

# **SRG SECURITIES FINANCE LIMITED**



## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

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## **REVISION HISTORY REVISED/ AMMENDED**

(As approved and adopted by the Board of Directors of the Company in their Meeting held on 19.06.2012 and further updated in the meeting held on 04.03.2016.)

### **I. Purpose of the Code:**

The operations of the Company managed under the direction of the Board and senior Management within the framework set by the Companies Act, the Listing Agreement with stock exchange / SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 and Article of Association of the Company.

The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanism to report unethical conduct and to help foster a culture of honesty and accountability.

The Board & senior Management is also governed by Internal Codes/Procedures prescribed within the Company time to time. Accordingly Company has laid down this Code for its Directors & Senior Management . Each Director and Senior Official is expected to comply with the letter and spirit of this Code.

Pursuant to Listing Agreement/SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015 this code is framed reflecting its underlying core values, commitment to personal integrity, respect for the individual, transparency, fairness, accountability and pursuit of excellence. In compliance with the above, this Code of Conduct for Board Members and Senior Management Personnel has been framed.

The purpose of this Code is to promote ethical conduct and transparent process in managing the affairs of the Company.

### **II. Definition and Interpretation**

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

The term **"Board Members"** shall mean the Directors on the Board of Directors and its Committees of the Company.

The term **"Senior Management Personnel/ Officials"** shall mean personnel of the company who are members of its core management team excluding Board of Director and shall comprise of all the members of the management one level below the Chief Executive Officer or Managing Director or Whole time Director or Manager and Specifically include the functional Heads.

The term **"Relative"** shall mean 'relative' as defined under the Companies Act, 2013. (Refer Appendix-I)

The term **"Compliance Officer"** shall mean the Company Secretary or any other officer designated by the Board of Directors of the Company for the purpose of this Code.

The term **"the Company"** shall mean S R G Securities Finance Limited.

### **III. Values of the Code:**

This Code of Conduct is a guiding principle on which the Board & Senior Management shall operate and conduct its daily business with its stakeholders, government and regulatory agencies and any one else with whom it is connected. It recognizes that in order to fulfill its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of its stakeholders.

Board acknowledges the need to uphold the integrity of every transaction it enters into and believes the honesty and integrity in its internal conduct would be judged by its external behaviour. Board shall be

committed in all its actions to the interest of states/territories in which its operates. The Board is conscious of the reputation it carries amongst its customers and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations. Board shall continue to initiate policies, which are customer centric and which promote financial prudence.

#### **IV. Philosophy of the Code:**

The Code envisages and expects—

- a. adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
- b. full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Company with government and regulatory agencies.
- c. Compliance with applicable laws, rules and regulations.
- d. to address avoidance of misuse or misapplication of the company's assets and resources.
- e. the highest level of confidentiality and fair dealing within and outside the Company.
- f. General Standards of conduct.

Company expects all Directors to exercise good judgment to ensure the interest, safety and welfare of customers, employees and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization.

The Directors while discharging duties of their office must act honestly and with due diligence. They are expected to act with the amount of utmost care and prudence, which an ordinary person is expected to take in his/her own business. These standards need to be applied while working in the premises of the Company, at offsite locations or at any other place where they act as representatives of Company.

#### **V. Guidelines for Conduct**

Each Director should seek to use due care in the performance of his/her duties, be loyal to the Company, act in good faith and in a manner such Director reasonably believes to be not opposed to the best interest of the Company. A Director should seek to:

Make reasonable efforts to attend Board and committee meetings;  
Dedicate time and attention to the Company; and  
Seek to comply with all applicable laws, regulation and confidentiality obligations and corporate policies of the Company.

The Directors and Senior Officials should be scrupulous in avoiding “conflicts of interest” with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of facts and circumstances whereof to the Board of Directors or any committee/officer nominated for the purpose by the Board and a prior approval should be obtained.

#### **VI. KEY ELEMENTS:**

##### **a. Conflict of Interest:**

A “conflict of interest” occurs when personal interest of any member of the Board of Directors and/or of the Senior Management Personnel interferes or appears to interfere in any way with the interest of the Company. Every member of the Board of Directors and of the Senior Management Personnel has a responsibility to the Company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way they do not conflict with the Company's interest.

