

JHAVERI CREDITS AND CAPITAL LIMITED

CODE OF PRACTICE AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION

FOR PREVENTION OF INSIDER TRADING

PURSUANT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA
(PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time (hereinafter referred to as “the Regulations”), have been laid down to prevent “Insider Trading”.

“Insider Trading” takes place when any person who is or was connected with the Company or deemed to have been connected with the Company and who has or can be reasonably expected to have access to Unpublished Price Sensitive Information (UPSI), deals in the securities of the Company on the basis of the Unpublished Price Sensitive information, informs, communicates, counsels or procures any Unpublished Price Sensitive information to any person should not deal in securities of the Company while in possession of such UPSI.

Such dealings may tend to cause the Insider to unfairly gain or unfairly avoid losses vis-à-vis the ordinary investors.

1. Purpose

As per Regulation 8(1) of the Regulations “The board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to these regulations, without diluting the provisions of these regulations in any manner”

This document reproduces the Code of Practices for Fair Disclosure of Unpublished Price Sensitive Information for the Prevention of Insider Trading as applicable to **Jhaveri Credits and Capital Limited** (“the Company”)

2. Definitions

1. Unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under

(a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(b) "Board" means the Securities and Exchange Board of India;

(c) "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;

(d) "Connected person" means,-

(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 recognised 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;

(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 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;

(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) "Promoter" shall have the meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 or any modification thereof;

(i) "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;

(j) "Specified" means specified by the Board in writing;

(k) "Takeover regulations" means the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and any amendments thereto;

(l) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly ;

(m) "Trading day" means a day on which the recognized stock exchanges are open for trading;

(n) "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; and
- vi. Material events in accordance with the listing agreement.

2. Words and expressions used and not defined in these regulations but defined in the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 (18 of 2013) and rules and regulations made thereunder shall have the meanings respectively assigned to them in those legislation.

3. Communication or procurement of unpublished price sensitive information.

1. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
2. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
3. An unpublished price sensitive information may be communicated, provided, allowed access to or procured, in connection with a transaction that would:—
 - (i) Entail 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 proposed transaction is in the best interests of the Company.

(ii) not attract 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 the proposed transaction 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.

4. For purposes of sub-clause (3) above, 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 purpose of sub-regulation (3), and shall not otherwise trade in securities of the Company when in possession of unpublished price sensitive information.

4. Prompt disclosure of unpublished price sensitive information

- a. Unpublished price sensitive information shall be given by the Company to stock exchanges and disseminated on a continuous and immediate basis to make the UPSI generally available. Selective information shall also be uploaded on the Company's website for its wider circulation.
- b. Company may also consider ways of supplementing information released to stock exchanges by improving Investor access to their public announcements.
- c. Company shall also ensure that such information is disseminated in a uniform and universal manner in order to avoid selective disclosures.
- d. The Compliance Officer shall ensure that the UPSI that gets disclosed selectively, advertently or otherwise, be made generally available.

5. Overseeing and coordinating disclosure

- a. The Compliance officer shall deal with dissemination of information and disclosure of unpublished price sensitive information.
- b. The officials shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and coordinating disclosure of unpublished price sensitive information to stock exchanges, analysts, shareholders and media and educating staff on disclosure policies and procedure.
- c. Information disclosure/dissemination may normally be approved in advance by the official designated for the purpose by the Compliance Officer.
- d. If information is accidentally disclosed without prior approval, the person responsible may inform the Compliance officer immediately, even if the information is not considered price sensitive.

6. Responding to market rumors

- a. The Company shall have clearly laid down procedures for responding to any queries or requests for verification of market rumors by exchanges.
- b. The official designated for corporate disclosure shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumors and then making the disclosure.

7. Timely Reporting of shareholdings or ownership and changes in ownership

Disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Securities Exchange Board of India Act, 2015 and the listing agreement shall be made in a timely and adequate manner.

8. Disclosure or dissemination of Unpublished Price Sensitive Information with special reference to Analysts, Institutional Investors

The Company should follow the guidelines given hereunder while dealing with analysts and institutional investors:

- a. Only Public information to be provided – The Company shall provide only public information to the analyst or research persons or large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.
- b. Recording of discussion - In order to avoid misquoting or misrepresentation, it is desirable that at least two Company representatives be present at meetings with Analysts, brokers or Institutional Investors and discussion should preferably be recorded.
- c. Handling of unanticipated questions – The Company should be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions may be taken on notice and a considered response given later. If the answer includes price sensitive information, a public announcement should be made before responding.
- d. Simultaneous release of Information - When the Company organizes meetings with analysts, the Company shall make a press release or post relevant

information on its website after every such meet. The Company may also consider live web casting of analyst meets.

- e. Making Transcripts or records of proceedings of Meeting with Analyst and other Investor Relations Conferences: The Company shall make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.

