



CODE OF CONDUCT TO BE OBSERVED BY IFCI VENTURE'S BOARD OF DIRECTORS, KMPs AND SENIOR MANAGEMENT PERSONNEL.

1. INTRODUCTION

- 1.1 This Code of Conduct a (hereinafter referred to as the "Code") shall be called "The Code of Business Conduct & Ethics for Board Members (hereinafter referred to as the "Board"), KMPs and Senior Management" of IFCI Venture Capital Funds Limited (hereinafter referred to as the "Company").
- 1.2 The principles prescribed in this Code are general in nature and lay down broad standards of compliance and ethics.
- 1.3 This Code for Board Members, KMPs and Senior Management has been framed specially in compliance of the guidelines issued by the Department of Public Enterprises (DPE).
- 1.4 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Board, KMPs and Senior Management Personnel by the Shareholders of the Company. The Board, KMPs and Senior Management Personnel are expected to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.
- 1.5 This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards
- 1.6 It shall come into force with immediate effect.

2. DEFINITIONS & INTERPRETATIONS

- a. The term "Board Members" shall mean Directors on the Board of Directors of the Company.
- b. The term "Whole-time Directors" or "Functional Directors" shall be the Directors on the Board of Directors of the Company who are in whole-time employment of the company.
- c. The term "Part-time Directors" shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.



- d. The term "Key Managerial Personnel (KMPs)" shall have the same meaning as defined in Section 2(51) of the Companies Act, 2013.
- e. The term "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 as amended from time to time.(Refer Appendix-I)
- f. The term "Senior Management" shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management one level below the Whole time Directors, including all functional heads.
- g. The term "the Company" shall mean IFCI Venture Capital Funds Limited.

Note: In this Code, words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or vice-versa.

3. APPLICABILITY

3.1 This Code shall be applicable to the following persons:

- (a) All Whole-time Directors including the Chairman & Managing Director of the Company.
- (b) All Part-time Directors including Independent Directors under the provisions of law.
- (c) Key Managerial Personnels (KMPs)
- (d) Senior Management Personnel of the Company, being members of Core Management Team and Functional Heads

3.2 For the Whole-time Directors on the Board of the Company and Senior Management Personnel, this code will be applicable in addition to other applicable/to be applicable policies, rules and procedures of the Company.

4. GUIDING PRINCIPLES

Board members, KMPs and Senior management shall act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- (i) Act in the best interests of, and fulfill their fiduciary obligations to the Company;
- (ii) Act honestly, fairly, ethically and with integrity;

- (iii) Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position ;
- (iv) Act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates.
- (v) Comply with communication and other policies of the Company;
- (vi) Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- (vii) Not to use the Company's property or position for personal gain;
- (viii) Not to use any information or opportunity received by them in their capacity as Director/KMP/Senior Management in a manner that would be detrimental to the Company's interests;
- (ix) Act in a manner to enhance and maintain the reputation of the Company;
- (x) Disclose any personal interest that they may have regarding any matter that may come before the Board and abstain from discussion, voting or otherwise influencing a decision on any matter in which the concerned Director/ KMP has or may have such an interest;
- (xi) Abstain from discussion, voting or otherwise influencing a decision on any matter that may come before the board in which they may have a conflict or potential conflict of interest;
- (xii) Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service, except when authorized or legally required to disclose such information;
- (xiii) Not to use confidential information acquired in the course of their service for their personal advantage or for the advantage of any other entity;
- (xiv) Help create and maintain a culture of high ethical standards and commitment to compliance;
- (xv) Keep the Board informed in an appropriate and timely manner about any information in the knowledge of the member which is related to the decision making or is otherwise critical for the company.
- (xvi) Treat the other members of the Board/KMPs/Senior Management and other persons connected with the Company with respect, dignity, fairness and courtesy.

5. GENERAL MORAL IMPERATIVES

5.1 Contribute to society and human well being

- 5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being includes a safe natural environment.

5.1.2 Therefore, all Board Members, KMPs and Senior Management who are accountable for the design, development, manufacture and promotion of company's products/services, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

5.2 **Be honest and trustworthy & practice integrity**

5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

5.2.2 All Board Members, KMPs and Senior Management are expected to act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Public Enterprise.

5.3 **Be fair and take action not to discriminate**

5.3.1 The values of equality, tolerance, respect for others, and the principles of equity & justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

5.4 **Honour confidentiality**

5.4.1 The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations by requirements of the law or other principles of this Code.

5.4.2 All Board Members, KMPs and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Company.

5.5 **Pledge & Practice**

5.5.1 To strive continuously to bring about integrity and transparency in all spheres of the activities.

5.5.2 Work unstintingly for eradication of corruption in all spheres of life.

5.5.3 Remain vigilant and work towards growth and reputation of the Company.

5.5.4 Bring pride to the organization and provide value-based services to Company's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour.