- a) **Employment/Outside Employment:** The members of the Board & Senior Management Personnel are expected to devote their total attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to business interest of

Company.

- b) **Business Interests** - Many factors including the size and nature of the investment, their ability to influence the company's decisions, their access to confidential information of the company or other entity and the nature of the relationship between the company and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Company any interest that they have which may conflict with the business of the Company.
- c) **Related Parties**- As a general rule, the Directors and members of the Senior Management Personnel should avoid conducting company's business with a relative or any other person or any firm, Company, Association in which the relative or other person is associated in any significant role. Relative shall mean a person as defined under Companies Act :
- If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the appropriate authority. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.

In the case of any other transaction or situation giving rise to conflicts of interest, the appropriate authority should after due deliberation decide on its impact.

**b. Use of Company's Assets and Resources**

Each member of the Board of Directors and the Senior Management Personnel has a duty to the Company to advance its legitimate interest while dealing with the Company's assets and resources. Members of the Board of Directors and Senior Management Personnel are prohibited from :

- using corporate property, information or position for personal gain;
- soliciting, demanding accepting or agreeing to accept anything of value from any person while dealing with the company's assets and resources;
- acting on behalf company in any transaction in which they or any of their relative(s) have a significant direct or in indirect interest.

**c. Confidentiality and Fair Dealings:**

➤ **Company's Confidential Information :**

Company's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Company and commercial, legal, scientific, technical data that are either provided to or made availability to each member of the Board of Directors and the Senior Management Personnel by the Company either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Company. All confidential information must be used for Company's business purposes only.

This responsibility includes the safeguarding, securing and proper disclosure of confidential information in accordance with the company's policy of maintaining and managing records. This obligation extends to confidential information of third parties, which the Company has rightfully received under non-disclosure agreements.

To further the company business, confidential information that may have to be disclosed to potential business partners. Such disclosures should be made after considering its potential benefits and risks.

➤ **Other Confidential Information:**

Company has many kinds of business relationships with many individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Company to enter into a business relationship. Therefore, special care must be taken by the Board of Directors and Senior Management of the Company to handle confidential information of others responsibility. Such confidential information should be handled in accordance with the agreements with such third parties.

Company requires that every senior Management should fully comply with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

Directors and the Senior Management shall not accept any offer, payment, promise to pay, or authorization to pay any money, gift or anything of value from customers, suppliers, shareholders, etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud or opportunity for the commission of any fraud.

**d. Disclosure Standards**

Company shall make full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed with Government and Regulatory agencies. The members of the Management of the Company shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors and other Statutory Agencies, as maybe required by applicable laws, rules and regulations.

Board Members and Senior Officials shall make appropriate and timely disclosures as required under the Provision of the Companies Act, and ammendmend thereon, Listing Agreement, Insider Trading Code of the Company and all other applicable Laws, Rules & Regulations as applicable from time to time.

**e. Share Dealing & Insider trading**

Board Member and Senior Officials should make appropriate disclosures of interest wherever required. Officers should avoid conducting company business with relative, or with a business in which a relative is associated in any significant role.

**f. Compliance with all applicable Laws, Rules & Regulations**

The Directors of the company and Senior Management Personnel must comply with applicable laws, regulations, rules and regulatory orders. They should report any inadvertent non-compliance, if detected subsequently, to the concerned authorities.

**g. Quality of Treatment**

Our Company is committed to the Principles of equal opportunity, equality of treatment and creating a dynamic climate where diversity is valued as a source of enrichment and opportunity.

Board Members and Senior Management Personnel are expected to take personal responsibility for upholding company's standard by treating with dignity and respect all job applicants, fellow employees, customers and any other individual associated with the company.

**h. Books and Records**

It is the responsibility of each Director to ensure that our books and records are accurate so that they reflect the true and fair view of company's business. While preparing records emphasis will be laid on compliance with all applicable Laws, Rules and Regulations, Accounting Standards and Practices.

### **i. Information Technology and Network Security**

Computer Systems, Software and the network information are vital and must be used as intended. These must be used responsibly and only for legitimate purpose. For intense, the network IDs and Password should not be revealed to unauthorized users, Unauthorized communication of information, No Board Member and Senior Management Personnel shall, except in the ordinary course of his duties, give or cause to be given any advice on matters relating to the activities of the company or its subsidiary.

