

**Magma Housing Finance
(A Public Company with Unlimited Liability)**

To frame a Code of Conduct for Prevention of Insider Trading by employees, including the Directors and other Connected Persons, in relation to the securities of the Company

Code of Conduct for Prohibition of Insider Trading (A Code of Internal Procedure and Conduct to regulate, monitor and report trading by Insiders)

Effective Date: 23.07.2015

Approval Date: 23.07.2015

Version No.: 1.0

Approved By: Board of Directors

Code Owner: Company Secretary and Compliance Officer

This document is confidential in nature and supersedes any Code of Conduct for Prohibition of Insider Trading (A Code of Conduct to regulate, monitor and report trading by Insiders) existing in the Company, and should be read in conjunction with the most recent policies and procedures documented.

Subject: Code of Internal Procedure and Conduct for Prohibition of Insider Trading	Original Issue Date: 23.07.2015	Effective Date: 23.07.2015
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Base Document	:	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Initial Document Prepared by	:	Ms. Shabnum Zaman, Mr. Anand Roy
Functional aspects checked by	:	Ms. Shabnum Zaman
Governing Guideline/ Policy	:	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Legal aspects checked by	:	Mr. Anand Roy and Vinod Kothari & Co.

Code of Conduct for Prohibition of Insider Trading (A Code of Conduct to regulate, monitor and report trading by Insiders)

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SCOPE AND PURPOSE:

The Securities and Exchange Board of India repealed the erstwhile SEBI (Prohibition of Insider Trading) Regulations, 1992 and replaced it with the SEBI (Prohibition of Insider Trading) Regulations, 2015, on 15th January, 2015 (hereinafter referred to as the "Regulations") in terms of which **Magma Housing Finance (A Public Company with Unlimited Liability)** (hereinafter referred to as "Company") is required, inter alia, to frame a Code of Conduct for Prevention of Insider Trading (hereinafter referred to as "(Insider Code)") by employees of the Company, including the Directors and other connected persons, in relation to the Securities of the Company.

In line with the said Regulations, the following Insider Code has been adopted by the Board of Directors of the Company at its meeting held on 23 July, 2015 and thereafter modified from time to time:

Compliance to the Insider Code will be applicable from the day when the Regulations become effective.

APPLICABILITY

This Insider Code is applicable to all Designated Employees and their immediate relatives, connected persons, Promoter and Promoter Group of the Company.

DEFINITIONS

"Connected Persons" means any person who:

- a. 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; or
- b. 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, -
 - an immediate relative of Connected Persons specified in clause (a) above; or
 - a holding company or associate company or subsidiary company; or
 - an intermediary as specified in section 12 of Securities Exchange Board of India Act 1992 or an employee or director thereof; or
 - an investment company, trustee company, asset management company or an employee or director thereof; or
 - an official of a stock exchange or of clearing house or corporation; or
 - 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

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- 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
- an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- 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;

“Designated Employees” shall cover the following:

- All Directors, whether executive, non-executive or independent
- Chief Executive Officer (CEO), Chief Financial Officer (CFO);
- Chief Operating Officer (COO) and Company Secretary or any such equivalent position;
- Functional Heads, Senior Vice Presidents, Vice Presidents and Associate Vice Presidents; and
- Executive assistants to key managerial personnel
- Such other employees working in the inside areas as may be determined by the Company from time to time.

“Designated Persons” shall mean the Designated Employees and Connected Persons

“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. For the purpose of this code, the term Securities shall refer to the Non-Convertible Debentures of the Company which are listed.

“Promoter” and “Promoter group” shall have the same meaning assigned to them in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“SEBI” means Securities and Exchange Board of India

“Trading day” means a day on which BSE Limited and/or NSEIL are open for trading.

All the other terms used in the Insider Code shall have the same meaning as assigned to them under the Regulations.

COMPLIANCE OFFICER – AUTHORITY TO DELEGATE

Unless otherwise designated by the Board of Directors, the Company Secretary for the time being of the Company shall be deemed to be the Compliance Officer for the purpose of Insider Code. Compliance Officer can delegate his authority to any financially literate executive in the event of Compliance Officer on leave or is away from the registered office of the Company for a period of 7 days or more;

PROHIBITION ON TRADING IN SECURITIES OF THE COMPANY BY DESIGNATED PERSONS

- Designated Persons of the Company when in possession of any unpublished price sensitive information, as defined in the Regulations, pertaining to the Company, shall not:

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- Trade in Securities of the Company, either on their own behalf or on behalf of any other person, except provided otherwise.
 - Communicate, counsel, procure or allow access to any unpublished price sensitive information to/from any person, except in furtherance of a legitimate object or performance of duties.
- Designated Persons shall maintain the confidentiality of all unpublished price sensitive information. Designated Persons shall not pass on such information to any person directly or indirectly by way of making a recommendation for the trading in Securities.
- 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 insider's legitimate purposes, performance of duties or discharge of his legal obligations.

CHINESE WALL

- To prevent the misuse of confidential information, the Company shall adopt a "Chinese Wall" policy wherein, employees having access to Unpublished Price Sensitive Information shall be physically segregated from rest of the employees to the extent practicable and shall share the said information only on need-to-know basis.

TRADING WINDOW AND TRADING RESTRICTION

- The Non Convertible Debentures (Securities) of the Company are listed on wholesale debt segment. Wholesale Debt Market comprises of investors which are mostly Banks, Financial Institutions, Primary Dealers, Insurance companies, Mutual Funds, Corporates and Foreign Institutional Investors / Foreign Portfolio Investors. Designated Persons and their immediate relatives will not be able to trade in Wholesale Debt segment. The Compliance officer shall be authorised to take a view on requirement to close trading window, procedure for pre-clearance, minimum holding period, reporting requirements as and when the same becomes applicable. The Code shall be amended to that effect and be approved by Board.

DISCLOSURES

- Designated Employees and their immediate relatives, any person who is a Promoter or part of Promoter group (and any other Connected Person as may be required by the Company) shall make disclosures of Securities held in the Company by them to the Compliance Officer as on the date of these Regulations taking effect or as on the date of appointment as the case may be within thirty days of these Regulations taking effect or within seven days of appointment as the case may be in such format as may be specified by SEBI from time to time;

RECORDS

The Compliance Officer shall maintain records of all the declarations made in the appropriate form for a minimum period of 5 years.

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The Compliance Officer shall also maintain a record of the Designated Employees and any changes made in the list of the Designated Employees.

PENALTIES FOR CONTRAVENTION

- Persons governed by this Code who violate the provisions of this Code shall be subject to disciplinary action by the company which may include wage freeze, suspension, etc.
- In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015, then the same shall be informed by the Company to SEBI.

AUTHORITY TO MAKE ALTERATIONS

The Board of Directors are authorized to make such alterations to this Code as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

GENERAL

A copy of the Regulations is enclosed. Designated Persons are advised to peruse the Regulations carefully and acquaint themselves with all the provisions contained therein. The Compliance Officer will be available for clarification/assistance that may be necessary.

CHANGE CONTROL RECORD

Version No.	Change Request by	Memorandum of Change	Approval date