6. SPECIFIC PROFESSIONAL RESPONSIBILITIES

6.1 Live the Vision, Mission and Values of IFCI Venture – each day

Live the Vision, Mission and Values of IFCI Venture Capital Funds Limited each day which are as under:

Vision

"To emerge as the most trusted partner for upcoming enterprises in the country, thereby contributing to the growth of the economy and in the process, optimizing returns on investment."

Mission

To become the leading institutional player in VC industry of the country.

Values

- Zeal to excel and zest for change
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team-work
- Loyalty and pride in the Company

6.2 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work: -

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

6.3 Acquire and maintain professional competence:

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to

participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

6.4 Compliance with Laws:-

The Board Members, KMPs and Senior Management of the Company shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company. Any inadvertent non-compliance, if detected subsequently, should be rectified / reported to the concerned authorities.

6.5 Accept and provide appropriate professional review:

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

6.6 Manage personnel and resources to enhance the quality of working life:-

Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members, KMPs and Senior Management would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and cooperation, thus enhancing the quality of working.

6.7 Be upright and avoid any inducements:-

The Board Members, KMPs and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Company. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc.

6.8 Observe Corporate Discipline:-

The flow of communication within the Company is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are

designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

6.9 Conduct in a manner that reflects credit to the Company:-

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

6.10 Be accountable to Company's stakeholders:-

All of those whom we serve, be it our Customers, without whom the Company will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Company to deliver in time and Society to which Company is responsible for its actions – are stakeholders of the Company. All, therefore, must keep in mind at all times that they are accountable to Company's stakeholders.

6.11 Prevention of Insider Trading:-

Insider Trading involves the improper use of non-public price sensitive information when dealing in securities. The Board Members, KMPs and Senior Management shall comply with the code of Internal Procedures and conduct for prevention of Insider Trading in dealing with Securities of the Company.

6.12 Identify, mitigate and manage business risks:-

It is everybody's responsibility to follow the Risk Management Framework of the Company to identify the business risks that surround function or area of operation of the Company and to assist in the company-wide process of managing such risks, so that Company may achieve its wider business objectives.

6.13 Protect properties of the Company:-

6.13.1 The Board Members, KMPs and Senior Management shall not misuse and protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

6.13.2 Each member of the Board, KMPs and Senior Management Personnel has a duty towards the Company to advance its legitimate interests while dealing with the Company's assets and resources.

7. SPECIFIC ADDITIONAL PROVISIONS FOR BOARD MEMBERS, KMPS AND SENIOR MANAGEMENT

7.1 As Board Members, KMPS and Senior Management:

They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members

7.2.1 Undertake to inform the Chairman and Managing Director/ Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events/ circumstances / conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgement of the Board as to whether they meet the independence requirements of Listing Agreement with Stock Exchanges and the Guidelines of DPE.

7.2.2 Undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases can be:

Related Party Transactions: Entering into any transactions or relationship with Company or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).

Outside Directorship: Accepting Directorship on the Board of any other Company that competes with the business of the Company.

Consultancy/Business/Employment: Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties/ responsibilities towards Company. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the company.

Use of Official position for personal gains: Should not use their official position for personal gains.

7.2.3 Duties of Independent Director as per Section 166 of the Companies Act, 2013

1. To act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interest of the company, its employees, the shareholders, the community and for the protection of environment.
2. To exercise his/her duties with due and reasonable care, skill and diligence and to exercise independent judgment.
3. Not to be involved in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
4. Not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or to his/her relatives, partners, or associates and if such director is found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain to the company.
5. Not to assign his/her office and any assignment so made shall be void.

7.2.4 Duties of Independent Directors as per Schedule IV to the Companies Act, 2013

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 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.

7.3 Compliance with the Code of Business Conduct and Ethics

7.3.1 All Members of the Board, KMPs and Senior Management of Company shall uphold and promote the principles of this code.

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members, KMPs and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.3.2 Treat violations of this code as inconsistent association with the organization

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members, KMPs and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Company reserves the right to take appropriate action against the defaulter.

7.4 Miscellaneous Points

7.4.1 Continual updation of Code

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments / modifications shall take effect prospectively from the date stated therein.

7.4.2 Where to seek clarifications

Any member of Board, KMPs or Senior Management requiring any clarification regarding this code of conduct may contact Company Secretary/ any officer specifically designated by the Board of Directors.

8. APPLICABILITY

Notwithstanding that any instances of Conflict of Interest exist due to any historical reasons, adequate and full disclosure by the interested member of the Board/KMPs/Senior Management Personnel should be made to the Company. It is also incumbent upon every member of the Board, KMPs and the Senior Management Personnel to make a full disclosure of any interest at the time of decision-making which he or his immediate family, which would include parents, spouse and children, may have in a company or firm which has business dealings with the Company.

The Board, KMPs and Senior Management Personnel must not deprive the Company of an opportunity that belongs to it, for his/her own/other's advantage, if he/she is in a position of diverting the Corporate Opportunity for own benefit or to others to the detriment of the Company. They must not compete with the Company in respect of any business transaction.