### **j. Good Corporate Governance practices:**

Each member of the Board of Directors and the Senior Management of the Company should adhere to the following as may be applicable so as to ensure compliance with good Corporate Governance practices:

#### **(a) Dos**

- Study the Board papers thoroughly and enquire about follow-up reports on definite time schedule (if any).
- Involve actively in the matter of formulation of general policies.
- Be familiar with the broad objectives of the Company and the policies laid down by the Government and the various laws and legislations.
- Ensure confidentiality of the Company's agenda papers, notes and minutes.

#### **(b) Don'ts**

- Do not interfere in the day to day functioning of the Company.
- Do not reveal any information relating to any constituent of the Company to anyone.
- Do not display the logo/distinctive design of SRGSFL on their personal visiting cards / letter heads.
- Do not do anything, which will interfere with and/or be subversive of maintenance of discipline, good conduct and integrity of the staff.

The matters covered in this Code of Conduct are of the utmost importance to the Company, its stakeholder and its business partners and are essential to the Company's ability to conduct its business in accordance with its value system.

### **k. 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;
- (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 behavior, 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.

#### **VII. Enforcement of Code of Conduct**

The compliance officer shall oversee the compliance of this Code. Each Board Member and senior Management personnel shall be accountable for fully complying with this Code.

##### **a. Amendment of the Code**

The Provision of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendment/modifications shall take effect from the date stated therein.

##### **b. Placement of code of conduct**

Pertaining to Clause of Listing Agreement/ SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015, this Code / amendments if any, shall be posted on the website of the Company.

##### **c. Annual Compliance Reporting**

In term of Clause 49 of the Listing Agreement/ Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015, all Board Members and Senior Management personnel shall affirm compliance with this Code within 30 days or as specified of close of every financial year. The annual Compliance Report shall be forwarded to the Compliance Officer of the Company.

##### **d. Penalty for contravention of Code of Conduct**

Any Designated Employee/Officer/Director who trades in securities or communicates any Price Sensitive Information for trading in securities, in contravention of the Code of Conduct would be penalized and appropriate action would be taken as decided by the Company and applicable Laws.

Designated Employees/Officers/Directors 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, ineligibility for future participation in ESOP's, etc.

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

##### **e. Acknowledgement of the Receipt of the Code:**

All Board Members and senior Management Personnel shall acknowledge the receipt of this code in the acknowledge and it shall be the duty of the Compliance officer of the Company to circulate this code/amended Code to the Board Members including new Directors at the time of their appointment and senior management Personnel.

#### **VIII General**

The Company reserves to itself the right to alter/delete/add to these codes at any time without prior individual notice and such alterations /deletion/addition shall be binding.

Sd/-

**Vinod K.Jain**  
**Managing Director**



**Annexure I**  
**ACKNOWLEDGEMENT**

To,  
S R G Securities Finance Limited  
Udaipur (Rajasthan).

Dear Sir/Madam,

I, \_\_\_\_\_, have read and understood the Company's Code of Conduct for the Board of Directors and the Senior Management Personnel s.

I hereby undertake to comply with the standard and policies contained in the code and other policies and rules specific to my responsibilities to the company.

Signature

Date :

Place :

1. Please sign the form and Return to the Company Secretary.
2. This declaration shall be valid for the Financial Year ...

## **Annexure II**

### **Declaration**

To,  
The Compliance Officer  
S R G Securities Finance Limited

Dear Sir/Madam,

I, \_\_\_\_\_ being a member of the Board of Directors/Senior Management of **S R G Securities Finance Limited** (The Company) hereby acknowledge, confirm and certify that :

- i. I am aware of the Code of Conduct for Directors and senior Management of the Company;
- ii. The Said Code has been and is applicable to my function as a member of the Board of Directors/ Senior Management of the Company.
- iii. During the Financial Year \_\_\_\_\_ I have complied with the provision of the said Code.
- iv. I confirm that during the financial year to the best of my knowledge and belief, I have not violated any of the provisions of this Code or any of the policies of the Company or legal/regulatory requirements, as may be applicable to my responsibility.
- v. I am not aware of any non-compliance with the said Code.

**Signed:**

**Name:**

**Designation:**

**Date:**

**Place:**

1. Please sign and Return to the Company Secretary/Compliance officer
2. This declaration shall be valid for the Financial Year .....

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