

THE HINDUSTAN HOUSING COMPANY LIMITED

Regd. Office : Bajaj Bhawan, 2nd Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai - 400 021.

CIN:- L45200MH1934PLC002346

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CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS

Introduction

Pursuant to Regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a Code of Conduct to Regulate, Monitor and Report Trading by Insiders, as adopted by the Board of Directors of the Company at its meeting held on 28th May, 2015.

SEBI has vide Notification dated 31st December 2018, amended the SEBI (Prohibition of Insider Trading) Regulations, 2015 which will become effective from 1st April 2019. As required under the said Regulations, the Company has framed a Revised Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons (hereinafter referred to as the "Code") which has been approved and adopted by the Directors of the Company vide Circular Resolution dated 26th March, 2019. This Code shall supersede the earlier Code and shall be effective from 1st April 2019.

I. Definitions

- (a) "Compliance Officer" to administer the code of conduct and other requirements under the said Regulations means the Company Secretary of the Company and in his absence the Chief Financial Officer or any senior officer of the Company who is financially literate and is designated as such by the Board of Directors or the Chairman of the Company.
- (b) "Designated Person" - The Board of Directors/Chairman shall in consultation with the Compliance Officer specify the designated persons to be covered by the code of conduct on the basis of their role and function in the organisation and the access that such role and function would provide to unpublished price sensitive information in addition to seniority and professional designation and shall include:
- (i) Employees of the Company designated on the basis of their functional role or access to unpublished price sensitive information in the organization by their Board of Directors;
 - (ii) All Promoters of the Company;
 - (iii) In the absence of the Managing Director /Chief Executive Officer/Whole Time Director, Employees up to two levels below the Board of Directors of the Company irrespective of their functional role in the Company or ability to have access to unpublished price sensitive information;

- (iv) Any support staff of the Company such as IT staff or secretarial staff who have access to unpublished price sensitive information.
- (c) "Fiduciaries": Professional Firms, such as auditors, accountancy firms, law firms, analysts, insolvency professional entities, consultants, banks, etc. assisting or advising the Company shall be collectively referred to as fiduciaries under the said regulations:
- (d) "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;
- (e) "Insider" means any person who is:
 - i) a connected person; or
 - ii) in possession of or having access to unpublished price sensitive information;
- (f) "Legitimate Purpose" shall include sharing of unpublished price sensitive information in the ordinary course of business by an insider with partners, collaborators, lenders, customers, suppliers, merchant bankers, legal advisors, auditors, insolvency professionals or other advisors or consultants, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations.
- (g) "Trading" means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- (h) "Trading Day" means a day on which the recognised stock exchanges are open for trading;
- (i) "Unpublished Price Sensitive Information" 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 include but shall not be restricted to, information relating to the following: -
 - i. financial results;
 - ii. dividends;
 - iii. change in capital structure;
 - iv. mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions;
 - v. changes in key managerial personnel.

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- (j) Other terms not specifically defined here shall have the same meaning as assigned under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendments thereto.

II. Code

1. Reporting by Compliance Officer

The Compliance Officer shall report to the Board of Directors and in particular, shall provide reports to the Chairman of the Board of Directors, on a monthly basis or at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.

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

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.

Norms for appropriate Chinese Walls procedures & processes for permitting any designated person to 'cross the wall' 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 advise 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 confidential information on the basis of "need to know" criteria, under intimation to the compliance officer.
- vi. Confidentiality agreements may be obtained from the designated persons, if the circumstances deem it necessary.

3. Designated Persons

Designated persons and immediate relatives of designated persons in the organisation shall be governed by this code of conduct governing dealing in securities.

4. Trade Restriction periods

Designated persons may execute trades subject to compliance with these Regulations. Towards this end, a notional trading window shall be used as an instrument of monitoring trading by the designated persons. The trading window shall be closed when the Compliance Officer determines that a designated person or class of designated persons 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.

