

# HARYANA CAPFIN LIMITED

CIN: L27209MH1998PLC236139

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## CODE OF CONDUCT

### INTRODUCTION

The Company believes that good governance is voluntary and self-disciplining with the strongest impetus coming from Directors and the Management itself, and ultimately leading to satisfaction to all the stakeholders.

In pursuit of the same, this Code of Conduct encourages the Board of Directors and the Senior Management of the Company to strive to achieve highest standards of Corporate Governance by setting new levels of excellence, integrity, transparency and fairness. The matters covered in this Code are of utmost importance to the Company, shareholders and our business partners. This Code of Conduct is intended to be implemented in pursuance to Clause 49 II (E) of the Listing agreement executed with Stock Exchanges.

This Code is applicable to the following persons (hereafter referred to as 'Officers'):

- o The Board of Directors,
- o Senior Managerial Personnel.

Accordingly, Officers are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with:

- o All applicable laws;
- o Rules and Regulations;
- o All applicable policies adopted by the Company that govern the conduct of its employees and associates.

The principles described in this Code are general in nature and in case of any query or clarification, the Officers may contact Company Secretary.

### o **HONEST AND ETHICAL CONDUCT**

All officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working in the Company's premises, at off-site locations where the business of the Company is conducted, at Company sponsored business and social events, or at any other place where Officers are representing the Company.

We consider honest conduct which is free from fraud or deception, and ethical conduct to be a conduct conforming to the generally accepted professional standards of conduct.

### o **TRUSTEESHIP**

Officers shall act as trustees towards the properties, money, trade secrets and other items of intellectual property, the existence or particulars of which may be within their personal knowledge by virtue of their position as directors and/ or Senior managerial personnel of the Company.

### o **NOT TO MAKE SECRET PROFITS**

Officers stand in fiduciary relationship with the Company and therefore shall not make any secret profits, and if any made, should account for the profit so made by making disclosure of the same to the Board at the earliest.

- **TO TAKE ACTION AGAINST MISAPPROPRIATION OF FUNDS**  
Immediately on notice, Officers shall take all the necessary steps to prevent any misappropriation of funds of the Company.
- **NOT TO DISCLOSE CONFIDENTIAL INFORMATION**  
Officers shall not disclose confidential information of their Company, which may be detrimental to the interests of the Company.
- **NOT TO PERFORM ANY ULTRA VIRES ACT**  
It shall be the duty of the Officers not to perform any act ultra-vires the Companies Act, 2013, Memorandum and Articles of Association of the Company, including any other Law of land for the time being in force.
- **DISCLOSURES TO THE BOARD**  
Officers should make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest they may have a potential conflict with the interest of the Company at large.
- **COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS**  
Officers must comply with all applicable governmental laws, rules and regulations. Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the secretarial/ finance departments. Violations of applicable governmental laws, rules and regulations may subject Officers to individual civil or criminal liability, as well as subject the Company to civil or criminal liability.
- **DUTY OF CARE AND SKILL**  
Officers shall display good faith towards the Company. They shall take utmost care, skill and diligence in the exercise of their powers and functions of the Company.
- **DUTY TO SPEND MONEY ONLY FOR BUSINESS PURPOSES**  
Officers shall spend Company's money only for purposes, which are reasonable and incidental to the carrying on for the business of the Company.
- **NOT TO EXERCISE POSITION FOR PERSONAL BENEFIT**  
Officers shall protect Company's interest and shall not utilize their position and knowledge possessed by them by virtue of their office, to the detriment of the Company's interest and for their personal benefit.
- **NOT TO COMPETE WITH THE BUSINESS OF THE COMPANY**  
Officers shall not compete either directly or by establishing a personal rival business or indirectly by becoming a partner in a firm or Director in a Company.
- **CORPORATE OPPORTUNITIES**  
Officers shall not exploit for their personal gain, opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors.
- **RELATED PARTIES**  
As a general rule, officers should avoid conducting Company business with a relative, or with a business in which relative is associated in any significant role. However, transactions if any carried out with the related parties attracting the provisions of the Companies Act, 2013 shall be approved by the Board/Audit Committee.
- **TO DISCLOSE INFORMATION TO SHAREHOLDERS**  
The crucial information in possession with the Officers should be disclosed to shareholders, wherever it is necessary and required to be disclosed to them under any law of the country.

○ **TO ACQUIRE KNOWLEDGE OF COMPANY'S BUSINESS**

Officers shall have continued duty to acquire and maintain sufficient knowledge and understanding of the Company's business to enable them to properly discharge their duties.

○ **DUTIES OF INDEPENDENT DIRECTORS**

- (1) Subject to the provisions of the Companies Act, 2013, a Director of a Company shall act in accordance with the articles of the Company.
- (2) A Director of a Company shall 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.
- (3) A Director of a Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A Director of a Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (5) A Director of a Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (6) A Director of a Company shall not assign his office and any assignment so made shall be void.
- (7) If a Director of the Company contravenes the provisions of this Section such Director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Independent Directors shall also:

- (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 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;
- (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.

o **WAIVERS AND AMENDMENTS**

The Company is committed to continuously review and update its policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code shall be approved by the appropriate authorities and would be promptly disclosed on the Company's website and in regulatory filings pursuant to applicable laws and regulations.

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