

Magma Housing Finance Limited

To follow best practices, duly compliant with Applicable Law, in the matter of disclosure of Unpublished price Sensitive Information

Code of Practices and Procedures for Fair Disclosure

Effective Date: 01.04.2019

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Version No.: 2.0

Approved By: Board of Directors

Code Owner: Compliance Officer

This document is confidential in nature and supersedes any Code of Practices and Procedures for Fair Disclosure existing in the Company, and should be read in conjunction with the most recent policies and procedures documented.

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Base Document	:	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto
Initial Document Prepared by	:	Ms. Priti Saraogi
Functional aspects checked by	:	Ms. Shabnum Zaman
Governing Guideline/ Policy	:	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto
Legal aspects checked by	:	Shabnum Zaman & Vinod Kothari & Co.

Magma Housing Finance Limited

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION FRAMED UNDER REGULATION 8(1) OF SECURITIES AND EXCHANGE BOARD OF INDIA (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

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1. INTRODUCTION

This document forms the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information adopted by Magma Housing Finance Limited (Magma/Company). This Code is consistent with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”). As per Regulation 8 read with Schedule A of the Regulations every listed company has to frame a **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information** (hereinafter referred to as the ‘**Code**’). The Regulation intends to require companies to disseminate ‘Unpublished Price Sensitive Information’ (hereinafter referred to as ‘**UPSI**’) universally and not selectively. This Code is intended to lay down principles and practices to be followed by the Company pertaining to universal disclosure of UPSI.

The Company intends to follow best practices, duly compliant with Applicable Law, in the matter of disclosure of UPSI. Accordingly the following Code was originally adopted by the Board of Directors of the Magma Housing Finance Limited [Formerly, Magma Housing Finance (A Public Company with Unlimited Liability)] (hereinafter referred to as ‘**Company**’), at its meeting held on 23 July, 2015. Further, in view of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, this Code has been reviewed by the Board at its meeting held on 08 May, 2019.

2. APPLICABILITY

This Code shall apply in relation to disclosure by the Company of UPSI. The scope-exceptions as given in Applicable Law shall be applicable for the purpose of this Code as well.

3. DEFINITIONS

- i. **“Applicable Law”** means the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 or any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications, circulars or other governmental instruction and/or mandatory standards and or guidance notes as may be applicable in the matter of trading by an Insider.
- ii. **'Company' means Magma Housing Finance Limited;**
- iii. **'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

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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 employees thereof; 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
- 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 banker of the company; 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;

iv. **“Chief Investor Relations Officer”** means the Chief Financial Officer or such senior officer of the Company appointed by the board of directors to deal with dissemination of information and disclosure of UPSI in a fair and unbiased manner.

v. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis.

vi. **“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;

vii. **“Insider”** means any person who is:

- a. a connected person; or
- b. in possession of or having access to unpublished price sensitive information;

Further, any person in receipt of unpublished price sensitive information pursuant to a Legitimate Purpose shall be considered as “Insider” for the purpose of these regulations.

viii. **“Selected Group of Persons”** means securities analysts or selected institutional investors, brokers and dealers or their associated persons, investment advisers and institutional managers, investment companies, hedge funds or any other person.

ix. **“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.

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- x. **"Trading"** means and includes subscribing, buying, selling, dealing, or agreeing to subscribe, buy, sell, deal in any securities, and "trade" shall be construed accordingly;
- xi. **"Trading day"** means a day on which BSE Limited and/or National Stock Exchange of India Limited are open for trading.
- xii. **"Unpublished Price Sensitive Information" (UPSI)** 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: –
 - a. financial results;
 - b. dividends;
 - c. change in capital structure;
 - d. mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - e. changes in key managerial personnel

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

4. SHARING OF UPSI FOR LEGITIMATE PURPOSE

- UPSI is in the nature of information relating to the Company, directly or indirectly, of precise nature that can have an impact on the prices of the securities of the Company if made public.
- Till the UPSI becomes a generally available information, UPSI can be shared only on a need-to-know basis and for legitimate purpose as provided hereunder and not to evade or circumvent the prohibitions of the Regulations
 - Sharing of relevant UPSI with consultants, advisors engaged by the Company in relation to the subject matter of the proposed deal/ assignment in relation to UPSI;
 - Sharing of relevant UPSI with intermediaries/ fiduciaries viz. merchant bankers, legal advisors, auditors in order to avail professional services from them in relation to the subject matter of the UPSI;
 - Sharing of relevant UPSI with persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants);
 - Sharing of relevant UPSI with persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the company's securities on the basis of such information
 - Sharing of relevant UPSI in case mandatory for performance of duties or discharge of legal obligations.

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- Before sharing of the UPSI, the concerned person sharing such UPSI shall comply with the requirements in relation to circumstances and procedure for bringing people 'Inside' as provided in Code of Conduct for prohibition of insider trading.
- The Compliance Officer in consultation with the Chief Financial Officer or Managing Director & Chief Executive Officer shall maintain record of the details of the recipients including their PAN, Address etc. of UPSI on legitimate purpose as per format provided in Annexure A including the following:
 - a. Whether the concerned UPSI is required to be shared?
 - b. Why the information is required by the recipient?
 - c. Who had shared the UPSI and whether he was authorised to do so?
 - d. Whether the Compliance Officer was intimated before such sharing of UPSI?
 - e. Whether non- disclosure agreements were signed?
 - f. Whether notice to maintain confidentiality of the shared UPSI has been given?

