

Capital India Finance Limited

(Formerly known as Bhilwara Tex-Fin Limited)

CODE OF CONDUCT

[Pursuant to Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015]

CODE OF CONDUCT

[Pursuant to Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015]

This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by **Capital India Finance Limited** (Formerly known as **Bhilwara Tex-Fin Limited**) (hereinafter referred as "**Company**") in compliance with the regulation 17(5) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulation, 2015.

This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and deal with ethical issues and to provide mechanisms to report unethical conduct of Employees, Board of Directors and Senior Management Personnel and to develop a culture of honesty and accountability.

The following code of conduct has been approved by the Board of Directors and is applicable to the Directors and Employees of the Company.

1. Ethical conduct

All directors and employees shall deal on behalf of the Company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

2. Conflict of interest

Any director or employee of the Company shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of the Company.

3. Transparency

All directors and employees of the Company shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes.

4. Legal compliance

All directors and employees of the Company shall at all times ensure compliance with all the relevant laws and regulations affecting operations of the Company. They shall keep abreast of the affairs of the Company and be kept informed of the Company's compliance with relevant laws, rules and regulations. In the event that the implication of law is not clear, the course of action chosen must be supported by legal opinion should be documented.

5. Rightful use of the Company's assets

All the assets of the Company both tangible and intangible shall be employed for the purpose of conducting the business for which they are duly authorized. None of the assets of the Company should be misused or diverted for personal purpose.

6. Cost consciousness

All the directors and employees of the Company should strive for optimum utilization of available resources. They shall exercise care to ensure that costs are reasonable and there is no wastage. It shall be their duty to avoid ostentation in Company expenditure.

7. Confidential information

All directors and employees shall ensure that any confidential information gained in their official capacity is not utilized for personal profit or for the advantage of any other person. They shall not provide any information either formally or informally to the press or to any other publicity media unless specifically authorized to do so. They shall adhere to the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992.

8. Relationships with the customers

The directors and employees of the Company during the course of interaction with customers shall neither receive nor offer or make, directly and indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended or perceived to obtain business or uncompetitive favours for the conduct of its business. However, this is not intended to include gifts of customary nature.

9. Safety and Environment

The directors and employees shall follow all prescribed safety and environment-related norms.

10. Duties of Independent Director

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 the 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 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.
