

SMC Credits Limited

Code of Conduct for Directors and Senior Management Personnel (Pursuant to Clause 49(II)(E) of the Listing Agreement)

(I) PREFACE

A Code of Conduct is guiding principles of behavior and activities. The Code of Conduct for Board Members and Senior Management of a company helps to maintain public trust and to achieve business success. It ensures highest standard of ethical conduct of every Board members and Senior Management Personnel and helps to achieve performance goals with sincerity. An effectual Code of Conduct needs that every Board Member and Senior Management personnel demonstrates the highest standards of Integrity, transparency, accountability and professionalism. The reputation of a company highly depends on behavior/conduct of its Board Members and Senior Management Personnel.

Pursuant to the revised clause 49(II)(E) of the Listing Agreement, a model Code of Conduct has been re-designed to maintain the highest standards of Corporate Governance. The Board Members and Senior Management Personnel of the Company must study and comply with this code of conduct.

All Board members and Senior Management Personnel shall sign the affirmation of compliance with this code of conduct mentioned at the end of this Code and return to the Company Secretary.

(II) SALIENT FEATURES

01. All Board Members and Senior Management Personnel as defined herein shall comply with this code of conduct.

02. Unless the context otherwise requires-

(a).“Company” means SMC Credits Limited

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(b).“Board Members” mean the directors of the Company

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(c). “Senior Management Personnel” (hereinafter referred to ‘SMP’ or ‘Officer’) means all members of management of the Company one level below the executive directors, including all functional heads but excluding Board of Directors

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(d).“Independent Director” (ID) means a non-executive director of the Company, as defined in sub-clause II(B) of clause 49 of the Listing Agreement.

03.All Board members and SMP shall always act in a bona fide manner and exercise power with great care and caution with due diligence to the best of their ability individually and collectively with respect to the work and activity relating to the Company.

04. All Board members and SMP shall maintain the highest standards of personal integrity, truthfulness, honesty and fortitude in discharge of their duties in order to inspire public confidence and shall not engage in acts discreditable to their responsibilities.

05. The Board Members/ SMP shall exercise powers to the extent provided for and in conformity with the provisions of the Companies Act, 2013, Listing Agreements, Memorandum and Articles of Association of the Company and other applicable laws, rules or regulations and as per the power delegated to and vested in them.

06. All Board members/ SMP shall be bound to perform duties and obligations as prescribed under the applicable laws, rules or regulations in particular, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 2013, the Securities and Exchange Board of India Act, 1992, SEBI (Prohibition of Insider Trading) Regulations, 1992, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Listing Agreement with concerned Stock Exchanges and any other Regulations prescribed there-under.

All the Board Members/ SMP shall comply with all Govt. guidelines issued from time to time applicable to Company.

07. The Board procedures as prescribed shall be followed. The Board members being trustees and having fiduciary duties towards the Company shall serve the best interests of all the stakeholders of the Company with utmost care and caution. They shall attend Board/ Committee meetings regularly and effectively, equip themselves for valuable contribution and provide constructive ideas and assistance possibly for an ideal management and in the best interest of the Company. They shall act in good faith and make full disclosure to the Company in question of all the material transactions.

08. Every Board Member shall participate and provide assistance in the formulation and execution of strategies in the best interest of the Company and give benefit of his experience and expertise to the Company when the board is in the throes of a raging controversy.

09. No Board Member/ SMP shall in any manner or in any way take part in any communication or statement, which has the effect of adverse criticism of any policy or action taken or made by the Company pursuant to any law, regulation or public policy, or which is capable of embarrassing the relations between the Company and the Govt./ Institutions. Only the Chairman and other Functional Directors with the consent of Chairman can interact with the Press/TV/Radio etc.

10. No Board member/SMP shall, either on his own behalf or on behalf of any other person, deal in securities of the Company when in possession of any unpublished price sensitive information, and communicate, counsel or procure, directly or indirectly any unpublished price sensitive information to / from any person, except where the communication required is in the ordinary course of business or profession or employment or under any law.

11. No Board member/ SMP shall engage in any act involving moral turpitude, dishonesty, fraud, deceit or misrepresentation or any other act prejudicial to administration of the Company.

