

POLICY ON CODE OF CONDUCT FOR BOARD OF DIRECTOR, SENIOR MANAGEMENT
PERSONNEL AND EMPLOYEES

VERSION CONTROL (Revision History):

VERSION	DATE OF ADOPTION	CHANGE REFERENCE	OWNER	CUSTODIAN	APPROVING AUTHORITY
1.0	26-Mar-2015	Adoption of the Code of Independent Directors as per Schedule IV Companies Act, 2013	Compliance Team	Compliance Team	Board of Directors
1.1	09-Feb-2022	Adoption of the Code of Independent Directors as per various amendments in Schedule IV Companies Act, 2013	Compliance Team	Compliance Team	Board of Directors
1.2	29-May-2023	Code of Independent Directors reviewed and updated w.r.t review period of the code	Compliance Team	Compliance Team	Board of Directors
1.3	30-May-2024	Annual Review. No change	Compliance Team	Compliance Team	Board of Directors
1.4	14-Feb-2025	Amendment in name of policy and code of conduct for inclusion of non-independent Directors and Senior Management.	Compliance Team	Compliance Team	Board of Directors
1.5	23 December 2025	Amendment in name and policy details in compliance with regulatory requirement.	Compliance Team	Compliance Team	Board of Directors

REGULATORY REFERENCE:

PARTICULARS	REFERENCE LINK
Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025	Master Directions - Reserve Bank of India

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1. PREAMBLE:

This Policy on Code of conduct for Board of Directors, Senior Management and Employees sets forth legal and ethical standards of conduct for Directors and employees constituting Senior Management Personnel who shall mean the officers and personnel of the entity who are members of its core management team, the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as Key Managerial personnel, other than the board of directors of Ashv Finance Limited (“**Ashv**” or the “**Company**”) and ensures compliance with legal requirements of the Master Direction – Reserve Bank of India (Non - Banking Financial Company – Scale Based Regulation) Directions, 2023 (*updated from time to time*) circulars, and guidelines issued by RBI (“**the RBI Directives**”).

2. INTRODUCTION:

Ashv is a public limited company incorporated under the Companies Act, 2013 and is registered with the Reserve Bank of India as Middle Layer Non – Banking Financial Company (Middle – Layer NBFC). The Company is engaged in providing financial support to entrepreneurs operating within the micro, small, and medium enterprise (**MSME**) sector.

The purpose of this policy is to enhance the ethical and transparent process in managing the affairs of the Company. It is, therefore, desirable that Directors / Senior Management Personnel / Employees of Company possess / acquire appropriate knowledge of the legal requirements relating to their roles and duties to enable them to be in compliance thereof and to recognize potential risks.

Directors / Senior Management Personnel / Employees shall ensure due compliance for every activity undertaken under their supervision and authority. Directors / Senior Management Personnel / Employees shall extend full co-operation to regulatory authorities and disclose information as may be required.

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Ashv is firmly committed to conducting its operations with the highest standards of ethics and integrity, thereby earning and retaining the trust and confidence of all its stakeholders—including customers, investors, employees, vendors, and other business associates.

This policy outlines both business and social interactions that may raise legal or ethical issues and establishes a comprehensive **Code of Conduct** to guide all Directors, Senior Management and Employees. It defines clear behavioral expectations and boundaries.

The policy serves as a guiding framework for Board of Directors, Senior Management and Employees in carrying out their daily responsibilities across various functions at Ashv. It reinforces the Company's dedication to regulatory compliance, adherence to applicable laws, and the consistent practice of ethical conduct in all aspects of its business.

This Code establishes ethical standards and conducts expectations for Directors, Senior Management and Employees (including officers, staff, contractual persons and trainees). It aims to:

- Promote ethical culture, integrity & responsible decision-making
- Support sound risk management & compliance culture
- Ensure transparency, accountability & customer protection

3. PURPOSE OF THE POLICY:

- To establish a consistent understanding and approach toward ethical conduct, particularly in recognizing and appropriately managing actual or perceived conflicts between personal interests and professional responsibilities.
- To enhance awareness of acceptable versus unacceptable behavior, thereby helping to prevent any real or perceived instances of misconduct.
- To encourage the timely internal reporting of any violations or suspected breaches of ethical standards.
- To strengthen internal processes and governance frameworks that promote appropriate conduct and discourage a culture of misconduct arising from the deliberate neglect of laws, regulations, or organizational policies and procedures.
- To reinforce that beyond mere compliance with legal and regulatory requirements and internal policies, every individual within the organization is expected to act with honesty, integrity, and to carry out their responsibilities with due skill, care, and diligence.

