

# **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 for prevention of Insider Trading ('the Code') outlines the policies and procedures to be followed by the Designated Persons as defined in this Code for handling unpublished price sensitive information and for trading in the securities of JM Financial Limited (the Company). **This Code is in addition to the code of conduct applicable to employees of the entities 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. **"Connected person"** means 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himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- d. **'Designated Persons'** shall mean:
- (i) Directors on the Board of the Company and its subsidiaries and associates;
  - (ii) All the employees of the Company and its subsidiaries and associates;
  - (iii) Such other person or persons as the Compliance Officer may in consultation with the Chairman of the Board of Directors may specify to be covered by this Code on the basis of their role and function in the in the Company and its subsidiaries & associates.
- e. **'Generally Available Information'** means information that is accessible to the public on a non-discriminatory basis;
- f. **'Immediate Relative'** means a spouse of a Designated Person, and includes parent, sibling, and child of such Designated Person or of the spouse, any of whom is either dependent financially on such Designated Person, or consults such Designated Person in taking decisions relating to trading in securities;
- g. **"Insider"** means any person who is:
- i) a connected person; or
  - ii) in possession of or having access to unpublished price sensitive information;
- h. **'Regulations'** means the SEBI (Prohibition of Insider Trading) Regulations, 2015.
- i. **'SEBI'** means Securities and Exchange Board of India.

- j. **'Securities'** shall mean the securities issued by the Company from time to time.
- k. **'Trading'** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and 'trade' shall be construed accordingly.
- l. **'Trading day'** means a day on which the recognised stock exchanges in India are open for trading.
- m. **'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 and shall, ordinarily mean information, including but not restricted 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.

**Interpretation of certain words and expressions:**

Words and expressions not defined in this Code shall have the same meaning as contained in the Regulations, as amended from time to time.

## PART B - POLICIES AND PROCEDURES

### 1. Compliance Officer

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

#### 1.1 Duties of Compliance Officer

- (i) He shall set forth the policies, procedures, monitor & ensure adherence to the rules for the preservation of UPSI, pre-clear the trades in the Securities of the Company of the Designated Persons and their Immediate Relatives, monitoring of their trades and maintenance of records of such trades.
- (ii) He may specify 'Trading Window Closure Period' (as described in this Code) from time to time and make an announcement thereof to the stock exchanges on which the Securities of the Company are listed.
- (iii) He shall place before the Board of Directors of the Company, on a quarterly basis all the details of the Trading in the Securities of the Company by Designated Persons and their Immediate Relatives.
- (iv) He shall ensure that Trading Window Closure Period is promptly intimated to the Designated Persons through the mechanism of adding the Securities of the Company to the 'Restricted List'.
- (v) He shall assist the Designated Persons in addressing any clarifications regarding the Regulations and this Code.

#### 1.2 Maintenance of Records

The Compliance Officer shall maintain records of:

- (i) Designated Persons and any changes made to the list of the Designated Persons mentioned at serial no. (iii) in the definition of "Designated Persons".
- (ii) all the disclosures/declarations received from the Designated Persons and on behalf of their Immediate Relatives for a period of five years.
- (iii) Trading Window Closure Period specified from time to time.

## 2. Preservation of “UPSI”

The Designated Persons shall maintain the confidentiality of all UPSI, to the extent available with them. They shall not pass on such information to any person directly or indirectly whether by way of making a recommendation for the purchase or sale of Securities or otherwise.

The Designated Persons shall follow the procedure prescribed under the Regulations (given below for ease of reference) when dealing with UPSI:

### 2.1 Need to Know

UPSI shall be handled on a "need to know" basis, i.e., such information shall not be communicated to any person except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

UPSI may be communicated, provided, allowed access to or procured, in connection with a transaction that would:

- entail an obligation to make an open offer under the SEBI takeover regulations where the Board of Directors of a company is of informed opinion that the proposed transaction is in the best interests of the company;
- not attract the obligation to make an open offer under the SEBI takeover regulations but where the Board of Directors of a company is of informed opinion that the proposed transaction is in the best interests of the company and the information that constitute UPSI 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.

### 2.2 Limited access to UPSI

Files containing UPSI 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 Designated Persons and their Immediate Relatives shall be subject to trading restrictions as enumerated below:

### 3.1 Trading Window

The period prior to disclosure of UPSI is particularly sensitive for transactions in the Company's Securities. This sensitivity is due to the fact that the Designated Persons may, during that period, often possess UPSI.

During such sensitive time duration, the Designated Persons and their Immediate Relatives must not engage in Trading in the Company's Securities.

The trading window for the Company's Securities shall be closed during the time any UPSI remains unpublished. 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 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.