Trading restriction period will be made applicable from the end of every quarter till 48 hours after the declaration of financial results. However, in the case of the end of the financial year, trading restriction period will be made applicable for a period of 30 days or more before the declaration of financial results & will remain so till 48 hours after the declaration of the financial results.

The gap between clearance of accounts by Audit Committee and Board Meeting should be as narrow as possible and preferably on the same day to avoid leakage of material information.

5. Trading Window

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.

6. Pre-clearance & trades

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 trades is above a threshold limit of Rs.1,00,000/- in value over any calendar quarter, or such other limits as the Board of Directors may stipulate.

7. Declaration before pre-clearance

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.

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8. Execution after pre-clearance

Order in respect of securities shall be executed within seven trading days after approval is granted by the Compliance Officer, failing which fresh pre-clearance would be needed for the trades to be executed.

9. Contra trades

A designated person who is permitted to trade shall not execute a contra trade within a period of six 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 by the Company for remittance to SEBI for credit to the Investor Protection and Education Fund administered by SEBI under the SEBI Act. Steps will also be taken to recover the amount of profit earned by the concerned designated person by all available means.

However, contra trade restrictions shall not be applicable for trades pursuant to exercise of stock options.

10. Disclosure Responsibilities & formats

The code of conduct shall stipulate such formats as the Board of Directors deems necessary for making applications for pre-clearance, reporting of trades executed, reporting of decisions not to trade after securing pre-clearance, and for reporting level of holdings in securities at such intervals as may be determined as being necessary to monitor compliance with the said regulations.

Disclosure requirements shall be as under:

A. Initial Disclosures of holdings

Every promoter, member of promoter group, key managerial personnel and director of the company shall disclose (as per Form A) his holding of securities of the company as on the date of the said Regulations taking effect, to the company within thirty days of the Regulations taking effect;

Every person on appointment as a key managerial personnel or a director of the company or upon becoming a promoter or member of the promoter group shall disclose (as per Form B) his holding of securities of the company as on the date of appointment or becoming a promoter or member of the promoter group, to the company within seven days of such appointment or becoming a promoter or member of the promoter group.

B. Continual Disclosures of trades

Every promoter, member of promoter group, designated person and director of the company shall disclose to the company (as per Form C) the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified;

The Company shall within a period of two working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

- C. Every Insider shall disclose the off-market trades between Insiders (irrespective of any value) executed pursuant to Regulation 4(1)(i) of the Insider Trading Regulations within two working days (as per Form C).

The Company shall within a period of two working days from the date of receipt of such disclosures, inform the Stock Exchanges particulars of such trading.

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

- Application-cum-undertaking for pre-clearance (as per Form E)
- Reporting of holdings in securities by Designated Persons as on 31 March, on an annual basis by 10 April (as per Form F)

11. Particulars to be disclosed by Designated Persons

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 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 and cell numbers which are used by them

In addition, 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 to the extent possible.

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

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exclude relationships in which the payment is based on arm's length transactions.

12. Process for bringing people 'inside' on sensitive transactions

The Chairman of the Company shall decide in consultation with the Compliance Officer a process for how and when people are brought 'inside' on sensitive transactions. Individuals should be made aware of the duties and responsibilities attached to the receipt of Inside Information, and the liability that attaches to misuse or unwarranted use of such information.

13. Penalty for contravention of Code of Conduct

Without prejudice to the power of SEBI under the Act, the Chairman or any director authorised by the Board shall stipulate the sanctions and disciplinary actions, including wage freeze, suspension, recovery, claw-back etc. for the contravention of the code of conduct.

14. Information to SEBI

In case it is observed that there has been a violation of these regulations, the Compliance Officer shall inform SEBI promptly.

15. Applicability of Regulations 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.

This Code is subject to review from time to time.

For The Hindustan Housing Company Ltd.



(Vinaya Mehrotra)
Chairman



Mumbai: 26th March, 2019

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