



Code of conduct
for
Prevention of insider trading

(Effective from January 23, 2021)

PRELIMINARY

This code shall be known as “**Code of Conduct for Prevention of Insider Trading of Hero Housing Finance Limited**” (“**Code**”) made voluntarily pursuant to applicable provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**PIT Regulations**”) and any other applicable laws, rules, statutes. This code is being framed with an aim that Directors & Designated Employees of the Company and their Dependents shall not derive any benefit or assist others to derive any benefit from the access to and possession of **Price Sensitive Information** about the Company which is not in the public domain and thus constitutes Insider Information.

DEFINITIONS

1. “**Code**” means this Code of Conduct for Prevention of Insider Trading including modifications made there to from time to time by the Company.
2. “**Company**” means Hero Housing Finance Limited
3. “**Compliance Officer**” means Compliance Officer of the Company and in his absence any other senior officer, designated so and reporting to the Board of Directors as mentioned in the Regulations provided that Compliance Officer shall be financially literate i.e. he/ she has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account and statement of cash flows.
4. “**Dealing in Securities**” means an act of subscribing, buying, selling or agreeing to subscribe, buy, sell or deal in securities of the Company either as principal or agent.
5. “**Designated Employee**” shall include:
 - a) Employees comprising Senior Associates and above;
 - b) the employees designated by the Company to whom these trading restrictions shall be applicable, keeping in mind the objectives of this Code of Conduct i.e.
 - i. Assistant Manager (old designations) and above in the Finance / Treasury / Information Technology / Legal / Human Resource / Analytics / Strategy / MD & CEO Office and the Compliance & Secretarial Department.
 - ii. Such other employee as may be determined and informed by the Compliance Officer from time to time.
6. “**Dependent**” means Spouse, dependent parents and dependent children of Directors and Designated Employees.
7. “**Declaration**” means any Disclosure given by the Director or Designated Employee of the Company in prescribed forms under this code.
8. “**Key Managerial Personnel**” means key managerial personnel as defined in the Companies Act, 2013 and includes (a) Chief Executive Officer; (b) Managing Director; (c) Manager; (d) Company Secretary; (e) Whole-Time Director; (f) Chief Financial Officer

9. **“Free period”** means any period other than prohibited period.
10. **“Insider”** means any person who, is or was connected with the Company or is deemed to have been connected with the Company, and who is reasonably expected to have access to unpublished Price Sensitive Information in respect of securities of Company or who has received or has had access to such unpublished Price Sensitive Information;
11. **“Insider Trading”** when insider uses unpublished Price Sensitive Information to arrive at securities trading (including buying as well as selling) decisions, the action is referred to as Insider Trading.
12. **“Material Financial Relationship”** means a relationship in which one person is recipient of any kind of payment such as by way of loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm ‘s length transactions.”
13. **“Price Sensitive Information”** means any information which relates directly or indirectly to a Company and which if published is likely to materially affect the price of securities of Company.

Explanation - The following shall be deemed to be Price Sensitive Information: -

- a) Periodical financial results of the Company;
 - b) Intended declaration of dividends (both interim and final);
 - c) Issue of securities or buy-back of securities;
 - d) Any major expansion plans or execution of new projects;
 - e) Amalgamation, mergers or takeovers;
 - f) Disposal of the whole or substantial part of the undertaking; and
 - g) Significant changes in policies, plans or operations of the Company.
14. **“Trading Window”** means the period during which a Director and Designated Employees may buy / sell the securities of the Company, subject to this Code and applicable SEBI rules / regulations / law.
 15. **“Securities”** shall have the meaning assigned to it under the Securities Contracts (Regulations) Act, 1956 or any modification thereof except units of a mutual fund,:

“Securities” include—

- i) shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of a like nature in or of any incorporated company or other body Corporate
 - a) Derivatives;
 - b) Security receipt as defined in clause (zg) of section 2 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
 - c) Units or any other such instrument issued to the investors under any mutual fund scheme
- (ii) Government securities; Such other instruments as may be declared by the Central Government to be securities; and
- (iii) Rights or Interest in securities;

Words denoting the singular shall include the plural and vice versa and words denoting masculine gender shall include reference to feminine or neuter gender

Words and expressions used and not defined in this code but defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or the Companies Act, 2013 and rules



and regulations made thereunder shall have the meanings respectively assigned to them in those legislation

Words and expressions not defined here shall have the same meaning as contained in SEBI (Prohibition of Insider Trading) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

APPLICABILITY

This code shall be applicable to and binding on all Directors and Designated Employees of the Company for dealing in securities.

