

CODE OF CONDUCT

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1. PREAMBLE

This Code of Conduct (hereinafter also referred to as the "Code") serves as a set of standards, values and guidelines for Directors and Senior Management personnel of the Company so as to promote ethical behaviour and provide guidance to help them recognize and deal with ethical issues in pursuit of Company's goals and objectives from time to time.

This Code is not exhaustive and does not cover every issue that may arise or every situation where ethical decisions must be made rather set forth broad guiding principles to deal with them.

This Code is applicable with effect from 1st January 2006.

The Board of Directors (the "Board") of HB Portfolio Limited (the "Company" or "HBPL") in their meeting held on 27th May, 2014 suitably amended this Code of Conduct as per the requirement of amended Clause 49 of the Listing Agreement (effective from 01st October, 2014) entered into by the Company with the Bombay Stock Exchange (BSE).

This Code has been suitably amended and re-adopted by the Board of Directors in their meeting held on 10th February, 2016 in terms of Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) which came into force w.e.f 01st December, 2015.

2. APPLICABILITY

This Code of conduct is applicable to all

- Directors;
- Senior Management Personnel;
- Functional Heads;
- Any other employee or officer of the Company who has the opportunity to materially influence the integrity, strategy and operation of the business and financial performance of the Company;

****** As required under the Listing Regulations, all members of the Board of Directors, Senior Management Personnel, Functional heads, employees, officers, to whom the code applies, shall affirm compliance with this Code of Conduct on an annual basis.

3. *DUTIES OF INDEPENDENT DIRECTORS

The independent directors shall:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

**Incorporated with approval of the Board of Directors in their meeting held on 27th May, 2014.*

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- (5) strive to attend the general meetings of the Company;

- (6) where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the Company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- (10) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics Policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

4. CONFLICT OF INTERESTS

All Directors and the employees to whom this Code applies shall conduct themselves in an honest and ethical manner and act in the best interest of the Company and shall endeavour to avoid actual or apparent conflicts of interest with that of the Company in personal and professional relationships.

Generally, a conflict of interest occurs when a director's/employee's personal interest interferes or has the potential to interfere, or appears to interfere materially with the interests or business of the Company; or the ability of the director/employee to carry out his or her duties and responsibilities objectively and effectively.

Although it would not be possible to visualize and enumerate here each and every situation in which a conflict of interest may arise, the following situations illustrates where conflict of interest arises:

- Working, in any capacity, for a competitor, customer, supplier or other third party while employed by the Company.
- Accepting gifts of more than modest value or receiving personal and exclusive discounts (if such discounts are not generally offered to the public) or other benefits as a result of the position in the Company from a competitor, customer or supplier.
- Having an interest in a transaction involving the Company, a competitor, customer or supplier (other than as an employee, officer or director of the Bank and not including routine investments in publicly traded companies).
- Receiving a loan or guarantee of an obligation as a result of the position with the Company.
- Directing business to a supplier owned or managed by, or which employs, a relative or friend.

In the event that an actual or apparent conflict of interest arises between the personal and professional relationship or activities of an employee, officer or director, the employee, officer or director involved is required to handle such conflict of interest in an ethical manner in accordance with the provisions of this Code.

5. CORPORATE OPPORTUNITIES

In carrying out their duties and responsibilities, directors and the employees to whom this Code applies, should endeavour to advance the legitimate interests of the Company when the opportunity to do so arises. Accordingly they should avoid: (a) taking for themselves personally opportunities that are discovered in carrying out their duties and responsibilities to the Company; (b) using Company property or information, or their position for personal gain; and (c) competing with the Company, in each of the foregoing cases, to the material detriment of the Company.

6. FAIR DEALING

Each person to whom this Code applies shall deal fairly with customers, suppliers, competitors, the public and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No payment in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favourable action.

Occasional business gifts to and entertainment of non-employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of the Company's business. However, extending of such gifts should be infrequent and their value should be modest. Gifts or entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.

7. PROTECTION AND PROPER USE OF COMPANY'S ASSETS

It is the duty and responsibility of each person to whom the provisions of this Code extend, to protect Company's assets and resources from any loss, theft or misuse. Any suspected loss, misuse or theft should be promptly brought to the notice of the higher management for taking appropriate action. The Company's assets and resources shall be applied and used only for the legitimate business purposes of the Company.

8. LEGAL COMPLIANCES

The Company is committed to conduct its business operations with integrity and in full compliances of all legal and regulatory requirements. Accordingly no employee, officer or director of the Company shall commit an illegal or unethical act or instruct others to do so for any reason.

9. TRADING ON INSIDER INFORMATION

Using non-public information to trade in securities of the Company, or providing a family member, friend or any other person with a "tip", is illegal. All non-public information should be considered insider information and should never be used for personal gain.

The Board of Directors of the Company has already put in place a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, copies of which have been circulated / distributed to all applicable employees, officers and directors. Accordingly all the Officers, employees and directors shall continue to adhere and follow the provisions of the said Code of Conduct for Insider Trading as amended by the Board from time to time.

10. CONFIDENTIALITY

All persons to whom this Code applies should observe the confidentiality of information that they acquire in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated. Confidential information includes, but is not limited to, all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. Of special sensitivity is financial information, which should under all circumstances be considered confidential.

11. COMPLIANCE WITH THIS CODE AND REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

It is the responsibility of each employee, officers and directors to whom this Code applies to strictly adhere and comply with the guiding principles and provisions contained herein and to report to appropriate higher authorities, Audit Committee or Board of Directors as the case may be, as and when any instance of violations or unethical conduct is noticed.

12. *WAIVERS AND AMENDMENTS

Any waiver of, or amendment to, the requirements of this Code shall be authorised by the Board of Directors from time to time in line with the requirement of the SEBI Guidelines, applicable law, rules, regulations etc. which may be amended and applicable from time to time.

13. **DISCLOSURE

This Code shall be disclosed on the Company's website, www.hbportfolio.com

**Amended with approval of the Board of Directors in their meeting held on 10th February, 2016.*

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