

Code of Conduct

1. IFMR Capital is committed to its mission of providing efficient and reliable access to debt capital for the financially excluded. In pursuit of its mission, IFMR Capital follows a core set of values and belief including but not limited to the following:
 - Adhere to ethical norms and professional standards in all dealings with investors, employees, customers, suppliers, financial institutions and government.
 - Treat our people with respect and fairness; provide opportunities to learn, contribute and advance; recognize and reward initiative, innovativeness and creativity.
 - Maintain an organizational climate conducive to trust, open communication and team spirit.
 - Manage business environment effectively for harnessing opportunities to grow in a manner that is consistent with its values and beliefs.
2. IFMR Capital's management practices and business conduct must follow the highest standards and shall be in accordance with the laws of the land.
3. Towards this end this Code of Conduct proposes to set out the standards of conduct expected from representatives and employees of IFMR Capital (such representative and employees are hereinafter referred to as "Employees").

Regulatory compliance

4. Employees of IFMR Capital, in their business conduct, shall comply with all applicable laws, regulations, internal policies and this Code, in letter and spirit. If the ethical and professional standards of applicable laws and regulations are below that of internal policies and this Code, then the standards of the internal policies and this Code shall prevail. In case of any doubt related to compliance with the law or standards (including those contained in internal policies or this Code), employees are required to approach the Chief Legal Counsel for clarification.
5. Directors of IFMR Capital ("Directors") shall comply with applicable laws and regulations applicable to their directorships.

Equal opportunities employer

6. Employees shall discharge their responsibilities without regard to their race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability of the people they work with or meet in the course of their employment.
7. Employees shall promote diversity and equality in the workplace, as well as compliance with all local labour laws, while encouraging the adoption of international best practices.

8. Employees of IFMR Capital shall treat everyone, including their colleagues, with dignity and in accordance with the policy of maintaining a work environment free of all forms of harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner consistent with applicable laws, the provisions of this Code, respect for the right to privacy and the right to be heard. Professional merit, including compliance with this Code and all other policies, shall guide all decision-making, including in all performance management.

Safety and work environment

9. IFMR Capital will provide a healthy and safe work environment for its employees. The company will not discriminate against any employee infected with HIV/ AIDS or any other diseases or infection as long as it does not pose a threat to co-workers, with regard to promotions, training, and other privileges, and no employee shall discriminate a colleague on such basis.

Any act by a third party (i.e. other than an Employee), which would have been a violation of this Code had it been committed by an Employee, must immediately be brought to the notice of the chief executive or the Chief Legal Counsel.

10. Failure to comply with the Sexual Harassment Policy is deemed to be a violation of this Code.

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11. Employees shall prevent the wasteful use of resources and shall strive for economic, social and environmental sustainability.

Public representation of the company and the group

12. Employees shall honour the information requirements of the public and its stakeholders. In all its public appearances, with respect to disclosing company and business information to public constituencies and stakeholders such as the media, the financial community, employees, shareholders, agents, investors, clients, exchanges, regulators, brokers, rating agencies and arrangers, IFMR Capital shall be represented only by the chief executive or such other person(s) as may be designated by the chief executive, subject to such restrictions as the chief executive deems fit. No other employee is entitled to publicly represent IFMR Capital.

13. Non-public interaction with third parties by employees in the course of their work must also strictly comply with the Code and other policies.

Ethical conduct

14. Every employee of IFMR Capital, including full-time directors and the chief executive, shall deal on behalf of the company with professionalism, honesty and integrity, while conforming to high ethical standards. Such conduct shall be fair and transparent. In case of any doubt about the ethical implications of a given situation, employees are required to approach the Chief Legal Counsel for clarification.

15. Every employee of IFMR Capital shall preserve the human rights of every individual and stakeholder (including persons covered by the mission), and shall strive to honour all professional commitments.

16. All employees must promote the objectives and intent of this Code and

shall be individually responsible for the implementation of and compliance with the Code in all work that they are involved in. Such responsibility includes the responsibility to be a “whistle-blower” where appropriate. Failure to adhere to the Code or discharge responsibilities hereunder may attract severe consequences, including termination of employment.

Financial reporting and records

17. Employees entrusted with preparation and maintenance of accounts shall do so fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards (including Indian Accounting Standards), laws (including laws relating to money laundering) and regulations that apply.

