Svatantra

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND MEMBERS OF SENIOR MANAGEMENT OF THE COMPANY

Svatantra

Legal and Secretarial

Svatantra Microfin Limited

Table of Contents

1. Introduction

This Code of Conduct has been framed and adopted by Svatantra Microfin Limited (hereinafter referred to as "the Company") in terms of the requirements stipulated under Regulation 17(5) of the SEBI Listing Regulations and the relevant provisions of the Companies Act. The aim of this Code of Conduct is to ensure an ethical and transparent process in managing the affairs of the Company. This Code enables the Company to publicly state to its external stakeholders (suppliers, customers, consumers and shareholders), the way in which they intend to do business.

2. Definitions:

"Board " shall mean the Board of Directors of the Company.

"Companies Act" shall mean the Companies Act, 2013, and rules framed thereunder, as amended from time to time;

"Compliance Officer" shall mean the company secretary and compliance officer of the Company, unless a compliance officer is appointed specifically for this purpose, by the Board;

"Directors and Employees" shall mean, collectively, the Directors, KMPs, and Senior Management of the Company, to whom this Policy applies.

"Directors" shall mean, collectively, the directors of the Company.

"Independent Directors" shall mean an Independent Director as per the provisions of the Companies Act, and SEBI Listing Regulations.

"Key Managerial Personnel" or "KMP" shall mean:

(i) the chief executive officer, or the managing director or the manager;

(ii) the company secretary;

(iii) the whole-time director(s);

(iv) the chief financial officer;

(v) such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed under the rules framed under the Companies Act;

"Policy" or "Code" or "Code of Conduct" shall mean this code of conduct for the Directors and

Employees;

“SEBI Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Senior Management” shall mean the members of the senior management of the Company, as defined under the SEBI Listing Regulations, as amended from time to time.

3. Applicability:

This Code shall be applicable and binding to the Directors and Employees of the Company. The rules and principles set forth in this Code of Conduct are general in nature, and compliance with this Code of Conduct shall be read with Applicable Laws, and the policies and procedures of the Company. The Directors and Employees may contact the Compliance Officer for assistance in interpreting the requirements of this Code of Conduct and Applicable Laws.

4. Code of Conduct:

The Directors and Employees shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The Directors and Employees of the Company: -

- Shall maintain and help the Company in maintaining highest degree of integrity, business ethics and corporate governance practices.
- Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
- Shall ensure that they use the Company's assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment.
- Shall not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from Company’s business associates, which can be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company’s interests are never compromised.
- Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage.
- Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to public policy.
- Shall not communicate with any member of the press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorized otherwise.

- Shall not, without the prior approval of the Board or Senior Management accept employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company and not allow personal interest to conflict with the interest of the Company.

- Shall ensure compliance with the prescribed safety & environment related norms and other

- applicable codes, laws, rules, regulations and statutes, which if not complied with may, otherwise, disqualify him/ her from his/ her association with the Company.
- Follow all the guidelines put forth in the Code of Conduct for Prevention of Insider Trading.

- Shall report concerns about unethical behaviour, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle-blower Policy of the Company.

- Shall make disclosures relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company.

- Shall ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015as also other regulations as may become applicable to them from time to time.

5. Code for Independent Directors specifying their duties:

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 / she is a member;

4) participate constructively and actively in the committees of the Board in which they are Chairpersons or members;

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 whistle blower policy 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) "act 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.

6. Disclosure by Board of Directors and Senior Management:

In adherence to SEBI Listing Regulations, the Directors and Employees shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have a personal interest that may potentially conflict with the interest of the Company at large.

For the aforesaid purpose:

(a) Directors and Employees must avoid situations wherein financial or personal considerations tend to compromise the exercise of professional judgment in discharge of their duties.

(b) In addition to mandatory disclosures, Directors and Employees shall disclose their association with any other company which, in their judgment, may lead to conflict of interest with the Company.

(c) Directors and Employees are advised to avoid conducting the Company's business with a relative, or with a business in which a relative is associated in any significant role.

(d) Directors and Employees shall as far as practicable, protect the Company's assets from loss, damage, misuse, or theft and ensure that the assets are only used for business purposes and other purposes specifically approved by management and must never be used for unauthorized purposes.

