

PMC FINCORP LIMITED

Code of Conduct

Applicable to all Directors and Senior Management

CODE OF CONDUCT

FOR ALL DIRECTORS AND SENIOR MANAGEMENT

I. PREAMBLE:

As required by Clause 49 CD) (i) of the Listing Agreement, the Code of Conduct, effective from 21st March 2006, the Company had adopted Code of Conduct for all the Board Members and the Management Staff of the Company. Further, In terms of Regulation 17(5) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time ("Listing Regulations") the Company has adopted this Code of Conduct for all Directors and Senior Management.

This Code lays down general principles designed to guide the Directors and Senior Management in making ethical decisions. The Code is designed to provide a frame of reference against which to measure any activities. As it is not possible to address every possible situation that may arise, this Code should be construed and applied to further the said objective. The Guidelines of Conduct and duties of Independent Directors are provided in Annexure I which form integral and main part of this Code.

II. APPLICABILITY:

This Code of Conduct (hereinafter referred to as "the Code") shall be applicable and binding on all the Directors and Senior Management of the Company.

III. DEFINITION:

"Board" or "Board of Directors" shall mean the board of directors of the Company.

"Company" shall mean The PMC Fincrop Limited

"Compliance Officer" shall mean the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code.

"Director" shall mean a member of the Board. "Listing Regulations" shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Senior Management" shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer officers/personnel/employees of the Company as defined in the Listing Regulations from time to time and for the purpose of this Code of Conduct term Senior Management includes all employees who are in grade of Manager and above.

It is clarified that, wherever the term 'relative' appears in this Code, it shall mean and include the spouse, parents and children of the Directors and Senior Management.

Words or expressions not defined in the code shall have meaning as ascribed to it in Listing Regulations or the Companies Act, 2013.

IV. WAIVER:

Any waiver of any provision of this Code of Conduct for Directors or Senior Management must be placed for approval before the Company's Board of Directors (or a Committee thereof), as appropriate.

V. AFFIRMATION OF COMPLIANCE OF THE CODE

All Directors and Senior Management personnel shall affirm compliance with this Code on an annual basis and submit the Annual Declaration (in the format as per Annexure II) before April 21 every year.

VI. VIOLATION

Each Director and Senior Management is the torch bearer of DMCC's conviction in the Principles of Good Corporate Citizenship. It is one of their important responsibilities to help enforce this Code in the best interest of the Company and all its stakeholders.

They should bring to the notice of the Company any observed material violation of this Code or any other policies or laws applicable to the business of the Company or any probability of occurrence of such violations.

Although it is not intended that disciplinary action would be appropriate for every violation of the provisions of this Code, whether disciplinary action is appropriate, and the degree of discipline to be imposed, will be determined through reasonable application of the text and will depend on factors such as the seriousness of the violation, intent of the concerned Director or Senior Management personnel, whether there is a pattern of improper activity, and effect of such improper activity on others or on the corporate governance system. A violation may result in corrective action up to and including termination from the employment of senior management personnel. In case of non-compliance of this code by the Directors and /or Senior Management personnel, the same shall be dealt by the Board of Directors of the Company for initiating appropriate action, as they may deem fit and proper

Directors and Senior Management are expected to fully co-operate during any internal or external investigations relating to such violations.

VII. AMENDMENTS

Any or all provisions of this Policy are subject to revision/ amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities found inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

The changes required in the Code due to the amendments in statutory laws or regulations, changes to explain or elaborate further on any guidance of Conduct or the provisions of the code can be made by the Compliance Officer of the Company. All other amendments shall be made with the approval of the Board of Directors of the Company. The Code shall be subject to review by the Board whenever required.

GUIDELINES OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

1. Honesty and Integrity

The Directors and Senior Management are entrusted with the responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore, in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All of them must act in good faith with honesty and accountability and with due care, competence and diligence.

The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations or this Code to the appropriate personnel.

2. Equity

All attempts should be made to maintain equity and fair justice while dealing on behalf of the Company. The Management shall be committed to provide a work environment free from unlawful discrimination, harassment and intimidation of any nature. Any kind of harassment or discrimination based on gender, religion, age, sex and such other characteristics shall be strictly prohibited.

3. Team work and spirit

The principles of mutual trust, teamwork and spirit shall be appreciated and maintained. Best efforts shall be made to contribute to an environment that builds confidence and empowers people through personal and professional growth. The Management shall attempt that the teams grow together through collaborative working, skills development, and knowledge sharing and learning from each other

4. Safety, Environment, Health and Quality Policies

The Management should ensure that Safety, Environment, Health and Quality Policies of the Company are adhered to in both letter and spirit, in the performance of all the activities of the Company

5. Conflicts of interest - Outside Directorships & Outside employment

It is expected of Management that they devote their full attention to the business interest of the Company and will always hold themselves back from indulging in any activity that directly or indirectly promotes growth of any competitor to the detriment of the Company's business.

