

## **JAGAT TRADING ENTERPRISES LIMITED**

Regd. Office: 208, Magnum House II, Karampura Commercial Complex,  
New Delhi – 110015 (NCT Delhi)  
Corporate Identity Number (CIN) – L74999DL1982PLC014411

### **CODE OF INTERNAL PROCEDURES AND CONDUCT FOR REGULATING, MONITORING AND REPORTING OF TRADING BY DESIGNATED PERSONS.**

**(Effective from 1<sup>st</sup> April, 2019)**

#### **Introduction**

Amended Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (the "Regulations") requires a listed company to formulate a Code of Conduct to Regulate, Monitor and Report Trading by its designated persons, immediate relatives of designated persons and persons with whom designated persons share material financial relationship towards achieving compliance with the said Regulations, adopting the minimum standards, set out in Schedule B to the Regulations.

Accordingly, a Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons (the "Code") for Jagat Trading Enterprises Limited (the "Company") is hereby framed as under -

#### **I. 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 the Code of Internal Procedures and Conduct For Regulating, Monitoring and Reporting of trading by designated persons of Jagat Trading Enterprises Limited as amended from time to time.
- 1.4 "Company" means Jagat Trading Enterprises Limited
- 1.5.1 "Compliance Officer" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations 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compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.
- 1.6 "Connected Person" shall generally include: -
  - 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 recognized 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;

**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 the Company either as principal or agent.

**1.8 "Designated persons"** means–

1. All Directors
2. All the Promoters or member (s) of the promoter group of the Company
3. All key Managerial Personnel of the Company. CEOs and all employees upto two levels below CEO
4. Managing Director, Company Secretary & Compliance Officer
5. Any support Staff of the Company who have access to UPSI;
6. Employees of material subsidiaries designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their board of directors or analogous body.
7. Immediate Relative of (1) to (6) above.

**1.9 "Director"** means a member of the Board of Directors of the Company.

**1.10 "Employee"** means every employee of a company, including the Directors in the employment of the company.

**1.11 "Fiduciaries"** means Professional firms such as auditors, accountancy firms, law Firms analysts, insolvency professional entities, consultants, banks etc., assisting or advising the Company

**1.12 "Generally Available Information"** means information that is accessible to the public on 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 "Insider"** means any person who is,

- (i) a connected person; or
- (ii) in possession of or having access to unpublished price sensitive information.
- (iii) Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall also be considered as an "insider" for purposes of these regulations

**1.15 "Key Managerial Person"** means person as defined in Section 2(51) of the Companies Act, 2013

**1.16 "Material Subsidiary"** shall have the same meaning as defined under sub-regulation (c) of Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**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 "Regulations"** 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** "**Trading**" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly
- 1.22** "**Trading Day**" means a day on which the recognized stock exchanges are open for trading
- 1.23** "**Trading Plan**" ("TP") means a plan for dealing in securities of the Company for a period not less than 12 months by the persons who may be perpetually in possession of unpublished price sensitive information
- 1.24** "**Trading Window**" means the period during which trading may be carried out in Company's securities by Designated Persons.
- 1.25** "**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, delisting, disposals and expansion of business and such other transactions;
  - (v) Changes in key managerial personnel;
- 1.26** Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## II. Code

### 1. Reporting:

The Compliance Officer shall report to the Board of Directors ("Board") and in particular, shall provide reports to the Chairman of the Audit Committee once in a year.