9. PUBLIC REPRESENTATION AND CONFIDENTIALITY OF INFORMATION

9.1 The information for the public constituents and stakeholders, duly approved by the Compliance Officer or other authorized official, as the case may be, shall be disseminated through any of the following media:

- Newspaper publications
- Web casting on the official website
- Press handouts and press releases
- Audio and audio-visuals prepared for the specific purpose.

9.2 A Director or Senior Management Personnel of the Company and their family members shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company which is not in the public domain and thus constitutes insider information. They shall maintain confidentiality of all price sensitive information. Unpublished price sensitive information would be disclosed only to those within the company who need the information to discharge their duty.

10. USE OF THE COMPANY NAME/LOGO/TRADEMARK

The Board, KMPs or Senior Management Personnel shall not use the name of the Company, its logo for personal benefit or for the benefit of persons / entities not forming part of the IFCI Group.

11. HEALTH SAFETY AND ENVIRONMENT

The Company, Board, KMPs and the Senior Management Personnel shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in.

12. COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRACTICES

Each member of the Board, KMPs of Directors and Senior Management Personnel of the Company (to the extent relevant) should adhere to the following so as to ensure compliance with good Corporate Governance Practices:

- Attend Board Meetings regularly and participate in the deliberations and discussions effectively.
- 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.

13. PLACEMENT TO THE CODE OF CONDUCT ON WEBSITE

Pursuant to Clause 49 of the Listing Agreement and DPEs' Guidelines, this Code and any amendments thereto shall be posted on the website of the Company.

14. ENFORCEMENT OF THE CODE OF CONDUCT

Each member of the Board, KMPs and Senior Management Personnel shall be accountable for fully complying with this Code.

15. ETHICS AND COMPLIANCE COMMITTEE

The Ethics and Compliance Committee comprising the Managing Director of the Company, Chief Vigilance Officer of the Company and the Compliance Officer and any other officer so nominated, will oversee the compliance of this Code.

16. VIOLATION OF THE CODE

The Board shall have the powers to take necessary action in case of any violation of the Code.

17. ANNUAL COMPLIANCE REPORTING

All Board members, KMPs and Senior Management Personnel shall affirm compliance of this code within 30 days of close of every financial year. The Annual Report of the company shall contain a declaration to this effect signed by the Managing Director. A Performa of Annual Compliance Report is at Appendix-II. The Annual Compliance Report shall be forwarded to the Company Secretary. If any board member, KMPs or Senior Management Personnel leaves the Company at any time during a financial year, he shall send a communication to the Company Secretary affirming compliance of the code till date of his association with IFCI Venture.

18. Acknowledgement of receipt of this Code

All Board Members, KMPs and Senior Management personnel shall acknowledge receipt of this code or any modification(s) thereto, in the acknowledgement form as at Appendix-III and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this code.



Appendix-I

IFCI Venture Capital Funds Limited **The Code of Business Conduct & Ethics** **For** **Board Members, KMPs and Senior Management**

Definition of Relative

Extracts from the Companies Act, 2013

Section 2 (77) "relative" means, with reference to any person, means any one who is related to another, if, -

- (i) they are members of a Hindu undivided family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed;

Extract from The Companies (Specification of definitions details) Rules, 2014

List of Relatives in terms of clause (77) of section 2-

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

1. Father.
Provided that the term "Father" includes step-father.
2. Mother.
Provided that the term "Mother" includes the step-mother.
3. Son:
Provided that the term "Son" includes the step-son.
4. Son's wife.
5. Daughter.
6. Daughter's husband.
7. Brother:
Provided that the term "Brother" includes the step-brother;
8. Sister.
Provided that the term "Sister" includes the step-sister.



Appendix-II

IFCI Venture Capital Funds Limited
The Code of Business Conduct & Ethics
For
Board Members, KMPs and Senior Management

AFFIRMATION

(By Board Members/ KMPs/ Senior Management of the Company on Annual basis by 30th April of every year)

I.....(name), (designation),
having read and understood the Code of Business Conduct and Ethics for Board Members, KMPs and Senior Management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March,

Signature

Name

Designation.....

Employment Number.....

Telephone No.....

Place:.....

Date:.....



Appendix-III

IFCI Venture Capital Funds Limited
The Code of Business Conduct & Ethics
For
Board Members, KMPs and Senior Management

**ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS
FOR BOARD MEMBERS, KMPs AND SENIOR MANAGEMENT**

I have received and read the code of Business Conduct and Ethics for Board Members, KMPs and Senior Management of IFCI Venture Capital Funds Limited. I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics for Board Members, KMPs and Senior Management.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the Company or the legal and regulatory requirements applicable to my job, I know I can consult Company Secretary/any person appointed by the Board of IFCI Venture knowing that my questions or reports will be maintained in confidence.

Signature

Name

Designation.....

Employment Number.....

Telephone No.....

Place:.....

Date:.....