10. Medium of disclosure or dissemination

- a. Disclosure/dissemination of information may be done through various media so as to achieve maximum reach and quick dissemination.
- b. Company shall ensure that disclosure to stock exchanges is made promptly.
- c. Company may also facilitate disclosure through the use of their dedicated Internet website.
- d. Company websites may provide a means of giving investors a direct access to analyst briefing material, significant background information and questions and answers.
- e. The information filed by Company with exchanges under continuous disclosure requirement may be made available on the Company website

11. Dissemination by stock exchanges

- a. The disclosures made to stock exchanges may be disseminated by the exchanges to investors in a quick and efficient manner through the stock exchange network as well as through stock exchange websites.

- b. Information furnished by the companies under continuous disclosure requirements, should be published on the website of the exchange instantly.
- c. Stock exchanges should make immediate arrangement for display of the information furnished by the companies instantly on the stock exchange website.

12. Preservation of Price Sensitive Information:

- a. The Company shall handle all the Unpublished Price Sensitive Information strictly on "Need to Know Basis".
- b. Promoters, Directors, Key Managerial Personnel and Designated Persons should disclose UPSI only to those within the Company who need the information to discharge their lawful duties and whose possession of such information will not give appearance of misuse of the information ("Need to Know Basis").
- c. All the Employees acquiring the UPSI shall ensure that the disclosure is strictly on a Need to Know Basis. No Promoter, Director, Key Managerial Personnel, Designated Persons and other Employee shall pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of Securities of the Company.

13. Trading Plan:

Trading Plan gives an opportunity to the insider to plan the trades to be executed in future. It gives an option to persons who may be perpetually in possession of UPSI and enables them to trade in securities in a compliant manner as the trades had been pre-decided even before the UPSI came into being. There are certain additional duties of Compliance officer with respect to the reviewing, approving and monitoring the Trading Plan.

In terms of Regulation 5, the insider is provided with an option to trade in securities in a compliant manner in the following manner:

- a. An insider is entitled to formulate a trading plan which has to be approved by the Compliance Officer and a public disclosure of such plan has to be made.
- b. A Trading Plan can be commenced only after 6 months from the date of the public disclosure. Such a period is considered reasonably long for unpublished price sensitive information that is in possession of the insider when formulating the trading plan, to become generally available. However, this is only a statutory cool-off period and would not grant immunity from action if the insider were to be in possession of the same UPSI both at the time of formulation of the plan and implementation of the same.
- c. The Trading Plan should not entail / provide for the trades to be made from the twentieth trading day prior to the last day of the financial period for which the results are required to be announced and the second trading day after the disclosure of such financial results. The Trading Plan is envisaged to be an exception to the general rule prohibiting trading by insiders when in possession of Unpublished Price Sensitive Information, it is important that the trading plan does not entail trading for a reasonable period around the declaration of financial results as that would generate Unpublished Price Sensitive Information.
- d. The Trading Plan has to be made for a minimum period of at least 12 months.
- e. Only one Trading Plan can be made to cover the trades to be made in a particular period.

- f. The Trading Plan should set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- g. The Plan should not entail trading in securities for market abuse. For instance, in the event of manipulative timing of the release of Unpublished Price Sensitive Information to ensure that trading under a trading plan becomes lucrative in circumvention of regulation 4 being detected, it would be open to initiate proceedings for alleged breach of SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003.
- h. The Plan once approved by the Compliance Officer shall be irrevocable and the 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.
- i. Once the Trading Plan is approved, the Compliance Officer shall notify the plan to the stock exchanges on which the securities are listed.

14. Trading Window – opening and closing:

- 1. The trading window shall be, inter alia, closed at the time of:-
 - a) Declaration of Financial results (quarterly, half-yearly and annual)
 - b) Declaration of dividends (interim and final)
 - c) Issue of securities by way of public/ rights/bonus etc.
 - d) Any major expansion plans or execution of new projects
 - e) Amalgamation, mergers, takeovers and buy-back
 - f) Disposal of whole or substantially whole of the undertaking
 - g) Any changes in policies, plans or operations of the Company which is price sensitive.

2. The trading window shall be closed from the date of intimation of Board Meeting to Stock Exchange and shall be opened after forty-eight hours after the information becomes generally available
3. All Designated Persons shall conduct all their trading in the securities of the Company only during a valid trading window and shall not deal in any transaction involving the purchase or sale of the Company's securities during the periods when trading window is closed, as referred to in clause 14.2 or during any other period as may be specified by the Company from time to time.

Provided that:

- i. As regards closure of Trading Window in respect of other Price Sensitive Information of the Company, the Compliance Officer will decide and intimate to all concerned, the date of closure of Trading Window and re-opening thereof at the appropriate time.
- ii. The Compliance Officer may also declare that the Trading Window shall be closed for an additional period for specified Employees for a described period from time to time
- iii. Where the Company expects the Stock Exchange to maintain the confidentiality of any information intimated to the Stock Exchange, the Trading Window will open 48 hours after the information is made public by the Company.