### 2. Information on a need to know basis & Chinese Wall procedures

- a) All information shall be handled within the organisation on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the legitimate purposes, performance of duties or discharge of legal obligations.
- b) Sharing of information with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals, other advisors or consultants, shall be considered as "legitimate purposes" for the purpose of sharing unpublished price sensitive information in the ordinary course of business by an insider, provided that such sharing has not been carried out to evade or circumvent the prohibitions of the PIT regulations.
- c) While sharing unpublished price sensitive information for Legitimate purpose(s), following things should be taken care off:
  - i) The Insider before communicating any UPSI to any person for legitimate purpose shall first approach the Department Head ("Head") who shall be responsible for assessing the need to share such information. The Head on being satisfied shall give a written confirmation to the Insider upon which the Insider may communicate the UPSI.
  - ii) The Compliance Officer shall be duly informed with respect of sharing of UPSI.
  - iii) The Company should execute a non-disclosure agreement with the Recipient along with an undertaking that the recipient will abide by Regulations.
  - iv) UPSI shall be shared through secured email or other secured digital medium as approved by the Department Head.
- d) Unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction which entails:
  - i) an obligation to make an open offer under the takeover regulations where the Board of Directors of the Company is of informed opinion that the sharing of such information is in the best interests of the Company; or
  - ii) not attracting the obligation to make an open offer under the takeover regulations but where the Board of Directors of the Company is of informed opinion that sharing of such information is in the best interests of the Company and the information that constitute unpublished price sensitive information is disseminated to be made generally available at least two trading days prior to the proposed transaction being effected in such form as the Board of Directors may determine to be adequate and fair to cover all relevant and material facts.
- e) However, the Board of Directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of 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 unpublished price sensitive information.
- f) The names of such persons or entities along with their Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available, with whom unpublished price sensitive information as aforesaid is shared, shall be maintained in a structured digital database. Such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. The Compliance Officer shall be responsible for maintenance of such database.
- g) Norms for appropriate Chinese Walls procedures & processes will be as under –
  - i) To prevent the misuse of confidential information, the Company shall separate those areas of the Company which routinely have access to confidential information, considered "inside areas" from those areas which deal with sale/marketing / Investment advice or other departments providing support services, considered "public areas".
  - ii) The employees in the inside area shall not communicate any price sensitive information to any one in public area-
  - iii) The employees in inside area may be physically segregated from employees in public area.

- iv) Demarcation of the various departments as inside area may be implemented by the Company.
- v) In exceptional circumstances employees from the public areas may be brought "over the wall" and given Unpublished Price Sensitive Information on the basis of "need to know" criteria, under intimation to the Compliance Officer.
- vi) All the Designated Person will have to keep the files containing confidential material relating to price sensitive information fully secured. Computer files must be kept with adequate security of login and password, etc.

**3. Designated Persons** of the Company and immediate relatives of designated persons is shall be governed by this Code.

#### **4. Trading window**

- i) Designated Persons may execute trades subject to compliance with these Regulations. Towards this end, a notional Trading Window shall be used as an instrument for monitoring trading by the Designated Persons. The Trading Window shall be closed when the Compliance Officer determines that a Designated Person can reasonably be expected to have possession of Unpublished Price Sensitive Information. Such closure shall be imposed in relation to such securities to which such Unpublished Price Sensitive Information relates. Designated Persons and their immediate relatives shall not trade in securities when the trading window is closed except when the sale or purchase is being undertaken pursuant to the trading plan submitted to the Company.
- ii) The trading window shall remain closed from the end of every quarter till 48 hours after the declaration of financial results and on the happening of any of the following events in general, as decided by Compliance Officer in consultation of Chairman of the Board:
  - Declaration of dividends (interim and final);
  - Change in Capital structure.;
  - Merger, de-merger, acquisitions, delisting's, disposals and expansion of business
  - Disposal of whole or substantially whole of the undertaking;
  - Any changes in policies, plans or operations of the Company;
  - ADR / GDR or any other class of securities to be issued abroad; &
  - Any transaction or event which may have any impact on the price of shares of the Company
  - Such other transaction as may be specified from time to time either by any Regulatory Authority or by the Board
- iii) The timing for re-opening of the trading window shall be determined by the Compliance Officer taking into account various factors including the Unpublished Price Sensitive Information in question becoming generally available and being capable of assimilation by the market, which in any event shall not be earlier than forty-eight hours after the information becomes generally available. The trading window shall also be applicable 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

### **5. Trading Plan**

#### **a. Importance of Trading Plan**

1. All Designated Person before possessing an UPSI may formulate a Trading Plan ('TP') and the same is required to be approved by the Compliance Officer subject to compliance of Code and Regulations
2. By virtue of TP, a designated Person can plan for trades to be executed by him/her in future
3. No pre-clearance would be required for dealing in the securities of the Company and no restrictions on contra trade shall be applicable for trades executed pursuant to the approved TP.
4. By doing so, the possession of UPSI when a trade under a TP is actually executed would not prohibit the execution of such trades as that was pre-decided even before the UPSI came into being.

