



**Dewan Housing Finance Corporation Limited**

**Corporate Identification Number (CIN) - L65910MH1984PLC032639**

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# **DHFL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

## **DHFL CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

### **1. INTRODUCTION :**

Pursuant to Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, (**hereinafter referred to as “Insider Trading Regulations”**) the Board of Directors of the Company at its meeting held on April 29, 2015 approved the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information”, which shall come into force with effect from May 15, 2015. The objective of the Code is to formulate a standard and stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities. The Code is based on the principles of equality of access to information and the publication of policies such as those on dividend, inorganic growth pursuits, calls and meetings with analysts and the publication of transcripts of such calls and meetings.

This Code shall be called as the “DHFL Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information”. (**‘Code’**)

### **2. THE PRINCIPLES AND OBLIGATION:**

The Company endeavors to preserve the confidentiality of Unpublished Price Sensitive Information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all the applicable laws and regulations.

Every insider (Promoter/ Director/ Employee. etc.) who deals with Unpublished Price Sensitive Information has a duty to safeguard the confidentiality of all such information obtained in the course of performance of his or her duties in the Company. There shall be no selective disclosure of information and the Company and insider shall endeavor to ensure equal accessibility of Unpublished Price Sensitive Information to all the stakeholders associated with the Company.

### **3. DEFINITIONS:**

In this Code unless the context otherwise requires:

- a. **'Act'** means the Securities and Exchange Board of India Act, 1992 (15 of 1992).
- b. **"Board"** means the Board of Directors of Dewan Housing Finance Corporation Limited.
- c. **"Companies Act"** means the Companies Act, 2013 and rules made thereunder and Companies Act, 1956 (1 of 1956) to the extent applicable.
- d. **"Compliance Officer"** means the officer appointed by the Board for the purpose of compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for preservation of Unpublished Price Sensitive Information, monitoring of trades and the implementation of this Code as well as the provisions of SEBI (Prohibition of Insider Trading) Regulation, 2015 as amended from time to time, under the overall supervision of the Board.

- e. **“Connected person”** means 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.
- f. **“Deemed to be connected persons”** shall mean the persons falling within the following categories unless the contrary is established, -
- (i). an immediate relative of connected persons or
  - (ii). a holding company or associate company or subsidiary company; or
  - (iii). an intermediary as specified in section 12 of the Act or an employee or director thereof; or
  - (iv). an investment company, trustee company, asset management company or an employee or director thereof; or
  - (v). an official of a stock exchange or of clearing house or corporation; or
  - (vi). 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
  - (vii). 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
  - (viii). an official or an employee of a self-regulatory organization recognized or authorized by the Board; or
  - (ix). a banker of the company; or
  - (x). 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
- g. **“Generally available information”** means information that is accessible to the public on a non-discriminatory basis;
- h. **“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;
- i. **“Insider”** means any person who is
- i) a connected person (includes deemed to be connected person); or
  - ii) in possession of or having access to unpublished price sensitive information; or
  - iii) person who has unpublished price sensitive information pursuant to a legitimate purpose
- j. **“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 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; and
  - v. changes in key managerial personnel;

#### **4. POLICY**

- i. The Company shall make prompt public disclosure of Unpublished Price Sensitive Information such as decision on dividend payment, acquisition, amalgamation, restructuring etc; and such other information that would impact price discovery, as soon as credible and concrete information comes into being and will make the same information generally available by way of making an appropriate disclosure to the Stock Exchange(s) on which the Company's shares are listed.
- ii. The Company shall ensure that Unpublished Price Sensitive Information is disseminated uniformly and universally and shall avoid selective disclosure.
- iii. The Company has designated a Chief Investor Relations Officer who shall be responsible for dealing with dissemination of information and disclosure of Unpublished Price Sensitive Information. He 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.

The Chief Investor Relations Officer, as may be required, shall in consultation with the Chairman and Managing Director for the purposes of making prompt dissemination and disclosure of Unpublished Price Sensitive Information, co-ordinate with the Compliance Officer for making appropriate disclosures to the Stock Exchanges(s).

- iv. If any Unpublished price sensitive information is disclosed selectively, inadvertently or otherwise, the Chief Investor Relations Officer on having knowledge of such partial dissemination shall upload the information on the website of the Company and if required intimate to the Stock Exchange(s) to ensure that the Unpublished Price Sensitive Information is generally available.
- v. The Company shall ensure at all times that appropriate and fair response to queries on news reports are made and requests for verification of market rumors by regulatory authorities are provided promptly. However, the Company shall not be under an obligation to respond to speculative news/press reports.