(e) Unpublished price sensitive information about the Company, which might impact market price of the securities of the Company, should be kept in strict confidence until publicly released in accordance with the applicable legal requirements and the SEBI Listing Regulations. Directors and Employees shall not derive any personal benefit or assist others to derive benefit by giving advice about securities of the Company.

(f) Directors and Employees must maintain the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is in the public domain. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for personal gain or advantage of the Directors and Employees.

(g) Directors shall disclose potential conflicts of interest that they may have regarding any matter at the Board meetings and any Director having such conflict of interest will abstain themselves from discussions and voting on the concerned matter.

(h) Members of the Key Managerial Personnel and Senior Management shall disclose any actual or potential conflict of interest to the Compliance Officer in writing, as soon as reasonably practicable upon becoming aware of such conflict and shall thereafter refrain from participating in any decision-making process relating to the matter in question until such conflict is resolved to the satisfaction of the Board.

In addition to the above, all members of the Directors and Employees shall affirm compliance with this Code of Conduct on an annual basis.

7. Insider Trading:

Directors and Employees shall not derive benefit or assist others to derive benefit by trading while in possession of unpublished price sensitive information or communicating such information or giving investment advice based on such information about the Company or its securities. All Directors and Employees shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and the insider trading policies of the Company.

8. Fair Dealing:

Directors and Employees shall not take a discriminatory stance towards or give unfair advantage to the Company’s employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. No discrimination shall be done on the basis of caste, religion, sex, nationality, or disability of any kind towards any employee, customer, supplier or any business partner.

9. Free and Fair Compensation:

Directors and Employees shall ensure compliance of competition laws designed to encourage and protect free and fair market competition in India and elsewhere. The Company is committed to complying with the applicable legal framework to enhance a free and fair market.

10. Violation:

It shall be the duty of the Directors and Employees to assist in enforcing this Code of Conduct.

A violation of this Code of Conduct may result in disciplinary action such as termination from the association/ employment with the Company, suspension, or demotion, as may be deemed necessary.

11. Amendment and Review:

The code will be subject to review after a period of two years. Subject to applicable laws, the Board may amend, suspend or rescind this code at any time. Any issues pertaining to the code shall be resolved by the Board in line with the broad intent of the code. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Code.

In the event of any conflict between the provisions of this Code and any applicable law, such applicable law in force shall prevail over this Code.

12. Acknowledgement of receipt of the Code and Annual Affirmation:

The Directors and Employees shall affirm compliance with this Code on an annual basis as at the end of each financial year of the Company as per **Appendix I** within 30 days of the close of every financial year.

The Directors and Employees both present and future shall acknowledge receipt of the Code or any modification(s) thereto, in the acknowledgement form annexed to this Code as **Appendix - II** and forward the same to the Compliance Officer.

Any breach of the aforesaid Code brought to the notice of the Compliance Officer or any member of the Board or Senior Management shall be reported to the Board for necessary action.

The Code shall be hosted on the website of the Company www.svatantramicrofin.com.

APPENDIX - I
CODE OF CONDUCT FOR
BOARD MEMBERS AND SENIOR MANAGEMENT TEAM

ANNUAL DECLARATION FORM

I .... do hereby solemnly affirm that I have, in letter and spirit and to the best of my knowledge and belief, complied with the provisions of Code of Conduct of Svatantra Microfin Limited for Board Members and Senior Management Team during the financial year ended 31st March ____.

Signature: …………………………………..

Name:……………………………………

Designation: …………………………………………

Address: ………………………………………………………………………………

City: ………………………

Pin code: ……………………….

Dated: …………………………..

Place: ……………………………

* To be submitted by _________April of every year.

APPENDIX - II

CODE OF CONDUCT

FOR

BOARD MEMBERS AND SENIOR MANAGEMENT TEAM

ACKNOWLEDGEMENT FORM

I have received and read the Company's Code of Conduct for Board Members and Senior Management Team of Svatantra Microfin Limited. I have understood the provisions and standards contained in the Code of Conduct and agree to comply with the same.

Signature: …………………………………..

Name: ……………………………………………….

Designation: ………………………………………….

Address: ……………………………………………………

City: …………………………..

Pin code: ……………………………………

Dated: …………………………

Place …………………………..