



# **DHANVARSHA FINVEST LIMITED**

## **POLICY ON CONFLICTS OF INTEREST FOR MANAGEMENT AND EMPLOYEES**

## Policy on Conflicts of Interest for Management and Employees

The policy is as follows:

It is the policy of Dhanvarsha Finvest Limited (“the Company”) that employees will avoid conflict of interest situations. The Company will establish procedures to ensure that all situations be reported where there is either the appearance of or the potential for a conflict of interest.

Conflict of Interest is a situation in which an interest interferes, or has the potential to interfere, with a person, organization or institution's ability to act in accordance with the interest of another party, assuming that the person, organisation or institution has a (legal, conventional or fiduciary) obligation to do so.

The underlying principle to be used in determining if a conflict of interest situation should be reported is solely whether there would be the appearance or the potential for a conflict of interest. It is not a question of whether the individual will use confidential information for personal benefit or would allow a conflict to adversely affect Company decisions.

The types of interest that can give rise to conflicts include:

### 1. Pecuniary or non-pecuniary interests

Conflicts of interest can be classified into pecuniary and non-pecuniary interests, depending on whether there is a financial advantage involved.

A **pecuniary** interest is a situation where the private / other competing interests are of such a nature that the employees could generate a personal financial interest from their official duties (or there is the potential to gain financially from their official position).

A **non-pecuniary interest** is one where an individual has a personal / other competing non-financial interests in their official duties. They include any tendency to be favourable or prejudicial resulting from friendship, animosity or other personal involvement that could bias one's judgment or decisions.

### 2. Personal/Social/Business/Other interests

As our Indian society is predominantly relationship-based, the probability of encountering conflicts relating to personal and social interests could be comparatively higher. This could, in its wake, lead to problems relating to nepotism, favouritism, corruption etc.

### 3. Other competing professional interests

The professional interests may include another part time employment in an organization which directly or indirectly competes the business of your Company.

#### 4. Human emotions

On a number of occasions, human emotions like greed, kinship / friendship, anger, hatred, etc., form the basis for exploitation of conflicts of interest in non-pecuniary type of interests, as stated above.

Several areas of potential conflict exist:

- i. Any relationships of employees, officers of the Company (whether personal or commercial) existing with other employees, officers vendors, suppliers, and members / borrowers and / OR ANY transactions emanating there from with or on behalf of the Company or any of its affiliates should be disclosed to the Company and should be at arms-length and at fair market prices. All exceptions must be fully disclosed and approved by the Managing Director prior to consummation.
- ii. Gifts, gratuities or favors received from or offered by outsiders other than those of a nominal amount, that could be in any way construed to be related to one's employment with the Company, must be fully disclosed and approved either by a member of the Management or by the Managing Director. If a member of the Management is the recipient, approval must be obtained from the Managing Director, and in the case of the Managing Director, from the Chairman of the Company.

Employees whose responsibilities include selling, marketing, transportation, purchasing or leasing of any type for the account of the Company need to exercise particular discretion to avoid a possible conflict of interest.

- iii. Employees will not actively or passively participate in any way with competitors, suppliers, or customers' businesses, or use confidential Company information for personal gain. Any participation by an employee, whether as owner, shareholder, partner, employee, director or consultant with any competitor, supplier or customer's business shall be disclosed.
- iv. All employees who have access to confidential information of the Company concerning financial products, borrowings, investors, business developments project, database models, or any other information should not be involved in any transaction on their personal accounts either directly or indirectly through partners or associates. Employees of the Company are presumed to have access to such information.
- v. You should disclose any transaction (or series of transactions) with the Company (or any of its affiliates), or with any business partner or customer of the Company (or any of its affiliates) with whom you have dealings, involving you (or any relative or affiliated entity of yours) which involves Rs. 1,000/- or more.

The appearance of a potential conflict of interest may exist if any of the transactions described in the preceding paragraphs involve a relative of yours or an affiliated entity of yours. Transactions by such persons should be reported on this form. A "relative" is your spouse, child, parent, brother and sister. An "affiliated entity" is a corporation, partnership, joint venture or other entity in which you or one of your "relatives" is a partner, director, officer or owner of 10% or more of the equity interest in the entity.

Notwithstanding such or any other instance of conflict of interest that exist due to historical reasons, adequate and full disclosure by interested employees shall be made to the company's management. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family,

including parents, spouse and children, may have in a family business or a company or firm that is a competitor, supplier, customer or distributor of or has other business dealings with his / her company. 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.

At least once a year, each salaried employee with Cost to Company of Rs. 10,00,000/- or more, and such other employees as may be designated by the Managing Director of the Company, shall provide a disclosure (signed statements) to the Company on all potential conflict of interest matters referred to in this statement of policy. If the employee becomes aware of a potential conflict of interest after signing this form, the employee will immediately sign a new form and transmit it to a member of the Management or the Managing Director if the person reporting is a member of the Management. Employees who report a conflict of interest may be required to furnish a copy of the appropriate documentation to the Managing Director.

If an employee fails to make the required disclosure and the management of its own becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management shall take a serious view of the matter and consider suitable disciplinary action against the employee includes and is not limited to immediate termination from service of the Company.

Only the Managing Director has the authority to approve any interpretations or deviations of this policy.

Date:

To

**Managing Director**

Dhanvarsha Finvest Limited

Dear Sir,

**Subject: Confirmation on adherence to Dhanvarsha Finvest Limited - Policy on Conflicts of Interest for Management and Employees**

I have received and read the "Dhanvarsha Finvest Limited - Policy on Conflicts of Interest for Management and Employees" ("Policy") and confirm the following:

I **do not** have a Conflict of Interest.

I affirm the compliance with the Policy.

I have a Conflict of Interest as described below or on the attached exhibit:

.....  
.....  
.....

The above declaration may please be taken on record.

Thanking you,

Yours faithfully,

SIGNATURE: .....

NAME: .....

DESIGNATION: .....

EMPLOYEE ID: .....