5. FUNCTIONS OF THE CHIEF INVESTOR RELATIONS OFFICER:

- Dealing with universal dissemination and disclosure of UPSI.
- Determination of questions as to whether any particular information amounts to UPSI.
- Determination of response, if any, of the Company to any market rumour in accordance with this Code.
- Dealing with any query received by any Insider about any UPSI.
- Providing advice to any Insider as to whether any particular information may be treated as UPSI.

If an Insider receives a query about any UPSI related to the Company, he shall not comment on the same and shall forward such query to the Chief Investor Relations Officer. The Chief Investor Relation Officer shall deal with such query in accordance with Applicable Law and this Code.

6. PRINCIPAL OF FAIR DISCLOSURE ADOPTED BY MAGMA

The Company shall ensure:

- Prompt public disclosure of UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
- Uniform and universal dissemination of UPSI to avoid selective disclosure.
- If an Insider 'selectively' discloses any UPSI to any person including the Selected Group then prompt disclosure of such information shall have to be made by the Chief Investor Relations Officer to the public. Such disclosure must be made not later than 48 hours after the Chief Investor Relations Officer learns that communication of such UPSI has taken place.

UPSI about the Company may be disclosed to:-

- persons for legitimate business purposes (e.g., attorneys, investment bankers or accountants).
- persons who have expressly agreed in writing to keep the information confidential, such as potential customers, other developers, joint venture partners and vendors, and not to transact in the Company's Securities on the basis of such information.

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- broad-based electronic, print, television and other media.

Subject to Applicable Law methods of public disclosure of information to ensure uniform distribution shall include either of the following:

- Distributing through Press Releases in newspapers or media including electronic media.
- Filing with the Stock Exchanges.
- Any other method that ensures wide distribution of the news such as webcasts and webinars.
- Uploading the information on the website of the company.

7. THIRD PARTY DEALINGS

The Chief Investor Relations Officer shall ensure that best practices of making 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 are developed by the Company.

The best practices shall include uploading the following information on the website of the Company-

- Any Power Point Presentation or similar material used by the analyst in such meeting on the website of the Company.
- Any earnings guidance or any other similar material distributed during press conference.
- Any material information about business plans of the company provided in response to analyst queries or during discussions in a meeting or any other information which may lead to price discovery has been shared.

In addition the following guidelines will be adopted by the company while dealing with Analysts/Institutional investors:-

- The Company will provide only public information to analysts/Research persons/large investors/Institutions.
- Atleast two officers of the Company will be present at the meetings with Analysts, Brokers, Institutional Investors and the discussions with them will be recorded, if deemed necessary
- Questions outside the intended scope of discussions by the Analysts will not be answered normally but the same may be taken on notice and a considerable response given later.
- Whenever the Company will organise meetings with analysts it will normally be followed by a press release and the same information will also be posted on the website of the Company. This will be simultaneously sent to the Stock Exchanges.

The information filed by the Company with the Stock Exchanges will also be made available on the website of the Company.

8. RUMOURS: VERIFICATION OF MARKET RUMOURS AND RESPONSE TO QUERIES

The Chief Investor Relations Officer shall provide appropriate and fair responses to queries in relation to UPSI including any news reports. A 'No Comment' policy must be maintained by the

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Company and the Chief Investor Relations Officer shall not comment on market rumours except when requested by regulatory authorities to verify such rumours.

9. NEED TO KNOW HANDLING OF UPSI:

Company shall handle UPSI only on a need to know basis. UPSI shall be provided only when needed for legitimate purposes, performance of duties or discharge of legal obligations. All insiders shall adhere to conditions of strict confidentiality and shall not share any UPSI except for the aforesaid purposes.

10. AUTHORITY TO MAKE ALTERATIONS/AMENDMENT

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. Further, every amendment to this Code shall be promptly intimated to stock exchanges where the securities are listed.

11. GENERAL

- 11.1 Words or phrases not defined here will have their respective meanings as per the SEBI Act and these Regulations.
- 11.2 This Code shall be posted on the website of the Company.

12. CHANGE CONTROL SHEET

Version No.	Change Request by	Memorandum of Change	Approval date
1.0	Secretarial	New Code adopted	23.07.2015
2.0	Secretarial	SEBI (Prohibition Of Insider Trading) Amendment Regulations 2019	08.05.2019

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ANNEXURE- A

Contents of Digital Database of recipients of UPSI

[See Regulation 3(4) and 3(5) of the SEBI (Prohibition of Insider Trading) Regulations, 2015]

Sl. No.	Name and category of the recipient	PAN	Address	Name of Immediate relative along with their PAN or of Affiliates, in case the recipient is an entity or company	Details of UPSI along with reason of sharing thereof	Name of the person who shared such UPSI	Whether NDA has been signed and Notice of confidentiality has been given?	Person making the entry	Remarks, if any

Note 1:

The categories of recipients shall include:

- a. Employees of the Company who are not Designated Persons (DPs);
- b. Persons who are neither employees nor DPs but may come into contact with the DPs and other insiders of the Company;
- c. Affiliates shall mean the promoter and promoter group, associates and JVs of the entity/ company.

Note 2:

- a. The database shall be maintained under the supervision of the Compliance Officer of the Company;
- b. The database shall be reviewed by the Compliance Officer on a periodic basis.