



ARIHANT capital markets Ltd.

Code of
Conduct for
Board of
Directors and
Senior
Management



Note from the Chairman

Good corporate governance practice is vital in creating and sustaining shareholder value and ensuring that company's behaviour is ethical, legal and transparent. Arihant has always ensured that it follows the highest standards of corporate governance.

Being in the business of offering financial services, our reputation is the most vital asset that we own. There is no conflict between behaving ethically and making money for our shareholders. A company that decides to drop its ethical standards may deliver more profit in the short term but, over time, the values that bind its people together will be eroded, customer trust will be diluted and the company's brand will be damaged. We know that company's values and reputation are far more important to stock market value, and sustainable growth than short-term profits. We strongly believe that a responsible business should foster a working environment which supports employees to 'do the right thing' even when making difficult decisions.

Honesty, transparency and integrity have been the principles that we work on and it's these principles that have helped us to grow to this level. Ethical business conduct is the cornerstone of Arihant's business strategy.

Each of us at Arihant is accountable for our actions and is responsible for knowing and abiding by the policies that apply to us.

The essence of this code is based on Arihant's value of Integrity, Client Commitment, Strive for profitability, Excellence and Innovation. We have adopted this code of business conduct and ethics to guide our transactions with our colleagues, communities, customers, governments, investors and society.

Our reputation and ability to comply with all applicable laws depends on the integrity and upright behaviour of each one of us.

Sincerely

Ashok Kumar Jain

Chairman

Code of Conduct

1. HONEST AND ETHICAL CONDUCT

You must act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working at the Company's offices, at Company sponsored business and social events, or any other place where you are representing the Company.

Honest conduct is defined as conduct that is free from fraud, misrepresentation or deception. We consider ethical conduct to be conduct conforming to accepted professional standards of conduct. It includes ethical handling of actual or apparent [conflicts of interest](#) between personal and professional relationships.

2. COMPLIANCE WITH LAWS

You must comply with all the concerned governmental laws, rules and regulations at the local, state and national level. You must acquire appropriate knowledge of the legal requirements relating to your duties so as to enable you to recognize your potential threats. Violations of applicable governmental laws, rules and regulations may lead to penal action. In any doubt about the compliance with laws rules, regulations or guidelines, the Compliance Department of the Company must be contacted.

3. CONFIDENTIAL INFORMATION

Any information belonging to the Company that has not been published or is outside the purview of the public domain should be considered to be confidential information. Owing to its sensitivity, such information should be dealt with utmost care and can be provided to people within the organization only to the extent it is required for the performance of their duties. Such information should not be provided to people outside the organization except in cases where it is legally required and binding to do so.

You should not discuss the affairs of the company with anyone (including family members) unless there is a legitimate business reason for that person to know about them.

4. PROTECTION AND SAFEGUARD OF COMPANY'S ASSETS

Senior management is responsible for effective control and appropriate use of all the company's resources entrusted to them in the official discharge of their duty. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold without appropriate authorization. The Company strives to furnish employees with the equipment necessary to efficiently and effectively do their jobs. Company's assets should be used only for legitimate business purposes and must be safeguarded against any possible loss, damage, misuse or theft. You must take care of that equipment and use it responsibly only for the company's business purposes, just as if it were your own.

5. CONFLICTS OF INTEREST

Conflict of interest is a situation in which the officers of the company have competing professional or personal interests which makes it difficult for them to fulfill their duties impartially. A conflict of interest exists even if no unethical or improper act results from it. It can create an appearance of impropriety and hence it demands appropriate disclosures.

You should avoid and disclose, if any actual and apparent conflicts of interest that may arise in the course of your workings with the Company.

Here are a few examples to elucidate the nature of transactions involving conflict of interest:

A. Duty of Loyalty

Your employment with the company must be your primary business association and must take precedence over any other employment or business affiliation that you may have. Our policies prohibit officers from accepting simultaneous employment with customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. You are also required to disclose to the Company's Audit Committee, any interest that you have that may conflict with the business of the Company.

B. Outside Employment and Other Outside Activities

You should not engage in outside employment or any other outside activity that conflicts or otherwise interferes with your duties and responsibilities at the company. This includes outside activities that may be misconstrued to be activities of the company and any activity that competes with the company. You must obtain prior written approval before participating in outside employment activities.