18. Internal accounting and audit procedures shall reflect, fairly and accurately, all of the company’s business transactions and disposition of assets, and shall have internal controls to provide assurance to the company’s board and shareholders that the transactions are accurate and legitimate. All required information shall be made available to company auditors, other parties authorised by the Chief Executive and government agencies acting under the authority of law.

19. Any wilful, material misrepresentation of and / or misinformation on the financial accounts and reports, by any employee, shall be regarded as a violation of the Code, apart from inviting appropriate civil or criminal action under the relevant laws. No employee shall make, authorise, abet or collude in an improper payment, unlawful commission or bribing.

Gifts and donations

20. IFMR Capital and Employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business.

21. However, Employees may, with full disclosure, accept and offer nominal gifts, provided such gifts are customarily given or are of a commemorative nature and the value of such gift does not exceed Rs. 2500/-. However, alcohol, cash, gold and financial instruments

may not be accepted as gifts. IFMR Capital may also devise specific additional rules and regulations on gifts and entertainment, to be used for the guidance of its employees.

Third party representation

22. Employees may not authorise third parties to represent IFMR Capital without the written permission of the chief executive or in terms of a power of attorney duly executed by IFMR Capital.

23. An employee may not disclose information belonging to IFMR Capital, its investors or its clients to any third parties except in the circumstances and in the manner approved by relevant policies or by the chief executive.

Use of the IFMR brand

24. The use of the “IFMR” name and trademark or the name or trademark of any entity or organisation, shall be governed by the instructions, if any, of the copyright holder. Employees using any such name or trademark must familiarise themselves with the relevant instructions.

Political non-alignment

25. In the course of their official duties Employees shall be committed to and support the constitution and governance systems of all jurisdictions in which IFMR Capital conducts/may conduct any business.

26. IFMR Capital shall not support any specific political party or candidate for political office. However, nothing contained herein shall restrict the right of Employees to do so in their personal capacity. Employees must be aware that involvement with political parties, activities and candidates may, in some cases, result in a conflict of interest between the political position of the employee and IFMR Capital’s mission. Where there is a potential for conflict of interest the employee must disclose this to IFMR Capital.

Group policies

27. IFMR Capital may recommend to its board of directors the adoption of policies and guidelines periodically formulated by IFMR Trust or appropriate modifications thereof. Further, the chief executive may, from time to time, issue specific policies for specific conduct (such policies must be placed before the board within 3 months of issuance). Such policies and guidelines shall be binding on Employees.

Concurrent employment

28. Employees shall not, unless otherwise expressly permitted by an applicable policy or in writing by the chief executive, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide freelance services to anyone, with or without remuneration.

Conflict of interest

29. An employee of IFMR Capital shall always act in the interest of the company, and ensure that any business, professional association, personal association or activity of such employee does not involve a conflict of interest with the operations of the company and his / her role therein.

30.1 The above shall not apply to (whether for remuneration or otherwise):

a) Memberships / positions of responsibility in educational / professional bodies, wherein such association will benefit the employee / IFMR Capital.

b) Nominations / memberships in government committees / bodies or organisations.

c) Exceptional circumstances, as determined by the competent authority.

30.2 Competent authority, in the case of all other employees, shall be the chief executive, who in turn shall report such exceptional cases to the board of directors on a quarterly basis.

30.3 A conflict of interest, actual or potential, may arise where, directly or indirectly when:

i) An employee of IFMR Capital personally engages in a business, relationship or activity with anyone who is party to a transaction with any IFMR group entity.

ii) An employee or to any of his / her relatives (use of the term “relatives” in this code shall have the meaning ascribed to it in Section 6 the Companies Act, 1956) is in a position to derive any benefit (other than benefit arising to such employee directly out of employment with IFMR Capital in accordance with the other policies of IFMR Capital) by making or influencing decisions in the course of employment with IFMR Capital relating to any transaction.

31. Actual or potential conflicts of interest shall include the following:

a) Conducting business, on behalf of IFMR Capital, with a company in which such Employee (or a relative of such Employee) has a financial stake

b) Being in a position to influence the decisions of IFMR Capital (including, but not limited to, pricing, quantum and timing) with regard to IFMR Capital’s business with any investor, seller, buyer, lender or customer which is a relative of such employee or where the relative of such Employee is a principal officer or representative.

c) The award, by an Employee, of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of such Employee (or a person with which the Employee has a significant personal or non-professional relationship), where such Employee is in a position to influence decisions with regard to the award of such benefits. In addition, no reporting authority shall have any personal relationship with any person who reports to such reporting authority.

d) Where the interest of IFMR Capital or the IFMR group can be compromised or defeated.

