

# **JM FINANCIAL LIMITED**

**CODE FOR PREVENTION  
OF INSIDER TRADING**

## OUR BELIEF AND REASON FOR THIS CODE

The Company places utmost emphasis on achieving the highest level of transparency, accountability and fairness in all facets of its operations and Dealings with its stakeholders.

This Code outlines the procedure and processes to be followed by the Directors and Designated Employees of the companies belonging to the JM Financial Group. This Code will form part of the Code of Conduct applicable to the Directors and the Designated Employees of JM Financial Group. The employees and promoter directors of JM Financial Limited and other Designated Employees of JM Financial Group are required to adhere to this Code in addition to the Code of Conduct applicable to employees and working Directors of the companies belonging to the JM Financial Group.

CODE FOR PREVENTION OF INSIDER TRADING

## PART A - DEFINITIONS

- a. 'Company' means JM Financial Limited.
- b. 'Compliance Officer' means the Company Secretary of the Company or any other person who is appointed as the Compliance Officer by the Board of Directors of the Company.
- c. **Confidential Information** is information that is not generally known to the public about the Company and its underlying businesses, its clients, its counterparties or other parties with which the Company has a relationship.
- d. 'Dealing in Securities' means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in any securities of the Company either as principal or agent.
- e. 'Designated Employees' shall mean:
- (i) Managing Director / Whole Time Directors / Executive Directors of the Company;
  - (ii) Chief Executive Officers / Chief Operating Officers/ Chief Financial Officers/ Company Secretary / Compliance Officer of the Company;
  - (iii) Senior Vice Presidents of the Company;
  - (iv) Auditors of the Company; and
  - (v) Employees of the group, designated by the Compliance Officer, whether in consultation with the Managing Director of the Company or not, from time to time.
- f. 'Dependents' shall mean the spouse, dependent parents and dependent children of the Directors and Designated Employees.
- g. 'Director' shall mean the non-executive directors of the Company.
- h. 'Price Sensitive Information' shall mean any information which relates directly or indirectly to the Company and which if published is likely to materially impact the price of securities of the Company.

*Explanation:* The following shall be deemed to be price sensitive information:

- (i) periodical financial results of the company;
- (ii) intended declaration of dividends (both interim and final);
- (iii) issue or buy-back of securities;

- (iv) any major expansion plans or execution of new projects;
  - (v) amalgamation, merger or takeover;
  - (vi) disposal of the whole or substantial part of the undertaking;
  - (vii) any significant changes in policies, plans or operations of the Company;
  - (viii) any information which, if disclosed, in the opinion of the person disclosing the same is likely to materially affect the price of the securities of the Company.
- i. 'SEBI' means Securities and Exchange Board of India.
  - j. 'Securities' means equity shares of the Company and includes any derivative contract in the equity shares of the Company.
  - k. 'Unpublished' means information which is not published by the Company or by its agents and is not specific in nature.

**Explanation:** Speculative reports in print or electronic media shall not be considered as published information.

- l. 'Working day' shall mean the working day when the regular trading is permitted on the concerned stock exchanges where securities of the Company are listed.

#### **Interpretation of certain words and expressions:**

Words and expressions not defined in this Code shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time.

## PART B - PROCESS AND PROCEDURES

### 1. Compliance Officer

The Company has appointed the Company Secretary as the Compliance Officer who is the officer responsible for implementation and monitoring this Code.

#### 1.1 Duties of Compliance Officer

- (i) He shall be responsible for setting forth policies, procedures, monitoring, adherence to the rules for the preservation of Price-Sensitive Information, pre-clearing of trades of Directors, Designated Employees and their Dependents, monitoring of their trades and the implementation of this Code.
- (ii) He may specify prohibited period from time to time and immediately make an announcement thereof.
- (iii) He shall place before the Managing Director, on a monthly basis all the details of the Dealing in the Securities by Designated Employees, Directors of the Company and the accompanying documents executed by the above persons under the pre-Dealing procedure as envisaged in this Code.
- (iv) He shall be responsible for overseeing and coordinating disclosure of Price Sensitive Information to the Stock Exchanges, shareholders and investors.
- (v) He shall ensure that prohibited period is promptly intimated to all the concerned persons.
- (vi) He shall assist the Directors and Designated Employees in addressing any clarifications regarding the SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended from time to time) and this Code.

