

MUTHOOTTU MINI FINANCIERS LIMITED

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT

1. PREAMBLE

1.1 This Code of Business Conduct (“Code”) shall be called “The Code of Conduct for Directors and Senior Management” of Muthoottu Mini Financiers Limited (the “Company”). The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

1.2 The Code is intended to maintain the high standards of transparency, business conduct and ethics. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company’s commitment to successful operation of the Company’s business in the best interest of the shareholders, creditors, employees and other business associates.

2. DEFINITIONS & INTERPRETATION

2.1 Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

“Board” shall mean the Board of Directors of the Company.

“Directors” shall mean the Executive Directors and Non-Executive Directors on the Board.

“Company” shall mean Muthoottu Mini Financiers Limited

“Compliance Officer” shall mean the Company Secretary of the Company.

“Executive Directors” shall mean Managing Directors and Whole Time Directors.

“Non-Executive Directors” shall mean the Directors who are part-time directors and are not in whole time employment of the Company.

“Relative” shall mean ‘relative’ as defined in Section 2(77) of the Companies Act, 2013, read with Companies (Specification of definitions Details) Rules,2014

“Senior Management Personnel” shall mean personnel of the Company who are members of its core management team (excluding Directors) and who occupy the position of chiefs/heads of various functions in the Company.

2.2 In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

3. APPLICABILITY

The Code is applicable to the Directors and Senior Management Personnel of the Company.

4. CONDUCT SPECIFICATIONS

4.1 Honesty & Integrity

- a) All Directors and Senior Management Personnel shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors and Senior Management Personnel shall act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgment to be subordinated.
- b) All Directors and Senior Management Personnel shall discharge their duties in the best interests of the Company and fulfill their fiduciary obligations.

4.2 Financial reporting and records

- a) The Company shall prepare and maintain its financial statements fairly and accurately in accordance with the applicable laws and accounting standards.
- b) Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to the Company's auditors and other authorized parties.
- c) Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code.

4.3 Conflict of Interest

- a) Directors and Senior Management Personnel of the Company should not enter into any transactions of material nature, which are or are likely to be in conflict with interest of the Company.
- b) Directors and Senior Management Personnel shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity for the Company.
- c) All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board and, upon a decision being taken in the matter, the person concerned will be required to take necessary action as advised to resolve/avoid the conflict.
- d) If the Director or Senior Management fails to make a disclosure as required herein, and the Board of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the concerned person, the Board would take a serious view of the matter and consider suitable disciplinary action against the person concerned.
- e) Conflicts mentioned in this clause can arise in many situations. A conflict of interest, actual or potential, may, arise inter alia where, directly or indirectly:

(i) The person engages in a business, relationship or activity that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the interests of the Company.

(ii) The person is in a position to derive a personal benefit or a benefit to any of his or her relatives by making or influencing decisions relating to any transaction;

or

(iii) An independent judgment of the Company's best interest cannot be exercised.

f) The main areas of such actual or potential conflicts of interest include the following:

(i) financial interest of the person or his relatives, including the holding of an investment to an extent of 2% or more in the subscribed share capital of any company or share to an extent of 2% or more in any firm which is an actual or potential competitor, joint venture or other alliance partner, or a material supplier, customer, distributor or other person having a material business relationship with the Company.

(ii) the person conducting business on behalf of the Company, or being in a position to influence a decision with regard to the Company's business with a supplier or customer of which his or her relative is a principal officer or representative, resulting in a benefit to him/her or his/her relative.

(iii) Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of the person, where such an individual is in a position to influence the decision with regard to such benefits.

(iv) acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the Company.

4.4 Compliance with Laws/Rules & Regulations

Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behavior, Directors and Senior Management Personnel must inform/report to the Compliance Officer any possible violation of law, rules, regulation of this Code.

4.5 Company Meetings

The Directors should attend the Board/General meetings comprehending the agenda of the meeting circulated to them. They should also endeavour to attend all the Board Meetings scheduled in the year.

4.6 Other Directorships – Disclosures

The Directors should promptly disclose their appointment/cessation from directorship of other companies.

4.7 Related Party Disclosures

The Directors shall make disclosure to the Board, and the Senior Management Personnel shall make disclosure to the Mg. Director of the Company with respect to any transaction with the Company in which such person is interested and in respect of which a conflict of interest can arise between the Company and the person concerned.

Such disclosure shall be in accordance with the Accounting Standard (AS) 18 issued by the council of the Institute of Chartered Accountants of India .

4.8 Confidentiality of Information

a) Any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which Directors and Senior Management Personnel have access or which is possessed by them by virtue of their position/status in the Company must be considered confidential and held in confidence, unless (i) authorised by the Board; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws.

b) Directors and Senior Management Personnel shall not provide any information either formally or informally, to the press or any other publicity media, unless specifically authorised. In all its public appearance with respect to disclosing information in relation to the Company's activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorised Directors and/or employees, which the Board may authorize. The list of such authorised Directors/employees of the Company shall be notified to the Directors/Senior Management personnel from time to time.

4.8 Insider Trading

a) Directors and Senior Management Personnel should not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information.

4.9 Internal Control System

Directors and Senior Management Personnel should maintain and should cause the Company to maintain a proper and adequate system of internal controls for financial reporting.

4.10 Corporate Governance

Directors and Senior Management Personnel should sincerely follow and should cause the Company to follow the philosophy of good corporate governance by possessing strong business fundamentals and delivering high performance through relentless focus on transparency, accountability, professionalization and corporate social responsibility for enhancing shareholders' value and contributing to society at large.

4.11 Human Resources/Employee Relations

(a) Directors and Senior Management Personnel should strive for causing the Company to maintain cordial employee relations.

(b) Executive Directors and Senior Management Personnel should cause the Company to build competency-based human resource systems and maintain human resources policy that has been directed at managing the growth of the organization efficiently.

(c) Executive Directors and Senior Management Personnel should assist the Company in further aligning its human resource policies, process and initiatives to meet its business needs.

4.12 Respect for the Individual

(a) The Company's vision is based on inspiring and developing outstanding people.

This will only be possible in an environment where we all respect the rights of those around us.

(b) Executive Directors and Senior Management Personnel should ensure that:

(i) Subject to compliance with applicable laws regarding positive discrimination, individuals in all aspects of employment are not discriminated against on the basis of race, religion, colour, age, disability, gender, sexual orientation or marital status, and the sole criterion for recognition within the Company be that of work performance.

(ii) Racial, sexual or any other kind of harassment is not tolerated within the Company.

(iii) Personal beliefs of individuals are respected and that Company specifically disassociates itself from any activity, which challenges our commitment to cultural diversity and equal opportunities.

4.13 Health, safety and environment

a) Executive Directors and Senior Management Personnel should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the territory it operates in. The Company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

b) Executive Directors and Senior Management Personnel should ensure that the Company adopts most efficient energy management system, prevention of energy waste and utilization of natural resources in all plants.

4.14 Quality of products and services

Executive Directors and Senior Management Personnel should ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction.

Executive Directors and Senior Management Personnel should cause the Company to strive towards proper application and adoption of product safety standards and applicable to the industry.

4.15 Shareholders

Directors and Senior Management Personnel shall be committed to enhance shareholder value and in ensuring that the Company complies with all regulations and laws that govern shareholders' rights. Directors and Senior Management Personnel should cause the Board to duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

5. COMPLIANCE OFFICER

The Company Secretary shall act as compliance officer for the purpose of the Code, who shall be available to Directors and Senior Management Personnel to help them to comply with the code.

6. VIOLATION OF CODE

It shall be the duty of Directors and Senior Management Personnel to help the enforcement of the Code and any breach if communicated/noticed is to be reported to the Board. In case of breach of this Code by Directors and Senior Management Personnel, the same shall be considered by the Board for initiating appropriate action, as deemed necessary.

7. AMENDMENT

The provisions of this Code can be amended/modified by the Board from time to time and all such amendments/modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such amendments and modifications.