32. **Employees are obliged to take reasonable steps to identify if they (by themselves or through their relatives) are subject to any actual or potential conflict of interest.** Adequate and full disclosure of all actual or potential conflict of interest shall be made by Employees to the chief executive (or such person as may be designated by the chief executive for such purpose) as soon as the Employee becomes aware of an actual or potential conflict of interest. Such disclosures made shall be reported quarterly by the chief executive to the Board. It is also incumbent upon every Employee to make a full disclosure of any interest which the Employee or any relative of such Employee may have in a family business or a company or firm that is a competitor, investor, buyer, seller, lender, customer or has other business dealings with IFMR Capital.

33. Upon a decision being taken in the matter, the employee concerned shall be required to take necessary action, as advised, to resolve / avoid the conflict.

34. If an Employee fails to make the required disclosure and the chief executive otherwise becomes aware of an instance of conflict of interest that ought to have been disclosed by the Employee, suitable disciplinary action may be taken against such Employee.

Securities transactions and confidential information

35.1 An Employee and the relatives of such Employee shall not derive any benefit or permit others to derive any benefit (other than benefit arising directly out of employment with IFMR Capital in accordance with the other policies of IFMR Capital), from access to and possession of information about the company or group or its clients that is not in the public domain and, thus, constitutes unpublished insider information (whether price-sensitive or not).

36.2 Such insider information might include (without limitation) the following:

- Acquisition and divestiture of businesses or business units.
- Financial information such as profits, earnings and dividends.
- Announcement of new product introductions or developments.
- Asset revaluations.
- Investment decisions / plans.
- Restructuring plans.
- Borrowings and finance.

37. An employee of IFMR Capital shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions.

Protecting company assets

38. The assets of IFMR Capital shall not be misused; they shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and stakeholders.³⁹ All employees shall comply with the record retention and IT Policy in force from time to time.

Public Affairs

40. The involvement of an Employee or chief executive in public affairs shall be with express approval from the chief executive or Board respectively, subject to such involvement having no adverse impact on the business affairs of the IFMR Capital.

Integrity of data furnished

41. Every Employee shall ensure, at all times, the integrity of data or information furnished by him/her to the company or to any person in the course of his employment. The Employee shall take reasonable steps to ensure the accuracy of such information and shall be entirely responsible in ensuring that the confidentiality of all data is maintained and in no circumstance is such data transferred to any outside person/party other than as permitted by policy or with the approval of the chief executive.

Reporting concerns

42. Every Employee is obliged to promptly report to the chief executive when she/he becomes aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanour or any act not in the company's interest. Such reporting shall be made for activities of lenders, clients and investors as well.

43. Any Employee can choose to make a protected & confidential disclosure to a Director (it is clarified that this includes independent Directors) or Chief Legal Counsel (who shall be accountable to the board of directors for communication of such disclosure to the board of directors). The company shall ensure protection of the whistle-blower and any attempts to intimidate such whistle-blowers in relation to such whistle-blowing shall be treated as a serious violation of the Code. It may be noted that a frivolous "protected & confidential disclosure" may itself be a violation of this Code.

Investigation and disciplinary procedure

44. Breach of other applicable policies may be construed as breach of this Code, depending on the facts of the case. Action taken under this Code may be in addition to the action, if any, taken under other policies. Compliance with this Code does not exonerate an employee from compliance with any other Policy and vice versa.

45. Any investigation and disciplinary proceedings relating to a violation of this Code shall be carried out under the directions of the chief executive (in consultation with the Chief Legal Counsel on matters relating to procedure to be followed, including the principles of

natural justice). In the case of an investigation against the chief executive, the investigation shall be carried out under the directions of the Board. In the case of an investigation against the Chief Legal Counsel the chief executive may refer matters relating to procedure to external legal counsel approved by the Board.

Note:

The CoC does not provide a full, comprehensive and complete explanation of all the rules that employees are bound to follow. Employees have a continuing obligation to familiarise themselves with all applicable laws, company policies, procedures and work rules.

This version of the CoC is effective from 21st October 2013.

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