The Board of Director, Senior Management Personnel and employees of the Company shall abide by the provisions of the Act and Regulations and such other regulatory provisions, as applicable, and:

- shall conduct himself/herself in a professional manner and treat others with respect, fairness and dignity;
- demonstrate the highest standards of integrity, business ethics, and corporate governance;

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- dedicate adequate time, energy and attention to ensure the diligent performance of his/her duties including making all reasonable efforts to attend Board or Committee Meetings and act in accordance with the Articles of Association of the Company.
- 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- shall exercise objective independent judgement on corporate affairs.
- guide and motivate the employees of the organization.
- provide expertise and experience in their areas of specialization and share learnings at the meetings of the Board with the best interests of the Company and its stakeholders in mind.
- give careful and independent consideration to the affairs of the Company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the management. They should call for additional information, where necessary, for making such judgements
- not engage in any business, relationship or any activity which detrimentally conflicts with the interest of the Company or bring discredit to the Company. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests must be avoided at all costs
- not disclose any confidential / privileged information of the Company and should direct any media queries or approaches to the appropriate spokesperson within the Company.
- ensure that facilities/amenities provided by the Company are used with proper care and diligence and to return possession.
- not enter into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, except without requisite approvals.
- not employ any of their relatives or deal with them on Company's behalf without proper authorization, obtained after disclosing their relationship.
- inform the changes in their interests that may interfere with their ability to perform their duties, and in the case of Independent Directors, impact their independence as a Board member
- not assign his office and any assignment so made shall be void.
- comply with every provision of this Code.

4. GOVERNANCE AND RESPONSIBILITY:

The Board of Directors ("**Board**") holds ultimate responsibility for the oversight of this Code and its effective implementation.

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The (Senior) Management shall ensure that the Code's provisions are incorporated into operational policies, procedures, internal controls and training programs.

Each non-independent director and employee is personally responsible for reading, understanding and complying with this Code and promptly reporting any actual or suspected breach.

The Company shall designate Ethics Officer (or equivalent role) who shall coordinate training, monitoring, investigation of breaches, corrective action, and periodic reporting to the Board.

5. CORE ETHICAL PRINCIPLES:

In all matters, the following ethical principles shall guide the behavior of directors, senior management personnel and employees:

- **Integrity:** Honest, fair dealing; avoidance of mis-representation, manipulation, mis-leading statements or omissions.
- **Professionalism:** Competence, diligence, conscientiousness in performing duties.
- **Transparency and Accountability:** Openness in decision-making, clear documentation of material decisions, and willingness to take responsibility for actions.
- **Confidentiality & Data Protection:** Safeguarding of confidential information of the Company, its customers, stakeholders; compliance with applicable data protection/privacy laws.
- **Compliance with Laws & Regulations:** Full compliance with the RBI's directives (including the SBR framework), applicable regulations, internal policies, and ethical standards.
- **Conflicts of Interest:** Avoidance of situations where personal interests may conflict (or appear to conflict) with Company's interests; disclosure and recusal where required.
- **Fair Treatment of Customers & Stakeholders:** Upholding customer trust, fair practices, and the Company's reputation.
- **Reputation and Social Responsibility:** Awareness that the Company's operations have societal impact; conduct consistent with maintaining trust and contributing to a robust financial system.

6. DUTIES AND CONDUCT OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company shall abide by the Code for Independent Directors pursuant to Section 149 of the Companies Act, 2013 as given in **Annexure-I**.

7. DUTIES AND CONDUCT OF NON-INDEPENDENT DIRECTORS:

- **Role & Expectations:** Non-independent directors shall act in the best interests of the Company and its stakeholders; apply independent judgment; engage proactively in Board deliberations; monitor performance of management; ensure integrity of financial reporting, internal controls and risk management.
- **Ethical Conduct:** Directors shall comply with all applicable laws and regulations, the Company's Memorandum & Articles of Association, Board and committee charters, and this Code.
- **Conflict of Interest:** Directors must promptly disclose any actual or potential conflict of interest (including any related party transactions) to the Chairman and Board. They shall recuse themselves from deliberations/decisions where a conflict exists.

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- Confidentiality: Directors must maintain confidentiality of Board matters, internal information, and customer data, except where disclosure is mandated by law or regulation.
- Commitment: Directors shall devote sufficient time and attention to the Company's affairs, attend meetings, review materials in advance, ask probing questions, and endeavour to enhance governance standards.
- Upholding Regulatory Expectations: Being from an NBFC-ML, the Board is expected to ensure that the Company's governance frameworks satisfy the enhanced risk management, internal audit, compliance and reporting obligations associated with the SBR regime.
- Whistle-blowing / Reporting: Directors must support and promote the Company's whistle-blower mechanism, and must themselves raise any issue which may materially impact the Company's risk profile, compliance status or reputation.

