



## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

### **1. PREAMBLE**

1.1 This Code of Business Conduct ("Code") shall be called "The Code of Conduct for Directors and Senior Management" of **S.I.CAPITAL AND FINANCIAL SERVICES LIMITED** (the "Company"). The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

1.2 The Code is intended to maintain the high standards of transparency, business conduct ethics, corporate culture and the values The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees and other business associates.

1.3 The principles embodied in this Code lay down broad standards of compliance and ethics, as required by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and all other applicable listing norms with the Stock Exchanges where securities of the Company are listed.

### **2. DEFINITIONS & INTERPRETATION**

2.1 Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

"**Board**" shall mean the Board of Directors of the Company.

"Directors" shall mean Directors on the Board,

"Company" shall mean **S.I.CAPITAL AND FINANCIAL SERVICES LIMITED**.

"Compliance Officer" shall mean the Company Secretary of the Company.

"Relative" shall mean 'relative' as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definition Details) Rules, 2014 as reproduced in Annexure-I hereto.

"Senior Management Personnel" shall mean personnel of the Company who are members of its core management team (excluding Directors) and who occupy the position of chiefs / heads/ group head



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of various functions in the Company (i.e. all members of management one level below the executive directors, including all functional heads).

2.2 In this Code, words importing masculine shall include feminine and words importing singular shall include plural or *vice versa*.

### 3. APPLICABILITY

The Code is applicable to the Directors and Senior Management Personnel of the Company.

### 4. CONDUCT SPECIFICATIONS

#### 4.1 Honesty & Integrity

a) All Directors and Senior Management Personnel shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors and Senior Management Personnel shall act on a fully informed basis, in good faith, responsibility, due diligence and care, competence and diligence, without allowing their independent judgment to be subordinated and in the best interest of the Company and the shareholders.

b) All Directors and Senior Management Personnel shall discharge their duties in the best interests of the Company and fulfill their fiduciary obligations.

c) Directors and Senior Management Personnel shall not engage in activities that are dishonest or lacking in integrity such as, *inter alia*, the following:

(i) Issuing untrue, misleading, deceptive or fraudulent statements regarding the Company's products and services;

(ii) Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent or inducing such disclosures by employees of other companies;

(iii) Adoption of illegal means for increasing profit/ market share;

(iv) Indulging in bribery; and

(v) Unfair inducement to any Government official.

d) Directors and Senior Management Personnel should be able to commit themselves effectively to their responsibilities

#### 4.2 Financial reporting and records



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- a) The Company shall prepare and maintain its financial statements fairly and accurately in accordance with the applicable laws and accounting standards.
- b) Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to Company's auditors and other authorized parties.
- c) Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code.
- d) Failure by the concerned persons to comply with clause 4.2 of the Code shall be deemed to be a violation of the Code and would be subject to appropriate action by the Board in terms of clause 7 of the Code.

### **4.3 Conflict of Interest**

- a) Directors and Senior Management Personnel of the Company shall not enter into any transactions, which are or are likely to be in conflict with interest of the Company save exceptional circumstances where prior approval of the Board would be required.
- b) Directors of the Senior Management Personnel should disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
- c) Directors and Senior Management Personnel shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity for the Company.
- d) All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board and, upon a decision being taken in the matter, the person concerned will be required to take necessary action as advised to resolve/avoid the conflict.
- e) If the Director or Senior Management Personnel fails to make a disclosure as required herein, and the Board of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the concerned person, the Board would take a serious view of the matter and consider suitable disciplinary action against the person concerned.
- f) Conflicts mentioned in this clause can arise in many situations. A conflict of interest, actual or potential, may, arise inter alia where, directly or indirectly:



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- (i) the person engages in a business, relationship or activity that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the interests of the Company.
  - (ii) the person is in a position to derive a personal benefit or a benefit to any of his or her Relatives by making or influencing decisions relating to any transaction; or
  - (iii) an independent judgment of the Company's best interest cannot be exercised.
- g) The Directors and Senior Management Personnel should facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee. Conflict of interest would be deemed to exist in the following circumstances:
- (i) Financial interest of the person or his Relatives, including the holding of an investment to an extent of 2% or more in the subscribed share capital of any company or share to an extent of 2% or more in any firm which is an actual or potential competitor, joint venture or other alliance partner, or a material supplier, customer, distributor or other person having a material business relationship with the Company.
  - (ii) The person conducting business on behalf of the Company, or being in a position to influence a decision with regard to the Company's business with a supplier or customer of which his or her Relative is a principal officer or representative, resulting in a benefit to him/her or his/her Relative.
  - (iii) Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a Relative of the person, where such an individual is in a position to influence the decision with regard to such benefits.
  - (iv) Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the Company.
  - (v) Acceptance by Director(s)/ Senior Management Personnel of any directorship/ assignment in a company or organization that competes with or is a potential competitor of the Company.
- h) If a proposed transaction or situation raises any question or doubts to any Director/ Senior Management Personnel, such Director/ Senior Management Personnel should consult the Compliance Officer.
- i) A Director shall not be a member in more than ten committees or act as Chairman of more than five committees across all companies in which he is a director.



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Furthermore, every Director shall inform the company about the committee positions he occupies in other companies and notify changes as and when they take place

### **Explanation:**

- i. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded.
- ii. For the purpose of reckoning the limit under this sub-clause, Chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee alone shall be considered.

### **4.4 Compliance with Laws Rules & Regulations**

Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behavior, Directors and Senior Management Personnel must report to the Compliance Officer any possible violation of law, rules, regulation of this Code.

The independent Directors shall be required to comply with Schedule IV of the Companies Act, 2013 including their duties laid therein as under:

- (1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) Strive to attend the general meetings of the company;
- (6) 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;
- (7) Keep themselves well informed about the company and the external environment in which it operates;



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(8) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(9) 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;

10) 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;

(11) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) 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.

### **4.5 Company Meetings**

The Directors should attend the Board/general meetings comprehending the agenda of the meeting circulated to them. They are required to make a concerted effort to attend all the Board meetings scheduled in the year. The directors shall participate actively and constructively in the discussions of the Board and shall follow the guidelines agreed on by the Board regarding how it will govern and conduct itself.

### **4.6 Other Directorships- Disclosures**

The Directors should promptly disclose their appointment/ cessation from directorship of other companies.

### **4.7 Related Party Disclosures**

The Directors and the Senior Management Personnel shall make disclosure to the Company with respect to any transaction with the Company in which such person is interested and in respect of which a conflict of interest can arise between the Company and the person concerned including the name of the related party and the nature of relationship.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution



relating to such contract or arrangement. Such disclosure shall be in accordance with the Companies Act, 2013 and the accounting Standard (AS) 18 issued by the council of the Institute of Chartered Accountants of India in respect of "Related Party Disclosures".

#### **4.8 Transparency and Confidentiality of Information**

The Directors and Senior Management Personnel should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.

a) "Confidential information" includes all information of the Company not authorized by the management of the Company for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and divestiture, non public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meeting or otherwise and should include all information in respect of the Company which is not available in the public domain at that point of time. Any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which Directors and Senior Management Personnel have access or which is possessed by them by virtue of their position / status in the Company must be considered confidential information.

b) All confidential information must be held in confidence, unless

(i) authorized by the Board or otherwise permissible in accordance with this Code; or

(ii) the same is part of the public domain at the time of disclosure; or

(iii) is required to be disclosed in accordance with applicable laws.

c) The Directors and Senior Management Personnel shall ensure that confidential information is not disclosed inadvertently or otherwise except in compliance with this Code.

d) Any disclosure shall at all times be in compliance with the Company's Code of Corporate Disclosure Practices ("**Disclosures Code**").

#### **4.9 Interaction with media, financial community, employees and shareholders**

a) All information that the Directors and Senior Management Personnel may provide either formally or informally, to the press or any other publicity media, shall be as per the Disclosures Code. In all its public appearance with respect to disclosing information in relation to the Company's activities to public constituencies such as the media, the financial community, employees and shareholders, the Company shall be represented only by specifically authorized



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Directors and/or employees, which the Board may authorize. The list of such authorized Directors and employees of the Company shall be notified to the Directors / Senior Management Personnel from time to time.

b) All statements made to the media on behalf of the Company should be true and fair.

c) For any outside publication of books, articles or manuscripts which relate specifically to the Company's business, policies and processes, Directors/ Senior Management Personnel should take the approval of the Board prior to its release. All such documents should be supplemented by a statement to the effect that all views and observations made in the article/ presentation are solely that of the author's and the Company is in no way responsible for the substance, veracity or truthfulness of such views and statements.

### **4.10 Insider Trading**

a) Directors and Senior Management Personnel should not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information.

b) All Directors and Senior Management Personnel should comply with 'Code of Conduct for Prevention of Insider Trading in Shares of the Company' circulated by the Company and all insider-trading guidelines issued by the Securities Exchange Board of India.

### **4.11 Internal Control System**

Directors and Senior Management Personnel should maintain and should cause the Company to maintain a proper and adequate system of internal controls for financial reporting.

### **4.12 Corporate Governance**

Directors and Senior Management Personnel should sincerely follow and should cause the company to follow the philosophy of good corporate governance by possessing strong business fundamentals and delivering high performance through relentless focus on transparency, accountability, professionalization and corporate social responsibility for enhancing shareholders' value and contributing to society at large.

### **4.13 Human Resources/ Employee Relations**

(a) Directors and Senior Management Personnel should strive for causing the Company to maintain cordial employee relations.





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(b) Executive Directors and Senior Management Personnel should cause the Company to build competency- based human resource systems and maintain human resources policy that has been directed at managing the growth of the organization efficiently.

(c) Executive Directors and Senior Management Personnel should assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

### **4.14 Respect for the Individual**

(a) The Company's vision is based on inspiring and developing outstanding people. This will only be possible in an environment where we all respect the rights of those around us.