C. Business Interests

If any officer is considering investing in any customer, developer or competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities to the Company. Our policy requires that you must first obtain approval from the Company's Audit Committee before making such an investment.

D. Directorships with Competing Companies

It is a conflict of interest to serve as a director of any company that competes with the Company. You must first obtain approval from the Company's Audit Committee before accepting a directorship.

E. Related parties

As a general rule, officers should avoid conducting Company's business with a relative (as defined in the Companies Act, 1956), or have businesses in which a relative is associated in any significant role. Subject to rules and regulations, the Company discourages the employment of relatives of officers in key positions or assignments within the same department.

F. Gifts/Donation/Favours

You should not, in any case, request or seek gifts / donations / favours from people doing business with the company. Unsolicited and voluntary gifts that are customary for the other party or are normal business courtesies may be accepted provided that such acceptance does not result in creating any obligation on behalf of the officer of the company or in influencing his independence while acting with that other party.

G. Corporate Opportunities

You must not exploit opportunities that are discovered through the use of corporate property, information or position, for your own personal gain, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board declines to pursue such an opportunity.

6. INSIDER TRADING

Officers are prohibited from dealing or consulting to the dealing in the securities of the company while in possession of unpublished price sensitive information. You should not deal in the securities of the clients and other business associates of the company, if, in possession of unpublished price sensitive information that is received in the course of business from clients / business associates.

7. GENERAL STANDARDS OF THE CONDUCT

As per general standards of conduct, you should:

- Endeavour to attend the board and departmental meetings of the company regularly. You should also actively participate and contribute to the same by dedicating adequate time and attention to any material that may be circulated in advance and making the requisite preparation on the issues listed in the agenda for the meeting.
- Perform your duties diligently as laid down in the Memorandum and Articles of Association of the Company, Corporate Governance and other policies of the Company.
- Not charge your personal expenses to the Company's accounts and ensure, with regard to your respective departments, that the funds of the company are used for legitimate business purposes only.
- In the case of Directors, you should inform the company immediately about the emergence of any situation that would disqualify you from Directorship.
- Not make any statement that has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed by a board member, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.
- Not commit any offence involving moral turpitude.
- Help the other officers in the enforcement and compliance with this code.

For the purpose of this Code of Conduct, the following further details are furnished:

COMPLIANCE OFFICER

Mr. Pradeep Jain, shall be the Compliance Officer for the purpose of this code.

INSERTION OF THE CODE ON WEBSITE

As required by clause 49 of the listing agreement this code and any amendments thereto shall be posted on the website of the Company.

VIOLATION OF THE CODE

Part of an officer's job and of his or her ethical responsibility, is to help enforce this code. Officers should be alert against possible violations and report it to the department concerned. The Company will take appropriate action against any officer whose actions are found to violate the code or any other policy of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities.

WAIVERS AND AMENDMENTS OF THE CODE

Any amendment or waiver of any provision of this code can be made only by the Board of Directors and shall promptly be disclosed on the company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

Responsibilities of the Board of Directors of the Company

The Board of Directors will play a crucial role in:

- **Creating and delivering sustainable shareholder value:**

The directors should determine the strategic objectives and policies of the group to deliver such long-term value, providing overall strategic direction within a framework of rewards, incentives and controls. They must also ensure that an appropriate balance is struck between promoting long-term growth and delivering short-term objectives.

- **Overseeing Management:**

The board as a whole is responsible for the oversight of management on behalf of the company's stockholders. The principal functions involved are to oversee processes for evaluating the adequacy of internal controls; risk management; financial reporting and compliance with law and the company's code of conduct; to review the company's compensation and benefits programs; to review the major strategic, financial and other objectives of the Company and to nominate directors and evaluate the practices of the adopted for sound corporate governance. These functions are accomplished by them by acting either directly or through the committees set up specifically for the purpose.

- **Decision-making:**

The board is responsible for taking decisions for all other matters of such importance as to be of significance to the Group as a whole because of their strategic, financial or other implications that affect its reputation.

Additional responsibility for Board of Directors:

Where there is a conflict between ethics and business objectives, ethics must always come first.