COMPLIANCE OFFICER

The Company has designated Mr. Vikas Gupta, Company Secretary as the Compliance Officer for the purpose of this Code.

The Compliance Officer shall be responsible for setting forth policies and procedures and monitoring adherence to the rules for the preservation of price sensitive information, maintaining database containing details of Designated employees and details of such persons/ entities with whom price sensitive information, shared, pre-clearing of all Designated employees and their Dependents trades, monitoring of trades and implementation of this Code under the overall supervision of the Board of the Company.

The database shall be maintained internally as per provisions maintained in PIT regulations and shall not be outsourced. Database shall be preserved for a period of not less than eight years after completing of relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the digital database shall be preserved till the completion of such proceedings.

The Compliance Officer shall maintain a record of the designated employees and any changes made in the list of designated employees.

TRADING RESTRICTIONS

All Directors and Designated Employees of the Company shall be subject to trading restrictions as enumerated below:-

Trading Window

The Company shall specify a trading period, to be called “Trading Window”, for trading in the Company’s securities.

The Directors and Designated Employees of the Company shall not trade in the Securities of the Company when trading window is closed.

The trading window shall be, inter alia, closed at the time:-

1. Declaration of financial results (quarterly, half-yearly and annually).

2. Declaration of dividends (interim and final).
 3. Issue of securities by way of public/rights/bonus etc.
 4. Any major expansion plans or execution of new projects.
 5. Amalgamation, mergers, takeovers and buy-back.
 6. Disposal of whole or substantially whole of the undertaking.
 7. Any changes in policies, plans or operations of the Company.
 8. changes in Key Managerial Personnel;
- a) The Trading Window shall be closed from the 1st day immediately following the relevant calendar quarter till the conclusion of 48 hours after the information is made public or becomes generally available.
- b) Such other period as may be specified by the Compliance Officer from time to time in consultation with the Chairman & Managing Director of the Company.

All Directors and Designated Employees of the Company shall conduct all their dealings in the securities of the Company only in 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.

TRADING RESTRICTIONS

All Directors and Designated Employees and their dependents who intend to deal in the securities of the Company should seek pre-clearance of the transaction/trade as per the pre-dealing procedure as described hereunder.

Pre-clearance Procedure

An application for pre-clearance of trade may be made in the prescribed form (**Form 1**) to the Compliance Officer during valid Trading Window.

Such pre-clearance of trade would be applicable wherever any Designated Employee /his Dependent intends to deal in the Securities of the Company in excess of the minimum threshold limit of market value exceeding Rs. 5,00,000/- or 500 Securities whichever is less in one or more tranche in any one quarter. However, Directors of the Company have to pre-clear their all intended transactions irrespective of value or number of Securities involved. Trades of the Compliance Officer which require pre-clearance in terms of the above shall be approved by the Managing Director or Chief Executive Officer or in their absence by any Whole Time Director of the Company.

An undertaking in the prescribed form (**Form 2**) shall be executed in favour of the Company by such Directors and Designated Employee incorporating, inter alia, the following clauses, as may be applicable:

- a) That the employee/Director does not have any access or has not received "Price Sensitive Information" upto the time of signing the undertaking.
- b) That in case the employee/Director has access to or receives "Price Sensitive Information" after the signing of the undertaking but before the execution of the transaction, he/she shall inform the Compliance Officer of the change in his position and that he/she would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- c) That he/she has not contravened the Code of Conduct for prevention of Insider Trading as notified



by the Company from time to time.
d) That he/she has made a full and true disclosure in the matter.

Approval

The Compliance Officer shall process the pre-clearance applications and if pre-clearance application is in accordance and in compliance with provisions of this code, the Compliance Officer shall endeavor to communicate the pre-clearance immediately but not later than 48 hours from the time of receiving the application.

In case of trade by the Compliance Officer, the Compliance Officer shall obtain preclearance of trade from the Managing Director/Executive Director of the Company;

OTHER RESTRICTIONS

All Directors and Designated Employees and their dependents shall execute their order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, the employee/Director must pre-clear the transaction again.