12. All Board members/ SMP shall secure and protect the properties (including intellectual properties) of the Company but not use them for a personal gain;
13. No Board member/ SMP shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.
14. All Board members/ SMP shall ensure that their personal interest shall not have conflict with their duties.
15. A person, who is disqualified for being appointed as director under Companies Act, 2013 or under any other law for the time being in force, shall not be appointed as Director of the Company and shall not hold such post.
16. The constitution of the Board of Directors of Company shall always be in conformity with requirements of the Independent Directors on its board as per provisions of the Companies Act, 2013, Listing Agreement and other applicable laws. The proceedings of various committees of Directors, viz. Stakeholders' Relationship Committee of Directors, Audit Committee, Finance Committee, Remuneration Committee, or any other Committee constituted in compliance with the provisions of Companies Act, 2013, and Listing Agreement, shall be placed before the Board of Directors of the Company for review and advice, if any. The independent directors shall make periodical review of legal compliance reports prepared by the Company as well as steps taken by the Company to cure any taint. All directors/SMP of the Company shall individually and collectively ensure compliances with provisions of Listing Agreement and in particular with clause 49 of Listing Agreement.
17. No Director/ SMP, except the Managing Director/ Chief Executive Officer who is responsible for overall day-to-day functions of the Company, shall interfere in day-to-day functioning of the Company, or exercise any influence of any kind on any employee/ office/ branch of the Company. Every Board Member/ SMP shall maintain secrecy about all papers/ information of the Company being in his/ her possession. An act or action by a Director/ SMP should not result against the overall interest of the Company and any directions/ guidelines issued by the Govt. / SEBI.
18. Every Board Member/ SMP shall deal with co-members, employees, investors, customers, suppliers, competitors, auditors, lawyers, creditors, advisers or other business associates of the Company fairly and, irrespective of hierarchical level, with dignity and respect.
19. Every Board Member/ SMP, before entering upon his duties, shall make a declaration of fidelity and secrecy in the form set out in Schedule-I.
20. The Company will take appropriate action against any Officer whose actions are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities and regulators. Any waiver of any provision of this Code of conduct for any Board Member/ SMP should be approved by the Board of Directors of the Company in writing.
21. All Board Member/ SMP shall affirm compliance with this Code on annual basis. The affirmation regarding compliance of the Code is to be given within 30 days of the conclusion of

the financial year to the Company Secretary. The annual report of the Company shall contain a declaration to this effect signed by the Chairman/ MD/ CEO.

(III) HONESTY, INTEGRITY & ETHICAL CONDUCT

Senior Management Personnel shall act in accordance with the highest standards of integrity, honesty, fairness and ethical conduct while working for the Company as well when representing the Company.

Honest conduct means conduct that is free from fraud or deception. Integrity & ethical conduct includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

Senior Management Personnel should promote ethical behavior and take steps to ensure that the Company promotes ethical behavior and also encourages employees to freely report the violations of laws, rules, regulations or the Company's Code of Conduct to the appropriate personnel.

They shall not make or accept facilitation payments or kickbacks of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite an action. Kickbacks are typically payments made to commercial organizations in return for a business favour/ advantage such as payment made to secure the award of a contract. They must avoid any activity that might lead to or suggest that a facilitation payment or kickback will be made or accepted by the Company.

(IV) CONFLICT OF INTEREST

Senior Management Personnel must avoid and promptly disclose to the Company potential conflicts of interest regarding any matters concerning the Company.

A conflict of interest exists where the interests or benefits of Senior Management Personnel conflicts' with the interests or benefits of the Company. They shall make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the company at large (for e.g. dealing in company shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.). They shall not acquire assets for consideration other than cash from the Company and vice-versa

(V) CONFIDENTIALITY

Senior Management Personnel must maintain the confidentiality of sensitive information (that is not in public domain) relating to the Company which comes to their knowledge in the course of the discharge of their functions and any other confidential information about the Company that comes to them, from whatever source, except when disclosure of any such information is authorized or legally mandated. No Senior Management Personnel shall provide any confidential

or sensitive information either formally or informally, to the press or any other publicity media, unless specifically authorized to do so.

(VI) REPORTING

Company Secretary shall be the Compliance Officer for the purpose of this Code. Senior Management Personnel are required to report observed violations of the Code and illegal or unethical behavior to the Compliance Officer. All reports will be treated in a confidential manner and it is Company's policy to not allow retaliation for reports made in good faith of misconduct by others. In accordance with an established, documented & approved process the Company will undertake review & where appropriate, investigations of alleged violations or misconduct had taken place. Senior Management Personnel are expected to cooperate in internal investigations of misconduct and violations of this Code

(VII) WAIVERS & AMENDMENTS

Any waiver of any provision of this Code for a member of the Company's Board of Directors or a Senior Management Personnel must be approved in writing by the Company's Board of Directors and appropriately disclosed. Based on the business requirements and applicable regulations the Code may be amended by the Board of Directors from time to time.

Affirmation of compliance with this Code of Conduct

I have received and read the Company's Code of Conduct for the Directors and Senior Management Personnel. I understand the standards and policies contained in this Code of Conduct and agree to adhere to the standards described in this Code of Conduct and comply with this Code of Conduct at all times.

Further, I do hereby solemnly affirm to the best of my knowledge and belief that I have, in letter and in spirit, complied with the provisions of this Code of Conduct during the preceding financial year, if applicable.

Signature.....

Name.....

Designation.....

Date.....