Non-Executive Directors and Management should desist themselves from (a) engaging in any activity, (including outside Directorships) which is prima facie in conflict with or prejudicial to the Company (b) associating themselves by undisclosed investment of funds with any supplier / customer or competitor (c) undisclosed business dealings with the Company through a relative or related party in any significant manner.

The Directors and Senior Management personnel should be scrupulous in avoiding 'conflicts of interest' with the Company. They should always act in the best interest of the Company. In

case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof and obtain prior written approval from the applicable authority. All Directors shall disclose any interest in the contract or arrangement under the provisions of Companies Act 2013 and abstain from discussion, voting or otherwise influencing a decision on any matter that may come before the Board in which they may have conflict or potential conflict of interest.

They should act in good faith, responsibly with due care, competence and diligence, without allowing their independent judgment to be subordinated.

A conflict of interest may arise:

- a. When a Director or Senior Management personnel takes action or has interests that may make it difficult to perform his or her work objectively and effectively;
- b. Entering into transactions or arrangements (directly or indirectly through relatives) with firms, companies or body corporate, for personal gain, which may conflict with the business interest of the Company.
- c. The receipt of any personal benefit by a member of his or her family from any supplier, customer or competitor of the Company unless disclosed to Applicable Authority;
- d. Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company;
- e. Any investment interest by Senior Management personnel or their relative, who is in possession of any unpublished price sensitive information, in any supplier, customer, or competitor of the Company;
- f. Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company

6. Confidentiality of information

All the confidential information which the Directors / Management may come to know during the course of the business relating to the Company, Company's customers, suppliers, etc., shall be guarded as "secret" by them unless warranted by law. The NonExecutive Directors / Management shall refrain themselves from providing any of such information either formally or informally to the press or any other publicity media.

7. Use of Assets and Information – Company property, leave it, where it belongs

Every Director and Senior Management personnel shall:

- a. Ensure that facilities/amenities provided to him/her by the Company are used with proper care and diligence and that he/she endeavors to return possession thereof on his/ her resignation, termination or retirement from the services of the Company.
- b. Not to use the property of the Company for personal gain.
- c. Not derive any benefit or assist any other person(s) to derive any benefit by virtue of having access to or possessing of price sensitive information relating to financial results or operations of the Company and/or of its subsidiary/ associate companies and/or of companies with whom the Company has business dealings, which are not in public domain and shall remain compliant with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, at all times.
- d. Ensure that the proprietary information and trade secrets belonging to the Company, including any information concerning pricing, products and services, internal systems, trademarks, copyrights and designs that are being developed, shall be held in strict confidence and utmost care shall be exercised to avoid inadvertent access and/ or its inappropriate disclosure. Such information shall be deemed to be the intellectual property of the Company

and shall be used in the manner as required or mandated as a part of the duties assigned and not for personal gain.

e. Ensure that confidentiality is maintained with regard to personal information relating to the customers/suppliers/business associates of the Company and any other information which is confidential in nature and it is used in accordance with the policies framed by the Company and/ or as required by the concerned regulatory/ statutory authority.

f. not use confidential information acquired in the course of their service as Director or senior management for their personal advantage or for the advantage of any other entity

8. Corporate Business Opportunities

Corporate Business Opportunities here means those opportunities, which are made available to the Company and which are known to the Directors/ Senior Management due to the position held by them in the Company. The Directors/ Senior Management shall not utilize such opportunities for their personal benefit. However once an opportunity is fully and properly disclosed to the Board and after consideration rejected by them then it ceases to be a Corporate Business Opportunity

9. Compliance with Applicable Laws & Company's Policies

Every person to whom the Code is applicable and others directly or indirectly associated with the Company shall comply with all applicable laws, rules, regulations and guidelines issued by the Government of India from time to time.

Further, they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

10. Gifts & Donations

As a policy, the Director and Senior Management should refrain from giving or receiving any gifts/donations to secure/provide business favours. However, the Non-Executive Directors/ Management may give/ accept nominal gifts, in the ordinary course of business.

11. Transparency

Every Director and Senior Management personnel shall ensure that his/her conduct at workplace is transparent. Such transparency shall be brought about through adherence to policies, systems and processes framed by the Company.

12. Duties of Independent Directors – 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 is 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 his 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.

ANNUAL DECLARATION

To,
The Managing Director
The PMC Fincorp Limited

Dear Sir,

Subject: Annual Declaration confirming compliance with the Code of Conduct

I, M r ./Mrs./Ms..... , (designation) do and hereby acknowledge and confirm that during the financial year , to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Directors and Senior Management as may be applicable to my responsibility.

This declaration is given pursuant to Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Signature:

Name:

Designation:

Place:

Date: