DHARANI FINANCE LIMITED

PGP GROUP

MODEL CODE OF BUSINESS CONDUCT & ETHICS

Preamble

Commitment to ethical professional conduct is a **MUST** for every employee of the Company in all of its business/units/subsidiaries. This code, consisting of imperatives formulated as statements of personal responsibility, identifies the elements of such a commitment. It contains many, but not all issues, employees are likely to face.

Section A of this code, outlines fundamental ethical considerations, while Section B addresses additional, more specific considerations of professional conduct.

The 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.

It is understood that some words and phrases in a code of ethics and conduct document are subject to varying interpretations and that any ethical principle may conflict with other ethical principles in specific situations. Questions related to ethical conflicts can best be answered by thoughtful consideration of fundamental principles rather than reliance on detailed regulations. In case of conflict, the decision of the Board shall be final.

Applicability

This code is applicable to the Board Members and all employees in and above Officers level (hereinafter collectively referred to as "Employee(s)").

All employees must read and understand this code of conduct and ensure to abide by it in their day-to-day activities

Section A: General Moral Imperatives

1) **Contribute to society and human wellbeing**
   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 wellbeing needs a safe and natural environment. Therefore, all of us who are accountable for the design, development, manufacture and promotion of company's products, must be alert to, and make others aware of, any potential damage to the local or global environment.

2) **Avoid harm to others**
   "Harm" means injury or negative consequences, such as loss of property, property damage to or unwanted health and environmental impacts. This principle prohibits use of men, material and technology in ways that might result in harm to our consumers, employees and the general public.

   Well-intended actions, including those that accomplish assigned duties, may lead to harm unexpectedly. In such an event, the person or persons responsible are obliged to undo or mitigate the negative consequences as much as possible.

3) **Be honest and trustworthy**
   Honesty is an essential component of trust. Without trust, an organization cannot function effectively. All of us are expected not to make deliberately false or deceptive claims about our products/ systems, but instead provide full disclosure of all pertinent limitations and problems.

4) **Be fair and take action without discrimination**

The values of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination on the basis of race, sex, religion, age, disability, national origin, or other such factors is an explicit violation of this code and should at all times be avoided

5) **Practise integrity in our inter-personal relationship**
In our relationships with colleagues, we should treat them with respect and in good faith, in the same way we ourselves would expect them to treat us. The principle to be adopted to guard against loose talk or in its worst form character assassination is not to say anything behind one's back and never utter something, which cannot be put in writing.

6) **Honor confidentiality**
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.

We therefore, will maintain the confidentiality of all material non-public information about company's business and affairs.

Section B: Specific Professional Responsibilities:

1) **Live the Company's values each day**
We must live the Company's values- each day. For quick reference our core values are:

a) **Ownership**
This is our Company. We accept personal responsibility and accountability to meet business needs.

b) **Passion for winning**
We all are leaders in our area of responsibility with a deep commitment to deliver results. We are determined to be the best at doing what matters most.

c) **People development**
People are our most important asset. We add value through result driven training and we encourage and reward excellence.

d) **Consumer focus**
We have superior understanding of consumer need and develop products to fulfill them better.

e) **Team work**
We work together on the principles of mutual trust and transparency in a boundary less organization. We are intellectually honest in advocating proposals, including recognizing risks.

2) **Innovation**
Continuous innovation in products and process is the basis of our success.

3) **Integrity**
We are committed to the achievement of business success with integrity. We are honest with consumer, with business partners and with each other.

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. We must strive to achieve the highest quality, effectiveness and dignity in all that we are responsible for each day.

4) Acquire and maintain professional competence

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. We must participate in setting standards for appropriate levels of competence, and strive to achieve those standards.

5) Know and respect existing laws

We must obey existing local, state, national, and international laws unless there is a compelling ethical basis not to do so. We should also obey the policies, procedures, rules and regulations of the company. Violation of a law or regulation may be ethical when that law or rule has inadequate moral basis or when it conflicts with another law judged to be more important. If one decides to violate a law or rule because it is viewed as unethical, or for any other reason, one must fully accept responsibility for one's actions and for the consequences.