All Directors and Designated Employees and their dependents who buy or sell any number of shares of the Company shall not enter into an opposite transaction i.e. sell or buy any number of shares during the next six months following the prior transaction.

In the case of subscription in the primary market (Initial Public Offers), the above mentioned persons shall hold their investments for a minimum period of 3 months. The holding period would commence when the securities are actually allotted.

In case the sale of securities is necessitated by personal emergency, the holding period may be waived by the Compliance officer after recording in writing his/her reasons in this regard.

An application in prescribed form (**Form 3**) for waiver of holding period shall be made to the Compliance Officer in the prescribed form.

REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

Furnishing of details of Securities

All Directors and Designated Employees of the Company shall be required to forward following details of their securities transactions including the statement of dependent family members to the Compliance Officer:

Initial Disclosure -

A. All Designated Persons shall be required to forward their details (including details of their

Dependents and persons with whom such Designated Person shares a Material Financial Relationship) and details of all holdings in Securities or voting rights held and positions taken in derivatives by such person to the Compliance Officer as per “ Form 4”.

- B. If any Director or Designated Employee acquires security of the Company subsequently, he/she shall make disclosure of such acquisition within 2 trading days of said acquisition to the Company in prescribed form (**Form 4**).

Continual Disclosure

- A. Director or Designated Employee of the Company shall disclose to the Company the number of such Securities acquired or disposed of within 2 trading days of such transaction. (Form5)
- B. Details of Dependents and persons with whom they have Material Financial Relationship in “Part II of Form HFC4”, as prescribed in Code within 30 days from the end of financial year and within seven days for any change therein.

Annual Disclosure

The Director and Designated Employee of the Company shall disclose annually the number of securities held by them or their dependents as on last date of the financial year latest by 15th April every year in prescribed form (**Form 6**).

Records

The Compliance Officer shall maintain records of all the declarations in the appropriate form given by the Directors and Designated Employees for a minimum period of Five years.

The Compliance Officer shall place before the Joint Managing Director & CEO on a quarterly basis all the details of the dealing in the securities by Director and Designated Employee of the Company and the accompanying documents that such persons had executed under the pre-dealing procedure as envisaged in this code.

PENALTY

Any Director or Designated Employee of the Company who trades in securities or communicates any information for trading in securities in contravention of the Code of Conduct may be penalised and appropriate action may be taken by the Company.

Director and Designated Employee of the Company who violate the Code of Conduct shall also be subject to disciplinary action by the Company, which may include wage freeze, suspension, ineligible for future participation in employee stock option plans, etc.

The action by the Company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Information to SEBI in case of violation of
SEBI (Prohibition of Insider Trading) Regulations, 2015

In case it is observed by the Company/Compliance Officer that there has been a violation of SEBI (Prohibition of Insider Trading) Regulations, 2015 SEBI shall be informed by the Company.



Code of corporate disclosure practices for Prevention of insider trading

(As approved by the Board of Directors of the Company at its Meeting held on January 23, 2021)

PRELIMINARY

This Code is being framed voluntarily with an aim to ensure timely and adequate disclosure of price sensitive information and the manner in which the price sensitive information shall be given by Hero Housing Finance Limited to statutory authorities, if required and disseminate on a continuous and immediate basis.

OVERSEEING AND CO-ORDINATING DISCLOSURE

The Company has designated Mr. Vikas Gupta, Company Secretary as the Compliance Officer for the purpose of this Code. The Compliance Officer shall be responsible for ensuring that the Company complies with continuous disclosure requirements, overseeing and co-coordinating disclosure of price sensitive information to statutory authorities, analysts, shareholders and media and educating staff on disclosure policies and procedure.

All disclosure or dissemination of any information (except disclosure required to be made under any law / statute) on behalf of the Company **may be approved in advance by the Compliance Officer.**

In case the information is accidentally disclosed without prior approval, the person responsible shall inform immediately to the Compliance Officer, even if the information is not considered price sensitive.

RESPONDING TO MARKET RUMOURS

All the queries or requests for verification of market rumours by exchanges shall be directed to the Compliance Officer. The Compliance Officer on receipt of such requests shall consult with the Managing Director of the Company and shall respond to the same without delay.