#### 1.2 Maintenance of Records

The Compliance Officer shall maintain records of:

- (i) Directors and the Designated Employees and any changes made to the list of the Designated Employees.
- (ii) all the declarations received from the Directors, Designated Employees for a period of three years.
- (iii) prohibited period specified from time to time.

## 2. Preservation of "Price Sensitive Information"

Designated Employees and 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.

The Designated Employees and Directors shall follow the procedure given below when Dealing with the Price Sensitive Information:

### 2.1 Need to Know

Price Sensitive Information which is unpublished is to be handled on a "need to know" basis, i.e. such information should be disclosed only to those who need the information to discharge their duty.

### 2.2 Limited access to Confidential Information

Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password. Files containing confidential information should be deleted/destroyed after its use. Shredder should be used for the destruction of physical files.

## 3. Trading Restrictions

All Directors, Designated Employees and their Dependants shall be subject to trading restrictions as enumerated below:

### 3.1 Trading Window

The period prior to declaration of Price Sensitive Information is particularly sensitive for transactions in the Company's Securities. This sensitivity is due to the fact that the Directors and Designated Employees will, during that period, often possess Price Sensitive Information.

During such sensitive time duration, the Directors and Designated Employees and their Dependents must not engage in Dealing in the Company's Securities.

The Directors and Designated Employees and their Dependents shall not Deal in the Securities of the Company when the trading window is closed.

### 3.2 'Prohibited Period' means the period when trading window is closed. The Compliance Officer from time to time shall decide the Prohibited Period.

In this regard, the period beginning from the first day of the month in which the Board of Directors are to consider any Price Sensitive Information or from the date of circulation of notice for holding board meeting, as may be decided by the Compliance Officer and ending on completion of 24 hours

after the time the Price Sensitive Information is made public shall be treated as Prohibited Period.

- 3.3 'Free Period' means any period other than the Prohibited Period.
- 3.4 The trading window shall, inter alia, be closed before consideration of Price Sensitive Information.
- 3.5 All Directors, Designated Employees and their Dependents shall conduct all their Dealings in the Securities of the Company only during the Free Period and shall not Deal in the Securities of the Company during the Prohibited Periods or during such other period as may be specified by the Compliance Officer from time to time.
- 3.6 In case of Employees Stock Options Plan (ESOPs), exercise of options would be allowed during the period when the Trading Window is closed. However, sale of Securities allotted on exercise of ESOPs shall not be allowed when Trading Window is closed.

#### 4. Pre-clearance of trades

All Directors, Designated Employees of the Company and their Dependents who intend to Deal in the Securities of the Company shall pre-clear the transactions as per the pre-Dealing procedure described hereunder.

##### 4.1 Pre-Dealing Procedure

An application for pre-clearance of trade shall be made in Form 'A' along with an undertaking (format attached) and submitted to the Compliance Officer.

The Compliance Officer shall on receiving the application, acknowledge the same and may grant the approval. The Compliance Officer shall retain copies of all applications and approvals.

If so requested by the Compliance Officer, Auditor and Director must ensure that the stockbroker is authorised to disclose to the Company all matters relevant to their Dealings as well as the Dealings undertaken by their Dependents in Securities of the Company.

##### 4.2 Other restrictions

All Directors and Designated Employees and their Dependents shall execute their orders in respect of Securities of the Company within three days from the date on which approval of pre-clearance is given. If the order is not executed within three days from the date on which approval of pre-clearance is given, they must pre clear the trades again.

All Directors / Designated Employees who buy or sell Securities of the Company cannot enter into an opposite transaction i.e. sell or buy

Securities during the period of six months following the prior transaction. In the case of subscription in the primary market, they shall hold the Securities for a period of 30 days from the date of allotment, in order to be considered as being held for investment purposes.

*Further, all Directors / Designated Employees shall not be allowed to take any positions in derivative transactions in the Securities of the Company at any point of time.*

In case the sale of Securities is necessitated by personal emergency, the Compliance Officer may waive the holding period after recording in writing the reasons in this regard. An application for waiver of holding period shall be made to the Compliance Officer in Form 'C'.

## 5. Reporting Requirements for transactions in Securities

### 5.1 Initial Disclosures

Every Director (including an executive director), Manager, Company Secretary or Auditor of the Company on being appointed as such shall disclose to the Company, in Form 'B', the number of shares or voting rights held and positions taken in derivatives by such person and their Dependents within 2 working days of becoming a Director (including an executive director), Manager, Company Secretary or Auditor of the Company.