6) Accept and provide appropriate professional review

Quality processional work depends on professional reviewing and critiquing. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of others.

7) Manage personnel and resources to enhance the quality of working life

Organizational leaders are responsible for ensuring that conducive environment is created for fellow employees to enable them to deliver their best. We all, therefore, are responsible for ensuring human dignity of all our colleagues, ensuring their personal and professional development and enhancing the quality of working life.

8) Deal with the Media tactfully

We should guard against being misquoted and finding ourselves compromised. Our role as individual is always to be tactful and to avoid comment and to pass enquiries to those who are authorized to respond to them.

9) Be upright and avoid any inducements

Neither directly nor through family and other connections indirectly, should we 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 decisions especially during bulk purchase of commodities for the organization, or awarding a contract to an agency etc. We are likely to be offered various gifts by vendors/ parties/ agencies and people associated with Company under different wraps or generally on personal celebrations or functions or religious festivals. etc.,

10) Observe Corporate Discipline

Our flow of communication is not rigid and people are free to express themselves at all levels. However, this informality should not be misunderstood. What it means is that though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and policy consensus has been established, all are expected to adhere and abide by it, even when in certain instance we may not agree with it individually. In some cases, policies act as a guide to acting, in others they are designed to put a constraint on action. We all must learn to recognize the difference and appreciate why we need to observe them.

11) Conduct ourselves in a manner that reflects credit to the Company

All of us are expected to conduct ourselves, both on and off-duty in a manner that reflects credit to the company. The sum total of our personal attitude and behavior 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.

12) Be accountable to our stakeholders

All of those whom we serve, be it our customers, without whom we will not be in business, our shareholders, who have an important stake in our business and the employees, who have a vested interest in making it all happen are our stakeholders. And we must keep in mind at all times that we are accountable to our stakeholders.

"Inside information" gained from the Company or otherwise must not be used for personal gains. We undertake to comply with the Company's code of conduct for Prevention of Insider Trading.

13) Identify, mitigate and manage business risks

It is our responsibility to follow our company's institutionalized risk management framework to identify the business risks that surround our function or area of operation and to assist in the Company-wide process of managing such risks, so that Company may achieve its wider business objectives. All of us should continuously ask ourselves" What can go wrong and what am I doing to prevent it".

14) Protect Company's properties

We all are perceived as Trustees of Company's properties, funds and other assets. We owe fiduciary duty to each stakeholder, as their agent, for protecting the Company's assets. We, therefore, must safeguard and protect the Company's assets against any misappropriation, loss, damage, theft etc., by putting in place proper internal control systems and procedures and effectively insuring the same against any probable fire, burglary, fidelity and any other risk.

Specific Additional Provisions for Board members and Management Committee members

As Board/ Management Committee Members

We undertake to actively participate in meetings of the Board, or the committees thereof and the meetings of Management Committee on which we serve:

As Board Members

1. We undertake to inform the Chairman of the Board of any changes in our other board positions, relationship with other business and other events/ circumstances/ conditions that may interfere with our ability to perform our Board/ Board / Committee duties or may impact the judgment of the Board as to whether we meet the independence requirement of Listing agreement with Stock Exchanges.
2. We undertake that without prior approval of the disinterested members of the Board, we will avoid apparent conflict of interest. Conflict of interest may exist when we have personal interest that may have a potential conflict with the interest of the Company at large.

Illustrative cases can be:

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

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

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

Use of Official position for our personal gains: We Use of Official position for our personal gains: should not use our official position for our personal gains

Compliance with code

As employee of Company, we will uphold and promote the principles of this code

The future of the organization depends on both technical and ethical excellence. Not only is it important for employees to adhere to the principles expressed in this Code, each employee should encourage and support adherence by other employees.

Treat violations of this code as inconsistent association with organization

Adherence of professionals to a code of ethics is largely a voluntary matter. However, if any of us do not follow this code by engaging in process misconduct, 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 guilty employee.

Miscellaneous

Continual up-dation of code

This code is subject to continuous review and updating in line with any change in law, change in Company's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board.

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