies attached).
- 7.2 Form “E” is specified by the Company for Pre-clearance of trade (copy attached).
- 7.3 The disclosures to be made by any Insider under this Code shall include those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions.
- 7.4 The disclosures of trading in securities shall also include trading in derivatives of securities and the traded value of the derivatives shall be taken into account for purposes of this Code.
- 7.5 No insider can execute opposite or contra trade up to six months of the permitted trade.

8. Disclosure Requirements for transactions in securities

8.1 Initial Disclosure (In addition to pre-clearance and reporting procedure)

- 8.1.1 Every promoter, members of promoter group, Key Managerial Personnel and Director of the Company shall forward to the Company the details of all holdings in securities of the Company presently held by them including the statement of holdings of dependent family members in the prescribed “**Form A**” within 15th June, 2015.
- 8.1.2 Every person on appointment as a key managerial personnel or a director of the Company or upon becoming a promoter or member of promoter group 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, in the prescribed format (“**Form B**”) (New Director).

8.2 Continual Disclosure (In addition to pre-clearance and reporting procedure)

- 8.2.1 Every promoter or member of promoter group, Insider, director and connected person of the Company shall disclose in “**Form C**” 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 Rs.10,00,000/- (Rupees Ten lakhs only).

The disclosure in “**Form C**” shall be made within 2 working days of:

- (a) the receipt of intimation of allotment of shares, or
- (b) the acquisition or sale of shares or voting rights, as the case may be.

- 8.2.2 The “Insiders” other than promoter, KMP, Director shall disclose their trade in Company Securities, where the transaction(s) entered into in a Calendar quarter exceeds Rs.10,00,000/- (Rupees Ten Lacs only), in “**Form D**”. This disclosure is in addition to the pre-clearance and reporting procedure. This disclosure shall include those trading done by the immediate relatives and by such person for whom such person takes trading decisions.
- 8.2.3 The disclosure of trading in Securities and the trade value of the derivatives shall also taken into account, in this regard.

9. Disclosure by the Company to the Stock Exchange(s)

- 9.1 Within 2 days of the receipt of above intimation, the Compliance Officer shall disclose to all Stock Exchanges on which the Company is listed, the information received.
- 9.2 The Compliance officer shall maintain records of all the declarations in the appropriate form given by the directors or Insiders or connected persons, as required.

10. The Company may at its discretion include any other connector person or class of connected persons to make disclosures of holding and trading in Securities of the Company, in order to monitor the compliance with this code and regulations.

11. Code of conduct for intermediaries

- 11.1 The Board of Directors or head(s) of the organization of every intermediary or fiduciary shall ensure that the Chief Executive Officer or Managing Director shall formulate a code of conduct, with their approval, to regulate monitor and report trading by its Insider or their immediate relatives.
- 11.2 Intermediaries or fiduciary which are not listed would require to formulate a code to regulate, monitor or report trading by their Insiders or their immediate relatives by adopting minimum standards as set out in “Schedule-C” of the regulation.
- 11.3 Entities who normally operate outside capital market, but handling UPSI of the Company, these provisions shall apply to them. These entities include professional firm such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc. assisting or advising the Company.
- 11.4 Such entities shall in compliance with this code and the said regulations shall specify the insiders to whom the code is applicable.

12. Other information to be disclosed to the Company

All the Insider shall disclose the PAN or any other identifiable documents as authorized by law of the following persons to the Company, initially and at the end of every year or as and when the information changes:

- (i) Self,
- (ii) Immediate relatives
- (iii) Persons with whom such insider(s) shares a material financial relationship
- (iv) Phone, mobile number of all above.

In addition, the names of educational institutions from which each insider has graduated and names of their past employers shall also be disclosed on a one time basis.

Explanation:- The term “material financial relationship” shall mean a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift during the immediately preceding twelve months, equivalent to at least 25% of such payer’s annual income but shall exclude relationships in which the payment is based on arm’s length transactions.

13. Policy on Leak of Unpublished Price Sensitive Information (UPSI)

In accordance Regulation 9A(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a separate policy Viz. “policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information”.

14. Penalty for contravention of the code of conduct

- 14.1 Every Insider shall be individually responsible for complying with the provisions of the Code (including to the extent the provisions hereof are applicable to his/her dependents) and the said Regulations.
- 14.2 Any Insider who trades in securities or communicates any information for trading in securities, in contravention of this Code may be penalized and appropriate action may be taken by the Company.
- 14.3 An insider who violates the Code shall also be subject to disciplinary action by the Company, which may include Remuneration freeze, suspension, recovery, ineligibility for future participation in employee stock option plans, etc.
- 14.4 The Compliance Officer is under obligation to inform SEBI about such violation.
- 14.5 The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.



This code is based on the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. All references and meanings in this code and are from the said regulations. The provisions of the said regulations shall survive this code.

The Board of directors or management of the Company shall not be held liable or responsible for any difficulties to the insider that may arise due to the provision of this code or the said regulations.

15. Power to make changes or remove difficulties

The Company may make changes, modifications to this code as and when required. All the concerned shall be intimated accordingly. Any issuance of directives or guidance notes or circular or amendments, issued by SEBI to remove any difficulties in the interpretation or application of the provisions of the regulations, affecting this code the same shall be informed by the Company to the concerned.

16. words and expressions

Any words or expression used in this policy but not defined herein shall have the same meaning as described to it in the Companies Act, 2013 or Rules made thereunder, Securities & Exchange Board of India Act or Rules and Regulations made thereunder, SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time and or any other relevant legislation/law applicable to the Company, as amended from time to time and the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996).

***** End *****

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