#### **b. Requisites of Trading Plan**

1. A trading shall be executed on expiry of six months from the date of public disclosure of the TP.

2. Trading as per TP shall not take place between 20th trading days prior to the last day of the financial period for which the results are required to be announced by the Company and 2 trading days after the disclosure of such financial results.
3. Designated Person shall give one TP at a time and the same shall not be less than 12 months i.e. there cannot be any overlapping of TP's
4. TP shall set out either the value of trades or the number of securities to be traded, along with the nature of trade with specific dates and time intervals.
5. Trading on the basis of TP shall not lead to market abuse. If any manipulative activity is detected, it would open to initiate proceedings breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

#### **c. Approval of Trading Plan**

1. The Compliance Officer shall review the TP to assess whether such plan has any potential and in not in violation of the Regulations and shall be entitled to seek such express undertakings as may be considered necessary including but not limited to the effect that the applicant is not in possession of UPSI.
2. On the basis of such assessment, the Compliance Officer shall within 15 days of the receipt of TP, approve or dis-approve any trading plan so submitted. In case of dis-approval the Compliance Officer shall record the reasons for the same.

#### **d. Notification to Stock Exchange(s)**

1. The Compliance Officer shall notify the particulars of the approved TP to the stock exchange(s) where its securities are listed.

#### **e. Execution of Trading Plan**

1. TP once approved shall be irrevocable and has to be mandatorily implemented without any deviation.
2. The implementation of the TP shall be deferred if any UPSI in possession at the time of formulation of the plan has not become generally available at the time of commencement of implementation of such plan.

#### **6. Pre-clearance & trades**

1. When the Trading Window is open, trading by designated persons shall be subject to pre-clearance by the Compliance Officer, if the value of the proposed trade(s) is above a minimum threshold limit of Rs. 10,00,000/- (Rupees Ten Lakh) in value over any calendar quarter, or such other limits as the Board 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. Prior to approving any trades, the Compliance Officer shall be entitled to seek declarations to the effect that the applicant for pre-clearance is not in possession of any Unpublished Price Sensitive Information. He shall also have regard to whether any such declaration is reasonably capable of being rendered inaccurate.
3. Order in respect of securities shall be executed within seven (7) trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.
4. The requirement of pre-clearance is not applicable where the trade is being undertaken pursuant to the trading plan submitted to the Company.
5. A Designated Person who is permitted to trade shall not execute a contra trade within a period of six (6) months following the prior transaction. Relaxation may be given from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations. In the event, any such 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 SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the Act.

6. The restriction of contra-trade will not be applicable for trade pursuant to exercise of options or Trading Plan.

## 7. Disclosure Responsibilities & formats

### A. Initial Disclosures of holdings

- a) Every Promoter or part of the Promoter group, key managerial personnel and director of the Company shall disclose **(in Form A)** his holding of securities of the Company to the Company within thirty (30) days of these Regulations taking effect;
- b) Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter or part of the Promoter group shall disclose **(in Form B)** his holding of securities of the Company as on the date of appointment or becoming a Promoter or part of the Promoter group, to the Company within seven (7) days of such appointment or becoming a Promoter or part of the Promoter group.

### B. Continual Disclosures of trades

- 1) Every Promoter, Designated Person shall disclose to the Company **(in Form C)** the number of such securities acquired or disposed of within two (2) 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 or after the prior disclosure made to the Company crosses the threshold limit as per Regulations i.e. aggregates to a traded value in excess of Rs. 10,00,000/- (Rupees Ten lakh) or such other value as may be specified;
- 2) The Company shall within a period of two (2) working days from the date of receipt of such disclosures or from becoming aware of such transaction, inform the Stock Exchanges particulars of such trading.
- 3) Any person/entities getting associated with the Company and falling within the ambit of 'Insider' shall make sure that their employees/associates are not in possession of UPSI enter into any securities trading pertaining to the Company. Also, such Insider or their employees and associates shall disclose the holdings and trading in the securities of the Company in Form D.
- 4) Any off-market trades inter-se trade between two Insiders, who possess UPSI in accordance with Regulation 3 of the Regulations shall be reported by the Insiders to the Company within two working days of executing the trade. The Company shall notify the particulars of such trades to the stock exchange on which the securities are listed within two trading days from receipt of the disclosure or from becoming aware of such information.

C. Other formats / disclosures, to monitor compliance with these Regulations would be as under –

- Application for pre-clearance of trade **(in Form E)**
- Undertaking for pre-clearance **(as per Form F)**
- Report of execution of the deal of pre-clearance trade within 2 days of deal **(as per Form G)**

### D For Annual Disclosure:

Designated Persons shall be required to disclose names and Permanent Account Number or any other identifier authorized by law of the following persons to the Company on an annual basis by 10 April and as and when the information changes:

- a) immediate relatives
- b) persons with whom such designated person(s) shares a material financial relationship
- c) Phone, mobile numbers which are used by them
- d) the names of educational institutions from which designated persons have graduated and names of their past employers shall also be disclosed on a one-time basis.
- e) details of shareholding in the Company in **Form H**

**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.

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

- i) Any contravention of these Regulations shall be dealt with by SEBI in accordance with the SEBI Act, and rules made thereunder.
- ii) Any Designated Person contravening the Code will be liable to penalty and appropriate disciplinary action including remuneration freeze, suspension, claw back, recovery dismissal etc. as may be decided by the Chairman of the Board in consultation with the Compliance Officer. Such disciplinary action shall be recommended by the Audit Committee and approved by the Board
- iii) The action by Company shall not preclude SEBI from taking any action in case of violation of Regulations.