- 3.2 'Trading Window Closure Period ' means the period when trading window is closed for the Company's Securities. The Compliance Officer from time to time shall decide the Trading Window Closure Period.
- 3.3 'Free Period' means any period other than the Trading Window Closure Period.
- 3.4 All Designated Persons and their Immediate Relatives shall conduct their Trading in the Securities of the Company only during the Free Period and shall not Trade in the Securities of the Company during the Trading Window Closure Period or during such other period as may be specified by the Compliance Officer from time to time.
- 3.5 Designated Persons are prohibited from creating a pledge on the Securities of the Company held by them while in possession of UPSI. Creation or invocation of pledge is not allowed during 'Trading Window Closure Period'. However, the pledgor or pledgee may demonstrate that the creation of pledge or invocation of pledge was bona fide and prove their innocence.
- 3.6 Exercise of Stock Options shall not be considered to be "Trading" except for the purpose of disclosures of trading by the Insiders and hence the restriction relating to execution of contra trade for six months shall not apply to the shares arising out of exercise of stock options. However, other provisions of the Regulations and this Code shall apply to the sale of Securities so acquired by way of exercise of Stock Options.

**Some of the examples of doability of trades are provided below for the ease of understanding of what trading can and cannot be done**

- (i) If a Designated Person has sold any Securities, he can subscribe and exercise Stock Options at any time after such sale, without attracting contra trade restrictions as described in Clause 4.2 contained herein.

- (ii) Where a Designated Person acquires Securities by exercise of Stock Options and subsequently sells/pledges those Securities, such sale shall not be considered as a contra trade within the meaning of this Code and the Regulations.
  - (iii) Where a Designated Person who has purchased the Securities (say on August 01, 2015), acquires Securities later by way of exercise of Stock Options (say on September 01, 2015) and subsequently sells/pledges (say on October 01, 2015) the Securities so acquired by way of exercise of Stock Options, the sale will not be considered a contra trade. However, such Designated Person will not be able to sell the Securities purchased on August 01, 2015 during the period of six months from August 01, 2015.
  - (iv) Where a Designated Person who has sold Securities (say on August 01, 2015), acquires Securities later by way of exercise of Stock Options (say on September 01, 2015) the acquisition of Securities by way of exercise of Stock Options shall not be a contra trade. Further, such Designated Person can sell/pledge Securities so acquired at any time without attracting contra trade restrictions. Such Designated Person, however, will not be able to purchase further Securities (other than by way of exercise of Stock Options) during the period of six months from August 01, 2015 when he/she had sold Securities.
- 3.7** The 'contra-trade' restrictions as described under Clause 4.2 hereafter shall not apply to buy back offers, open offers, rights issues, FPOs, bonus, etc. if any, in the Securities of the Company.

#### **4. Pre-clearance of trades**

All Designated Persons and their Immediate Relatives who intend to Trade in the Securities of the Company shall pre-clear the Trades as per the pre-clearance procedure described hereunder. Same process shall be followed in case Designated Persons and their Immediate Relatives intend to pledge the Securities of the Company. The Designated Persons and their Immediate Relatives shall not apply for pre-clearance of any trade if they are in possession of UPSI even during the Free Period.

##### **4.1 Pre-Clearance Procedure**

An application for pre-clearance of trade shall be made to the respective Reporting Manager and the Compliance Officer through the Online Trade Approval System.

The Reporting Manager and Compliance Officer shall on receiving the application, acknowledge the same and may grant the approval. In case the Compliance Officer intends to Trade in the Securities of the Company, he shall make an application to the Group Chief Operating Officer through the Online Trade Approval System. The Compliance Officer shall retain records of all applications and approvals in electronic form.



## 4.2 Other restrictions

All Designated Persons and their Immediate Relatives 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 make fresh application for pre clearance of the trades again.

All Designated Persons and their Immediate Relatives cannot execute a contra trade i.e. an opposite transaction (for e.g. purchase if sold earlier; sell if purchased earlier) in the Securities of the Company during a period of six months following the prior transaction.

The Compliance Officer is empowered to grant relaxation from strict application of above restriction for reasons to be recorded in writing provided that such relaxation does not violate the Regulations. An application for this purpose shall be made to the Compliance Officer through the Online Trade Approval System. 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 SEBI for credit to the Investor Protection and Education Fund administered by SEBI.

Further, all Designated Persons and their Immediate Relatives are prohibited to enter into derivative contracts, if any, in the Securities of the Company.

## 5. Trading Plans

An Insider (as defined in the Regulations) shall be entitled to formulate a Trading Plan and present it to the Compliance Officer for approval and public disclosure as required under the Regulations. The trades may be carried out on behalf of such Insider in accordance with such plan as permitted under the Regulations.