(b) Executive Directors and Senior Management Personnel should ensure that:

(i) Subject to compliance with applicable laws regarding positive discrimination, individuals in all aspects of employment are not discriminated against on the basis of race, religion, color, age, disability, gender, sexual orientation or marital status, and the sole criterion for recognition within the Company be that of work performance.

(ii) Racial, sexual or any other kind of harassment is not tolerated within the Company.

(iii) Personal beliefs of individuals are respected and that Company specifically disassociates itself from any activity, which challenges our commitment to cultural diversity and equal opportunities.

### **4.15 Health, safety and environment**

(a) Executive Directors and Senior Management Personnel should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the territory it operates in. The Company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

(b) Executive Directors and Senior Management Personnel should ensure that the Company adopts most efficient energy management system, prevention of energy waste and utilization of natural resources in all plants.

### **4.16 Quality of products and services**

Executive Directors and Senior Management Personnel should ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of the customers to ensure their total



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satisfaction. Executive Directors and Senior Management Personnel should cause the Company to strive towards proper application and adoption of Service Quality Standards.

### **4.17 Shareholders**

Directors and Senior Management Personnel shall be committed to enhance shareholder value and in ensuring that the Company complies with all regulations and laws that govern shareholders' rights. Directors and Senior Management Personnel should cause the Board to duly and fairly inform its shareholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

## **5. AFFIRMATION OF THE CODE**

5.1 All Directors and Senior Management Personnel should sign the acknowledgment form annexed as Annexure- II hereto and return the form to the Compliance Officer indicating that they have received, read and understood and agree to comply with the Code.

5.2 All Directors and Senior Management Personnel shall affirm compliance with the Code on an annual basis, within 30 days of close of every financial year to the Compliance Officer, in the form annexed hereto as Annexure-III hereto. The Company's Annual Report shall contain a declaration to this effect signed by the Chief Executive Officer.

## **6. COMPLIANCE OFFICER**

The Company Secretary shall act as compliance officer for the purpose of the Code, who shall be available to Directors and Senior Management Personnel to help them to comply with the code.

## **7. VIOLATION OF CODE**

It shall be the duty of Directors and Senior Management Personnel to help the enforcement of the Code and any breach if communicated / noticed is to be reported to the Board. In case of breach of this Code by Directors and Senior Management Personnel, the same shall be considered by the Board for initiating appropriate action including disciplinary action such as termination of employment, suspension and/ or penalty, as deemed necessary.

## **8. Compliance with the Code**

**(a)** The Code does not specifically address every potential form of unacceptable conduct and it is expected that the Directors/ Senior Management Personnel will exercise good judgment in compliance with the principles set out in the Code. Directors and the Senior Management Personnel have a duty to avoid any circumstances that would violate the letter or spirit of the Code.



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**(b)** In case of any doubt as to the course of action to be taken, it may be considered as to whether the action would be legal, ethical and whether it would cause a negative perception of the Company.

### 9. AMENDMENT

The provisions of this Code can be amended/ modified by the Board from time to time and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such amendments and modifications.

### 10. WEBSITE

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and all other applicable norms, this Code and any amendments thereto shall be posted on the website of the Company: **www.sicapital.co.in**

### ANNEXURE- I - MEANING OF "RELATIVE"

**Extract of Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definition) Rules, 2014**

#### **Section 2(77):**

“Relative” with reference to any person, means any one who is related to another if –

- (i) they are members of a Hindu undivided family;
- (ii) they are husband and wife;
- (iii) one person is related to the other in such manners as may be prescribed.

#### **Rule 4 :**

A person shall be deemed to be the relative of another, if her or she is related to another in the following manner, namely:

##### (1) Father:

Provided that the term “Father” includes step-father.

##### (2) Mother

Provided that the term “Mother” includes step-mother.

##### (3) Son:



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Provided that the term “Son” includes step-son.

(4) Son’s wife.

(5) Daughter.

(6) Daughter’s husband.

(7) Brother:

Provided that the term “Brother” includes step-brother.

(8) Sister:

Provided that the term “Sister” includes step-sister.

**ANNEXURE- II**

**ACKNOWLEDGMENT**

**S.I.CAPITAL AND FINANCIAL SERVICES LIMITED**

**CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

**ACKNOWLEDGEMENT FORM**

I ..... , have received and read the Company's CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT (the 'Code'). I have understood the provisions and policies contained in the Code and I agree to comply with the Code.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Date : \_\_\_\_\_

Place : \_\_\_\_\_



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**ANNEXURE -IV**

ANNUAL COMPLIANCE REPORT

**S.I.CAPITAL AND FINANCIAL SERVICES LIMITED**

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ANNUAL COMPLIANCE REPORT\*

I .....do hereby solemnly affirm that to the best of my knowledge and belief I have fully complied with the provisions of the CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT during the financial year ending March 31 .....

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Date : \_\_\_\_\_

Place : \_\_\_\_\_

\* To be submitted by 30th April each year.