### 5.2 Continual Disclosures

1. Every Director (including an executive director), Manager, Company Secretary or Auditor of the Company shall disclose to the Company and the Stock Exchanges, where the Company' Securities are listed, in Form 'D', the number of equity shares or voting rights in the Company held by him and change in his and/or his Dependents shareholding or voting rights from the last disclosure made under this Clause or under Clause 5.1, if such change exceeds Rs. 500,000 in value or 25,000 equity shares or 1% of the total shareholding or voting rights, whichever is lower or any revised limits notified by SEBI from time to time.
2. The aforesaid disclosure has to be made within 2 working days of the receipt of intimation of allotment of shares or the acquisition or sale of shares or voting rights as the case may be.
3. The disclosures under this Clause shall be sent to the Compliance Officer of the Company.

### 5.3 Quarterly / Annual Disclosures

All Directors and Designated Employees shall be required to forward following details of their Securities transactions including the holdings of their dependents to the Compliance Officer in the following manner:

1. All holdings in securities of the Company by Directors, Designated Employees and their Dependents at the time of joining the Company;
2. Statement of any transactions done by Directors, Designated Employees and their Dependents in Securities of the Company in Form 'E' on a quarterly basis within 15 days from the end of each calendar quarter; and
3. Annual Statement of all holdings in Securities in Form 'F' as on March 31 of each year before April 30 of that year.

#### **5.4 Disclosure by the Company to Stock Exchanges**

Within 2 working days of the receipt of the information under Clause 5.1 and 5.2, the Compliance Officer shall disclose the information received to all Stock Exchanges on which the Company is listed.

#### **6. Contravention of the Code**

In case it is observed by the Company that there has been a violation of this Code or the SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI shall be informed of the same by the Company.

Any Director or Designated Employee who violates this Code may be penalised and/or be subjected to disciplinary action by the Company, which may include salary freeze, suspension, termination, making them ineligible for future participation in ESOPs, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

**PART C - FORMS**

**FORM A - APPLICATION FOR PRE-CLEARANCE OF TRADE**

The Compliance Officer  
 JM Financial Limited  
 141, Maker Chambers III  
 Nariman Point  
 Mumbai 400021

1	Name of the applicant	:	
2	Designation	:	
3	Dependants Name and relationship with applicant (in case the transaction is for Dependents)	:	
5	Number of Securities held as on date (with folio / DP ID / Client ID No.)	:	
6	Mode in which the Securities are held	:	*physical / dematerialised
7	Whether the proposed transaction will be through the stock exchange or off market Deal	:	
8	The Proposal is for	:	(i) acquisition of Securities (ii) subscription to the Securities (iii) sale of Securities
9.	Number of Securities proposed to be acquired / subscribed / sold	:	

\* Strike whichever is not applicable

### UNDERTAKING

In relation to the above transaction, I undertake that:

- (i) I have no access to nor do I have any information that could be construed as "Price Sensitive Information" as defined in this Code up to the time of signing this undertaking;
- (ii) In the event that I have access to or receive any information that could be construed as "Price Sensitive Information" as defined in this Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from Dealing in the Securities of the Company until such information becomes public;
- (iii) I have not contravened the provisions of this Code for prevention of insider trading as notified by the Company from time to time;
- (iv) I have not contravened the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992;
- (v) I have made full and true disclosure in the matter; and
- (vi) I hereby declare that I shall execute my order in respect of Securities of the Company within three days from the date on which approval of pre-clearance is given. If the order is not executed within three days from the date on which approval of pre-clearance is given, I undertake to obtain pre-clearance for the trades again.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of the applicant

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### Granting of Approval

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of department head/manager  
(if applicable)

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Signature of Compliance Officer

**FORM B: FORM FOR INITIAL DISCLOSURE**

The Compliance Officer  
 JM Financial Limited  
 141, Maker Chambers III  
 Nariman Point  
 Mumbai 400021

**I. DETAILS OF SHAREHOLDINGS OF #DIRECTOR\*/ MANAGER\*/ COMPANY SECRETARY\*/ AUDITOR\*/THEIR DEPENDENTS OF THE COMPANY HELD IN OWN NAME**

Name, PAN No. & Address	Date of assuming office of Director/ Officer	No. & % of shares/voting rights held at the time of becoming Director/ Officer	Date of intimation to company	Mode of acquisition (market purchase/ public/ rights/ preferential offer etc.)	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value