Such Trading Plan shall:-

- i. not entail commencement of trading on behalf of the Insider earlier than six months from the public disclosure of the Plan;
- ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
- iii. entail trading for a period of not less than twelve months;

- iv. not entail overlap of any period for which another Trading Plan is already in existence;
- v. set out either the value of trades to be effected or the number of Securities of the Company to be traded along with the nature of the trades and the intervals at, or dates on which such trades shall be effected; and
- vi. not entail trading in Securities of the Company for market abuse.

The Compliance Officer shall review the Trading Plan to assess whether the Plan would have any potential for violation of the Regulations and shall be entitled to seek such express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the Plan.

The Trading Plan once approved shall be irrevocable and the concerned Insider shall mandatorily have to implement the Plan, without being entitled to either deviate from it or to execute any trade in the Securities outside the scope of the Trading Plan.

Any trading opted by a person under Trading Plan can be done only to the extent and in the manner disclosed in the plan, save and except for pledging of the Company's Securities.

Upon approval of the Trading Plan, the Compliance Officer shall notify the plan to the Stock Exchanges on which the Securities of the Company are listed.

## 6. Disclosure Requirements

The disclosures to be made by any person under this Clause shall include those relating to trading by such person's Immediate Relatives, and by any other person for whom such person takes trading decisions.

### 6.1 Initial Disclosures

Every promoter, key managerial personnel and the Directors of the Company shall disclose, in **Form A**, their holding of Securities in the Company as on the date of SEBI (Prohibition of Insider Trading) Regulations, 2015 taking effect, to the Company within 30 days of the Regulations taking effect, i.e., May 15, 2015.

Every person on appointment as a key managerial personnel or a Director of the Company or upon becoming a promoter shall disclose, in **Form B**, his holding of Securities of the Company as on the date of appointment or becoming a promoter/Designated Person, to the Company within 7 days of such appointment or becoming a promoter.

## 6.2 Continual Disclosures

1. Every promoter, employee and director of the Company and the Group Chief Operating Officer and Group's Senior Management Personnel shall disclose to the Company the number of Securities of the Company acquired or disposed of or pledged 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 ten lakh rupees or such other value as may be specified from time to time.
2. For the purpose of calculation of threshold for disclosures relating to pledge, the market value of the Company's Securities on the date of pledge/revocation of pledge transaction shall be considered. For instance, if the pledgor has availed a loan of Rs 10 Lakh against which he has pledged Securities worth Rs 15 Lakh, the value of transaction for the purpose of disclosure would be considered as Rs 15 Lakh.
3. The disclosures under this Clause shall be sent to the Compliance Officer of the Company in **Form C**.

## 6.3 Annual Disclosures

Every promoter, employee and director of the Company and the Group Chief Operating Officer and Group's Senior Management Personnel shall be required to forward an Annual Statement of their and their Immediate Relatives' holdings in Securities of the Company in **Form D** as on March 31 of each year before April 30 of that year.

## 6.4 Disclosure by the Company to Stock Exchanges

Within 2 Trading days of the receipt of the disclosure or becoming aware of such information under 6.2 above, the Compliance Officer shall disclose the information thus received to all Stock Exchanges on which the Company's Securities are listed.

## 6.5 Disclosure by other Connected Persons

The Compliance Officer may, at his discretion, require any other connected persons or class of connected persons to make disclosures of holdings and trading in Securities of the Company in such form and at such frequency as may be determined by the Compliance Officer in order to monitor compliance with this Code and the Regulations.

## 7. Contravention of the Code

In case it is observed that there has been a material violation of this Code or the Regulations, SEBI shall be informed of the same by the Company.

Any Director or Designated Person 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 Regulations.

CODE FOR PREVENTION OF INSIDER TRADING

**FORM A**

**SEBI (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (a) read with Regulation 6 (2) - Initial disclosure to the company]**

Name of the company: **JM Financial Limited** ISIN of the Company: **INE780C01023**  
**Details of Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

| Name, PAN, CIN/DIN & address with contact nos. | Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc) | Securities held as on the date of regulation coming into force              |     | % of Shareholding |
|--|--|---|-----|-------------------|
|  |  | Type of security (For e.g. - Shares, Warrants, Convertible Debentures etc.) | No. |                   |
| 1  | 2  | 3   | 4   | 5                 |