## **9. Other Restrictions**

- i) A Designated Person who is permitted to trade shall not execute a contra trade within 6 months of such trade in securities of the Company. The Compliance Officer may be empowered to grant relaxation from strict application of such restriction for reasons to be recorded in writing provided that such relaxation does not violate these Regulations.
- ii) Should a contra trade be 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 Board for credit to the Investor Protection and Education Fund administered by the Board under the Act.
- iii) In case it is observed by the Board of Directors that there has been a violation of Regulations, the Compliance Officer, being authorized by the Board of Directors, shall promptly inform SEBI.

## **10. Applicability of the Code to certain persons**

The Regulations apply to certain persons who by being in any contractual, fiduciary or employment relationship or holding any position including a professional or business relationship with the Company whether temporary or permanent have access, directly or indirectly, to Unpublished Price Sensitive Information or are reasonably expected to allow such access. They are advised to adhere to the Regulations strictly. In case it is observed by such persons required to formulate a code of conduct under sub-regulation (1) and sub-regulation (2) of regulation 9, that there has been a violation of these Regulations, they shall inform SEBI promptly, with a copy to the Company.

## **11. Sensitization of team engaged in transactions involving UPSI**

- i) In case of any transaction in the Company which is of sensitive nature i.e. it may involve UPSI or may give rise to UPSI, then the respective head of the Department to which the transaction pertains shall ensure the following:
- ii) UPSI shall be shared only on need-to-know basis
- iii) A brief introduction of the Code shall be given to all the Parties involved in the transaction specifically duties and responsibilities attached to the receipt of UPSI, and the liability that attaches to misuse or unwarranted use of such information,
- iv) In case persons/parties involved have not executed a non-disclosure agreement with the Company, then such agreement should be executed before sharing any UPSI.
- v) Take Permanent Account Number or any other identifier authorized by law from such persons
- vi) Where such UPSI is shared with Fiduciaries or Intermediaries, then such Fiduciaries or Intermediaries shall ensure the compliance of the aforesaid.

## **12. Leak or suspected leak of UPSI**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages any person who have genuine concerns about leak or Suspected leak of UPSI without fear of punishment or unfair treatment.

In case any whistle blower reports leak or suspected leak of UPSI, then the procedure as prescribed under the Whistle-Blower policy of the Company shall be followed. In any other case, the following procedure will be adopted

- i) The Vigilance Officer shall be responsible to investigate the matter related to leak or suspected leak of UPSI under the supervision of the Audit Committee.
- ii) The Investigators shall have right to call for and examine any information/document of the Company, as may be deemed necessary for the purpose of conducting inquiry/investigation under this policy and can extend the scope of investigation to Fiduciaries and intermediaries, who were also involved in the matter involving UPSI.
- iii) The Fiduciaries and intermediaries involved in the matter shall provide full cooperation during the course of the investigation.
- iv) The investigation shall be completed normally within 90 days of the receipt of the mandate, which can be extended by the Audit Committee for such period as it deems fit.
- v) The Vigilance Officer shall submit a written report of the findings to the Chairman of the Audit Committee.
- vi) Where the results of the inquiry/ investigation high lights wrong doing on the part of the any employee or fiduciaries and intermediaries, then the Audit Committee shall recommend suitable punitive action as provided under Clause ----- to the Board.
- vii) The Company on becoming aware of the matter related to leak or suspected leak of UPSI shall immediately report the same to SEBI. Further the result of investigation conducted into the said matter shall also be promptly disclosed to SEBI.

## **13. Institutional Mechanism:**

The Managing Director or Chief Executive Officer of the Company shall put in place adequate and effective system of internal controls to ensure compliance with the requirements given in the Regulations and this Code to prevent insider trading.

## **14. Amendment to the Code**

This Code and any subsequent amendment(s) thereto, shall be by way of a resolution by the Board of Directors and shall be circulated to Designated Persons as per the internal communication policy of the Company, if any.

This Code is subject to review from time to time.