*Note: The above table shall be applicable with suitable modifications to disclosures for position taken in derivatives also.*

Place: \_\_\_\_\_  
 Date: \_\_\_\_\_

**Signature of the applicant**

# Director here includes an executive director also  
 \* Strike whichever is not applicable

**FORM C- APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD**  
(Form A shall also be attached along with this form)

The Compliance Officer  
JM Financial Limited  
141, Maker Chambers III  
Nariman Point  
Mumbai 400021

Dear Sir,

I request you to grant me waiver of the minimum holding period of 30 days/ six months as required under the Code for prohibition of insider trading with respect to \_\_\_\_\_ Securities of the Company held by me/ \_\_\_\_\_ (name of dependent) singly / jointly acquired by me on \_\_\_\_\_ (Date). I desire to Deal in the said Securities on account of \_\_\_\_\_ (give reasons).

Thanking you,

Yours faithfully

Place: \_\_\_\_\_

Date: \_\_\_\_\_

**Signature of the applicant**

Place: \_\_\_\_\_

Date: \_\_\_\_\_

**Signature of Department Head/Manager  
(if applicable)**

Place: \_\_\_\_\_

Date: \_\_\_\_\_

**Signature of Compliance Officer**

**FORM D - DISCLOSURE OF CHANGE IN HOLDING OF #DIRECTOR\*/ MANAGER\*/  
COMPANY SECRETARY\*/ AUDITOR\* OF THE COMPANY / THEIR DEPENDENTS\***

The Compliance Officer  
JM Financial Limited  
141, Maker Chambers III  
Nariman Point  
Mumbai 400021

Name, PAN No. & Address	No. & % of shares/ voting rights held by the Director/ Officer/ Dependant	Date of receipt of allotment advice/ acquisition/ sale of shares/ voting rights	Date of intimation to comp- any	Mode of acquisition (market purchase/ public/rights/ preferential offer etc.)	No. & % of shares/ post acquisition/ voting rights sale	Trading member through whom the trade was executed with SEBI Registration No. of the TM	Exchange on which the trade was executed	Buy quantity	Buy value	Sell quantity	Sell value

Place: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Name and Signature

# Director here includes an executive director also

\* Strike whichever is not applicable

**FORM E - QUARTERLY STATEMENT**

Date: \_\_\_\_\_

The Compliance Officer  
JM Financial Limited  
141, Maker Chambers III  
Nariman Point  
Mumbai 400021

**I. Quarterly Statement of Shareholdings of Director\*/ Designated Employee\***

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Department: \_\_\_\_\_

PAN: \_\_\_\_\_

No. of shares held at the beginning of the quarter: \_\_\_\_\_

Date of Transaction	Nature of Transaction (purchase / sale)	Number of Securities	Total Consideration

No. of shares held at the end of the quarter: \_\_\_\_\_

**II. Details of Securities held by Dependents**

Name of Dependant: \_\_\_\_\_

PAN: \_\_\_\_\_

Relationship: \_\_\_\_\_

No. of shares held at the beginning of the quarter: \_\_\_\_\_

Date of Transaction	Nature of Transaction (purchase / sale)	Number of Securities	Total Consideration

No. of shares held at the end of the quarter: \_\_\_\_\_

I / we declare that the above disclosure is true and correct and is in accordance with the previous disclosures given to the Company.

\_\_\_\_\_  
Name and Signature

\* Delete whichever is not applicable

**Note:** To be submitted within 15 days from the end of each calendar quarter

**FORM F - ANNUAL DISCLOSURE**

Date: \_\_\_\_\_

The Compliance Officer  
JM Financial Limited  
141, Maker Chambers III  
Nariman Point  
Mumbai 400021

**I. Statement of Shareholdings of Director\*/ Designated Employee\* in JM Financial Limited**

Name:

Designation:

Department:

PAN:

Folio No. / DP ID / Client ID:

No of shares of JM Financial Limited held at the beginning of the year:

No. of shares of JM Financial Limited held at the end of the year:

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**II. Details of Shares held by Dependents**

Name of Dependant:

PAN:

Relationship:

Folio No. / DP ID / Client ID:

No of shares of JM Financial Limited held at the beginning of the year:

No. of shares of JM Financial Limited held at the end of the year:

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I / we declare that the above disclosure is true and correct and is in accordance with the previous disclosures given to the Company.

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**Name and Signature**

\* Delete whichever is not applicable

**Note:** To be submitted before April 30 of every year.