

Board of Directors and “The Code of Business Conduct & Ethics”

SI No	Name, Designation & Address	Photograph
1	Shri Rajnish Kumar Jenaw Chairman-cum-Managing Director National Scheduled Castes Finance and Development Corporation 14th Floor Core 1 & 2 SCOPE Minar Laxmi Nagar District Centre Delhi-110092	
2	Shri Sanjay Pandey Joint Secretary & Financial Adviser Ministry of Social Justice & Empowerment Shastri Bhawan New Delhi – 110 001	
3	Smt. Kalyani Chadha Joint Secretary (SCD-B), Ministry of Social Justice & Empowerment, Shastri Bhawan, <u>New Delhi – 110 001.</u>	
4	Shri S M Awale Chief General Manager (Audit) IDBI Bank Limited IDBI Complex, Near Lal Banglow, C.G. Road, Ahmedabad -380 006	
5	Smt. Anjula Singh Mahaur, Non-official (Independent) Director, 31/35/75/2A Sanjay Nagar, Rajpur, chungi Ukhara Road, Agra, <u>Uttar Pradesh-311831</u>	
6	Shri Durga Prasad Rai, Non-official (Independent) Director, C-120/123, Buxipur, Gorakhpur, <u>Uttar Pradesh- 273001</u>	

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF NSFDC

1.0 Introduction

- 1.1 This Code shall be called “The Code of Business Conduct & Ethics for Board Members and Senior Management” of National Scheduled Castes Finance and Development Corporation (NSFDC) hereinafter referred to as “the Company”
- 1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.
- 1.3 This Code for Board Members and Senior Management has been framed specially in compliance of the provisions of the Guidelines of DPE.
- 1.4 It shall come into force with effect from the 31st March, 2011 (year and month).

2.0 Definitions and Interpretations:

- 2.1 The term “Board Members” shall mean Directors on the Board of Directors of the Company
- 2.2 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.
- 2.3 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.
- 2.4 The term “Relative” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013.
- 2.5 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.
- 2.6 The term “the Company” shall mean National Scheduled Castes Finance and Development Corporation (NSFDC).

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

3.0 Applicability

- 3.1 This code shall be applicable to the following personnel:
 - 3.1.1 All Whole-time Directors including the Chairman & Managing Director of the Company.
 - 3.1.2 All Part-time Directors including Independent Directors under the provisions of law.
 - 3.1.3 Senior Management
- 3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable/to be applicable policies, rules and procedures of the Company.

4.0 **Contents of Code**

Part I	General Moral Imperatives
Part II	Specific Professional Responsibilities
Part III	Specific Additional Provisions for Board Members and Senior Management

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. It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART – I

5.0 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 wellbeing includes a safe natural environment.

5.1.2 Therefore, all Board Members and Senior Management who are accountable for the design, development, manufacture and promotions of company's products, 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 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 value of equality, tolerance, respect for others, and the principles of equal 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 and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the NSFDC.

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.

PART II

6.0 Specific Professional Responsibilities.

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

Live the Vision, Mission and Values of NSFDC each day. For quick reference they are as under:

Vision

We at NSFDC, are committed to provide project financing, skill & entrepreneurial development training services to unemployed Scheduled Caste persons living below double the poverty line, working through proactive and responsive beneficiary approach, leading to beneficiary satisfaction.

Mission

- (i) To optimize organizational efficiency to ensure the profitability as per the MOU targets.
- (ii) Ensure timely release of funds, their effective utilization and repayment.
- (iii) To provide financial grants to scheduled caste beneficiaries through State agencies leading to enhancement of their skills & knowledge.
- (iv) Continual competency development through imparting training to each employee as per laid down schedule to moderate the skills required for modernized functioning of the organization.
- (v) Continual enhancement of the customer satisfaction through prompt redressal of customer complaints.

Values

- (i) Consistently provide services that meet eligible beneficiary, regulatory and other applicable requirements.
- (ii) Continually enhance internal effectiveness and efficiency of the organization for satisfaction of stakeholders including customers.
- (iii) Create and maintain a conducive working environment in the organization for meeting the organizational goals and commitments.
- (iv) Top management shall ensure that an effective system exists for resource planning and provisioning as per the requirements of the organization to meet the existing / upcoming requirements while keeping in view optimum utilization of resource.
- (v) All echelons of management should be sensitized to quality aspects as a way of life ensuring that quality at the level of direct customer interface is given paramount importance and top management policies and directions are implemented at operational level.

- 6.1 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.

- 6.2 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.
- 6.3 Compliance with Laws:-** The Board Members and Senior Management 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 NSFDC.
- 6.4 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.
- 6.5 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 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 NSFDC by providing them all necessary assistance and cooperation, thus enhancing the quality of working.
- 6.6 Be upright and avoid any inducements:-** The Board Members 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.
- 6.7 Observe Corporate Discipline:-** The flow of communication within NSFDC 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.

- 6.8 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 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.
- 6.9 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.
- 6.10 Prevention of Internal Procedures:-** The Board Members and Senior management shall comply with the code of Internal Procedures.
- 6.11 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.
- 6.12 Protect properties of the Company:-** The Board Members and Senior Management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for personal gains.

PART – III

7.0 Specific Additional Provisions for Board Members and Senior Management

7.1 **As Board Members 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 judgment of the Board as to whether they meet the independence requirements of 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.

7.3 Compliance with the Code of Business Conduct and Ethics

7.3.1 All Members of the Board 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 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 organisation

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members 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 or Senior Management requiring any clarification regarding this code of conduct may contact Chairman-cum-Managing Director/Company Secretary/ any officer specifically designated by the Board of Directors.

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

I have received and read the code of Business Conduct and Ethics for Board Members and Senior Management of National Scheduled Castes Finance and Development Corporation. 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. If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the NSFDC or the legal and regulatory requirements applicable to my job, I know I can consult Director or Company Secretary of NSFDC, knowing that my questions or reports will be maintained in confidence. Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

AFFIRMATION

I _____(name), _____(designation) having read and understood the Code of Business Conduct and Ethics for Board Members 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, 2019.

Signature _____

Place :

Date :

Name :

Designation :

Telephone No. :