**Note:** "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Details of Open Interest (OI) in derivatives of the company held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2)**

| Open Interest of the Future contracts held as on the date of regulation coming into force |  |                               | Open Interest of the Option Contracts held as on the date of regulation coming into force |  |                               |
|---|--|-------------------------------|---|--|-------------------------------|
| Contract Specifications   | Number of units (contracts * lot size) | Notional value in Rupee terms | Contract Specifications   | Number of units (contracts * lot size) | Notional value in Rupee terms |
| 6   | 7                                      | 8                             | 9   | 10                                     | 11                            |

**Note:** In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:  
 Designation:  
 Date:  
 Place:

**FORM B**

**SEBI (Prohibition of Insider Trading) Regulations, 2015  
[Regulation 7 (1) (b) read with Regulation 6(2) - Disclosure on becoming a  
director/KMP/Promoter]**

Name of the company: JM Financial Limited ISIN of the Company: INE780C01023

**Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

| Name, PAN, CIN/DIN & Address with contact nos. | Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc.) | Date of appointment of Director /KMP OR Date of becoming Promoter | Securities held at the time of becoming Promoter/appointment of Director/KMP |     | % of Shareholding |
|--|---|---|--|-----|-------------------|
|  |   |   | Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.)   | No. |                   |
| 1  | 2   | 3   | 4  | 5   | 6                 |

*Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

**Details of Open Interest (OI) in derivatives of the company held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter of a listed company and other such persons as mentioned in Regulation 6(2).**

| Open Interest of the Future contracts held at the time of becoming Promoter/appointment of Director/KMP |  |                               | Open Interest of the Option Contracts held at the time of becoming Promoter/appointment of Director/KMP |  |                               |
|---|--|-------------------------------|---|--|-------------------------------|
| Contract specifications   | Number of units (contracts * lot size) | Notional value in Rupee terms | Contract specifications   | Number of units (contracts * lot size) | Notional value in Rupee terms |
| 7   | 8                                      | 9                             | 10  | 11                                     | 12                            |

*Note: In case of Options, notional value shall be calculated based on premium plus strike price of options*

Name & Signature:  
Designation:  
Date:  
Place:

**FORM C**

**SEBI (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7 (2) read with Regulation 6(2) -Continual disclosure]**

Name of the company: **JM Financial Limited**

ISIN of the Company: **INE780C01023**

**Details of change in holding of Securities of Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).**

| Name, PAN, CIN/DIN, & address with contact nos. | Category of Person (Promoters/ KMP / Directors/immediate relative to/others etc.) | Securities held prior to acquisition/disposal                              |                           | Securities acquired/Disposed   |     |       |  | Securities held post acquisition/disposal                                  |                           | Date of allotment advice/ acquisition of shares/ sale of shares specify |    | Date of intimation to company | Mode of acquisition / disposal (on market/public / rights/ preferential offer / off market/ Inter-se transfer, ESOPs etc.) |
|---|---|--|---------------------------|--|-----|-------|--|--|---------------------------|---|----|-------------------------------|--|
|   |   | Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.) | No. and % of shareholding | Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.) | No. | Value | Transaction type (Buy/Sale/Pledge/ Revoke/ Invoke) | Type of security (For eg. - Shares, Warrants, Convertible Debentures etc.) | No. and % of shareholding | From  | To |                               |  |
| 1   | 2   | 3  | 4                         | 5  | 6   | 7     | 8  | 9  | 10                        | 11  | 12 | 13                            | 14   |
|   |   |  |                           |  |     |       |  |  |                           |   |    |                               |  |

*Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.*

**Details of trading in derivatives of the company by Promoter, Employee or Director of a listed company and other such persons as mentioned in Regulation 6(2).**

| Trading in derivatives (Specify type of contract, Futures or Options etc) |                         |                |  |                |  | Exchange on which the trade was executed |
|---|-------------------------|----------------|--|----------------|--|--|
| Type of contract  | Contract specifications | Buy            |  | Sell           |  |  |
|   |                         | Notional Value | Number of units (contracts * lot size) | Notional Value | Number of units (contracts * lot size) |  |
| 15  | 16                      | 17             | 18                                     | 19             | 20                                     | 21                                       |
|   |                         |                |  |                |  |  |

*Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.*

Name & Signature:

Designation:

Date:

Place:

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**FORM D - ANNUAL DISCLOSURE**

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

The Compliance Officer  
JM Financial Limited  
7<sup>th</sup> Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400025

**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 i.e April 1, 20\_\_:

No. of shares of JM Financial Limited held at the end of the year i.e March 31, 20\_\_:

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

Name of Dependand:

PAN:

Relationship:

Folio No. / DP ID / Client ID:

No of shares of JM Financial Limited held at the beginning of the year i.e April 1, 20\_\_:

No. of shares of JM Financial Limited held at the end of the year i.e March 31, 20\_\_:

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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.