If the media reports carry such information which is largely accurate and the information underlying the speculation or rumour or news/press report is based on insider information, which has been leaked, the Company shall ensure to respond to the same to make such information generally available.

If the market information or news/press report is false or inaccurate, the Company is not under an obligation to make any announcement / negative disclosures. However, if the Stock Exchange(s) were to make a query to clarify the position, the Company shall make a formal announcement to the Stock Exchange(s) and shall not selectively disclose any information / make a negative disclosure.

- vi. The Company shall ensure that during meetings/calls/interactions with the analysts and research personnel, no such information which is Unpublished Price Sensitive Information is shared with them selectively.

- vii. The Company shall strive to develop best practices to make transcripts or records of proceedings of official meetings with analysts and other investor relations conference(s) on the Company's website to ensure official confirmation and documentation of disclosures made.
- viii. The Company shall ensure that the Unpublished Price Sensitive Information is being handled on a "need to know" basis. The Company shall ensure that the Unpublished Price Sensitive Information is being disclosed or communicated only to such person(s) who needs to know or needs to have access to such information for furtherance of legitimate purposes, performance/discharge of respective duties or discharge of legal / contractual obligation and such possession of Unpublished Price Sensitive Information will not give rise to any conflict of interest or misuse of such information.

The Company while disclosing the Unpublished Price Sensitive Information on a need to know basis to any person (s) shall appropriately communicate to such person(s), being in possession of Unpublished Price Sensitive Information to ensure that he/she shall:

- a. not misuse the unpublished price sensitive information in his/her possession.
- b. not communicate any Unpublished Price Sensitive Information as in his/her possession to any other insider or outside entity.
- c. report to the Chief Investor Relations Officer/Compliance Officer, misuse of Unpublished Price Sensitive Information as noticed by him/her with appropriate evidence supporting the same.

In case, the Unpublished Price Sensitive Information is being disclosed to person(s) who is not an employee of the Company, apart from complying with point a, b and c above, such person(s) shall also be required to enter into a Confidentiality Agreement with the Company in the format as may be prescribed by the Company.

- ix. The Company shall also ensure that the physical files containing confidential information are kept protected and secured and further ensure that the Computer files containing confidential information have adequate secured systems which adhere to generally accepted secured procedures like login id, password, etc., at all times.
- x. The Company shall ensure, at all times that the confidential files/information (both physical and electronic) are protected and kept secured which adhere to the generally accepted secured systems.

## POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

**Pursuant to the Insider Trading Regulations, the Board of Directors of the Company has formulated the policy for determination of legitimate purposes and it is a part of this Code.**

- Term “legitimate purpose” shall mean and 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.
- Any term used herein in this Policy for Determination of Legitimate Purposes and not defined specifically shall have the meaning as defined under the DHFL Code of Conduct for Prohibition of Insider Trading.
- Insider can share UPSI for the legitimate purpose with following person(s) subject to the approval of the Chairman and Managing Director or President – Retail Liability:
  - i) Business Partners;
  - ii) Lenders;
  - iii) Customers;
  - iv) Suppliers;
  - v) Merchant bankers, in case of any transaction with the Company;
  - vi) Legal advisors to the Company;
  - vii) Auditors such as Statutory Auditors, Secretarial Auditors etc.;
  - viii) Other advisors and consultants in normal course of business; etc.
- Any Insider may share UPSI for the business purpose or transaction with any of above mentioned person(s), subject to execution of confidentiality agreement with such person(s) and such person(s) has adopted the relevant code of conduct as applicable to it pursuant to Insider Trading Regulations and confirmation that he will not share UPSI with any unauthorized person(s).
- Insider including any person(s) with whom UPSI is shared, shall be instructed not to trade in securities of the Company when in a possession of UPSI. If any Insider trades in securities of the Company with having possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information in his possession.
- Person(s) with whom UPSI is shared, shall be required to share information / details as per the Annexure-2 of DHFL Code of Conduct for Prohibition of Insider Trading.
- If it comes to the knowledge of the Company that such person(s) is misusing UPSI for personal gain or otherwise then the Company shall initiate necessary action against such person.
- All the restrictions applicable to Insider as per the Insider Trading Regulations or DHFL Code of Conduct for Prohibition of Insider Trading shall be applicable mutatis mutandis to the person(s) with whom UPSI is shared.

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