The Compliance Officer in consultation with the Managing Director for deciding whether a public announcement is necessary for verifying or denying rumours and then making such disclosure.

TIMELY REPORTING OF SHAREHOLDING/OWNERSHIP AND CHANGES IN OWNERSHIP

The Compliance Officer shall be responsible for ensuring that disclosure of shareholdings/ownership by major shareholders and disclosure of changes in ownership as provided under any Regulations made under the Act and the listing agreement shall be made in a timely and adequate manner.

DISCLOSURE/DISSEMINATION OF PRICE SENSITIVE INFORMATION WITH SPECIAL REFERENCE TO ANALYSTS, INSTITUTIONAL INVESTORS

All Directors, Employees and Authorised persons of the Company should follow the guidelines given hereunder while dealing with Analysts and Institutional Investors:

- (i) Only Public information to be provided – The Directors, Employees or any other Authorized person shall provide only public information to the analyst/research persons/large investors like institutions. The Compliance Officer shall ensure that in case any non-public information is provided to the analyst, the same should be simultaneously made public at the earliest.
- (ii) Recording of discussion – The Compliance Officer or any other authorized person may attend all the meetings with Analysts, brokers or Institutional Investors. The Compliance Officer in order to avoid misquoting or misrepresentation, shall preferably arrange for recording the discussion at the meeting.
- (iii) Handling of unanticipated questions – The Compliance Officer shall be careful when dealing with analysts' questions that raise issues outside the intended scope of discussion. Unanticipated questions shall be noted by the Compliance Officer and be responded later after consultation with Managing Director. If the answer includes price sensitive information, a public announcement should be made before responding to the same.
- (iv) Simultaneous release of Information – Whenever the Company proposes to organize meetings with analysts etc. the Compliance Officer shall ensure to make a press release or post relevant information on its website after every such meet. The Company may also consider live webcasting of analyst meets.

MEDIUM OF DISCLOSURE / DISSEMINATION

The Company shall ensure that

- a) Disclosure/dissemination of information is being done through various media so as to achieve maximum reach and quick dissemination;
- b) Disclosure to stock exchanges are made promptly;
- c) Disclosure may also be facilitated through the use of its dedicated Internet / website;
- d) Its 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 with exchanges under continuous disclosure requirement shall be made available on the Company's website.

DISSEMINATION BY STOCK EXCHANGES

- (i) 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.
- (ii) Information furnished by the Companies under continuous disclosure requirements, should be published on the website of the exchange instantly.
- (iii) Stock exchanges should make immediate arrangement for display of the information furnished by the Companies instantly on the stock exchange website.

APPLICATION FOR PRE-CLEARANCE OF TRADE IN SECURITIES

The Compliance Officer
Hero Housing Finance Limited

Pursuant to the Company's Code of Conduct for the prevention of Insider Trading and Code of Corporate Disclosure Practices, I seek approval for purchase/sale/subscription of the Securities of the Company as per details given below:

1	Name of the Applicant	
2	Designation	
3	Employee Code and Department	
4	No. & value of securities held (including the dependent members) as on the date of application	
5	Folio No. / DPID & Client ID	
6	Nature of transaction [Purchase / subscription / sale/Others (pls specify)]	
7	Proposed date of transaction	
8	Estimated number of securities to be dealt	
9	Price at which transaction is proposed	
10	Current Market Price (as on the date of application)	
11	Aggregate value of the Transaction(Rs.) (approx.)	
12	Name of the dependent and relation, if the transaction is in the name(s) of the dependent(s)	
13	Previous approval No. and date of purchase/allotment	

Place:

Date: _____

(Signatures)

Name:

Designation:

UNDERTAKING

In relation to the Dealing in Shares of the Company, I undertake that:

- a) I have no access to nor do I have any information that could be construed as "Price Sensitive Information" as defined in the Code upto the time of signing this undertaking;
- b) In the event that I have access to or received any information that could be construed as "Price Sensitive Information" as defined in the Code, after the signing of this undertaking but before executing the transaction for which approval is sought, I shall inform the Compliance Officer of the same and shall completely refrain from dealing in the securities of the Company until such information becomes public;
- c) I shall hold the Shares for a minimum period of 6 months from the date of purchase and shall not enter into opposite transaction within 6 months/I have complied with the requirement of the minimum holding period of 6 months with respect to shares sold.
- d) I have not contravened the provisions of the code of conduct for prevention of insider trading as notified by the Company from time to time;
- e) I have made full and true disclosure in the matter.
- f) I hereby declare that I shall execute my order in respect of securities of the Company within one week after the approval of pre-clearance is given. If the order is not executed within one week after the approval is given, I undertake to obtain preclearance for the transaction again.