8. DUTIES AND CONDUCT OF SENIOR MANAGEMENT PERSONNEL AND EMPLOYEES:

- General Conduct: Employees are expected to perform their duties diligently, responsibly and in good faith, act in the Company's best interest and avoid behaviour that could undermine trust or the Company's reputation.
- Conflicts of Interest: Employees must disclose any situation of actual or potential conflict of interest (personal, family, financial) with the Company's business. No employee shall derive personal benefit from their position beyond remuneration/benefits as per Company policy unless properly disclosed and approved.
- Gift, Hospitality & Entertainment: Employees must not accept gifts or hospitality that could reasonably be perceived to influence business decisions or create an obligation. Acceptance of modest hospitality in the normal course of business may be permitted provided it is transparent, recorded and within Company policy.
- Use of Company Assets & Information: Employees must use Company assets (physical, financial, digital) and information only for legitimate business purposes. They must protect the confidentiality, integrity and availability of Company systems and data.
- Insider Trading / Confidential Information: Employees must not trade or facilitate trading in securities of the Company (or any other company) based on unpublished price-sensitive information, or otherwise misuse confidential information.
- Fair Dealing: Employees shall deal fairly with internal colleagues, customers, suppliers, vendors, regulators and other stakeholders; not take unfair advantage, misrepresent facts or engage in unfair discrimination.
- Compliance with Policies and Laws: Employees must comply with all applicable laws, regulations, internal policies (e.g., anti-money laundering, fraud prevention, outsourcing guidelines) including those specific to NBFCs under the SBR framework, e.g., strong risk management and internal control systems.
- Reporting & Escalation: Employees must promptly report any known or suspected breach of this Code, any unethical conduct, fraud, or regulatory non-compliance via the Company's whistle-blowing / reporting mechanism.

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- Non-Retaliation: The Company will not tolerate retaliation against any employee or director who, in good faith, reports concern under this Code.

9. TRAINING, COMMUNICATION & IMPLEMENTATION:

- The Company will conduct periodic training and awareness programs for directors and employees on this Code, regulatory obligations (including SBR regime) and related policies.
- The Company will communicate the Code to all directors and employees, obtain acknowledgement of receipt, and maintain records.
- The Company shall integrate the Code into its induction process for new employees and continuing refresher training.
- The Ethics Officer will monitor adherence to the Code, conduct periodic reviews and audits, address queries, and maintain a log of reported breaches and corrective actions.

10. MONITORING, REPORTING AND DISCIPLINARY ACTION:

- Compliance with this Code will be monitored by Internal Audit / Compliance function. Key metrics, incidents and compliance status will be reported to the Board (or appropriate Committees) at regular intervals.
- Any breach of this Code (including non-disclosure of a conflict of interest, misuse of information, unethical behaviour) may lead to disciplinary action, including formal warning, suspension, termination, or referral to external authorities if required.
- Directors or employees must cooperate in investigations of potential breaches and provide truthful information.
- The Board may review the effectiveness of this Code annually (or more frequently) and update it as necessary.

11. DISCLOSURE AND REVIEW:

- The Company will disclose this Code (or a summary thereof) on its website (and/or employee handbook) and furnish it to relevant stakeholders, as appropriate.
- This Code shall be reviewed at least once a year (or more often if mandated) to ensure alignment with changes in regulatory requirements (including the RBI's SBR framework), business environment, best practices and corporate strategy.
- Any substantive amendment shall be approved by the Board.
- In case any of the provisions hereinabove, contravenes any law or any instrument having force of law - the law time being in-force shall prevail.
- Wherever the Policy is translated in the vernacular language for easy understanding by the employees, if there is any conflict or varied interpretation of the Policy in vernacular language, the interpretation of English version shall prevail.

Annexure I

CODE FOR INDEPENDENT DIRECTORS OF ASHV FINANCE LIMITED

The Code is a guide to professional conduct for Independent Directors of the Company as per Schedule IV of the Companies Act, 2013 (hereafter referred to as “**the Act**”). Adherence to these standards by Independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent Directors.

The Code will be reviewed on an annual basis by the Management. If there is any change to the code, then the Management will seek Board approval.

I. Guidelines of Professional Conduct:

An independent director shall:

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising his duties;
- c. exercise his responsibilities in a bona fide manner in the interest of the Company;
- d. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f. not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g. refrain from any action that would lead to loss of his independence;
- h. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i. assist the company in implementing the best corporate governance practices.

II. Role and Functions:

The independent directors shall:

- a. help in bringing an independent judgment to bear on the Board’s deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b. bring an objective view in the evaluation of the performance of board and management;
- c. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e. safeguard the interests of all stakeholders, particularly the minority shareholders;
- f. balance the conflicting interest of the stakeholders;
- g. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- h. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder’s interest

III. Duties:

The independent directors shall:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the Company;
- f. 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;
- g. keep themselves well informed about the Company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. 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;
- j. 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;
- k. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy
- l. acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m. 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.

IV. Manner of appointment:

- a. Appointment process of independent directors shall be independent of the Company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- b. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- c. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- d. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - the term of appointment;
 - the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - provision for Directors and Officers (D&O) insurance, if any;
 - the Code of Business Ethics that the Company expects its directors and employees to follow;
 - the list of actions that a director should not do while functioning as such in the company; and

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- the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- e. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- f. The terms and conditions of appointment of independent directors shall also be posted on the Company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or Removal:

- a. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- b. An independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- c. Where the Company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate Meetings:

- a. The independent directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- b. All the independent directors of the company shall strive to be present at such meeting;
- c. The meeting shall:
- review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
 - assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation Mechanism:

- a. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- b. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
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