Place:

Date: _____

(Signatures)

Name & Designation

FOR OFFICE USE ONLY	
Serial number of the application Received	
Date and Time of receipt of the application	
Date & Time of Communication of the pre-clearance/rejection	
Reasons for not giving pre-clearance	



Form 3

APPLICATION FOR WAIVER OF MINIMUM HOLDING PERIOD

Date _____

The Compliance Officer,
Hero Housing Finance Limited

Dear Sir,

I request you to grant me waiver of the minimum holding period of Six Months as required under the Code of Conduct for prevention of insider trading with respect to _____ shares of the Company held by me / _____ (name of the dependent) singly / jointly acquired by me on _____ (date). I desire to deal in the said shares on account of _____ (give reasons).

Thanking you.

Yours faithfully

(Signatures)

Name

Designation

INITIAL DISCLOSURE

The Compliance Officer,
Hero Housing Finance Limited

Date _____

PART I
A. DETAILS OF SHAREHOLDING OF DIRECTOR / DESIGNATED EMPLOYEE HELD IN HIS OWN NAME

Name, address, PAN, email id, Contact number	Designation	Date of Joining	Date of becoming designated employee	No. of Shares held	Folio No. / DP ID / Client ID

PART II
B. DETAILS OF SHARES HELD BY DEPENDENTS

Name address, PAN, email id, Contact number of the Dependent	Relationship	No. of Shares held	Folio No. / DP ID / Client ID

C. Details of Persons with whom there if Material Financial Relationship

Name address, PAN, email id, Contact number of the Dependent	Relationship	Folio No. / DP ID / Client ID

“Material Financial Relationship” means a relationship in which one person is a recipient of any kind of payment such as by way of a loan or gift from a designated person during the immediately preceding twelve months, equivalent to at least 25% of the annual income of such designated person but shall exclude relationships in which the payment is based on arm’s length transactions.

Name & Signature

CONTINUAL DISCLOSURE / DISCLOSURE OF CHANGE IN HOLDING

The Compliance Officer,
Hero Housing Finance Limited

Date _____

A. DETAILS OF CHANGE IN SHAREHOLDING OF DIRECTOR / DESIGNATED EMPLOYEE HELD IN HIS OWN NAME

Name	Designation	Folio No. / DP ID / Client ID	Date of Transaction	No. of Shares held before the Transaction	Purchase / (Sale) (Current Transaction)	No. of Shares held after the Transaction	Whether approval obtained	Date & No. of Approval

B. DETAILS CHANGE IN SHAREHOLDING HELD BY DEPENDENTS

Name of the Dependent	Relationship	Folio No. / DP ID / Client ID	Date of Transaction	No. of Shares held before the Transaction	Purchase / (Sale) (Current Transaction)	No. of Shares held after the Transaction	Whether approval obtained	Date & No. of Approval

I / we declare that I / we have complied with the requirement of the minimum holding period of 6 months with respect to shares sold

Name & Signature



Form 6

ANNUAL DISCLOSURE

Employee Code: _____

Designation: _____

Email: _____

The Compliance Officer,
Hero Housing Finance Limited

Date _____

A. DETAILS OF SHAREHOLDING OF DIRECTOR / DESIGNATED EMPLOYEE HELD IN HIS OWN NAME

Name	PAN	Folio No. / DP ID / Client ID	No. of Shares held on April 1, 20	No. of Shares bought during the year	No. of Shares sold during the year	No. of Shares Held on March 31, 20

B. DETAILS OF SHAREHOLDING OF DEPENDENTS OF DIRECTOR / DESIGNATED EMPLOYEE PAN/Relationship*

I / we declare that I / we have complied with the requirement of the minimum holding period of 6 months with respect to shares sold.

I / we declare that the above disclosure is true and correct and is in accordance with the previous disclosure given to the Company.

* PAN/Relationship Mandatory

Name & Signature