

HARYANA CAPFIN LIMITED

CIN: L27209MH1998PLC236139

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RELATED PARTY TRANSACTION POLICY

Object:

This policy is framed as per requirement of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

This Board/ Committee will review and may amend this policy from time to time.

Definitions

The terms 'Arm's length transaction', 'Related Party' or 'Related Parties', 'Relative' and 'related Party Transactions' shall have the same meaning as assigned to them under the Companies Act, 2013. The term 'Material Related Party Transaction(s)' shall have the same meaning as assigned to it under Clause 49 of the Listing Agreement.

"Related Party Transaction" means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and includes

- (a) Sale, purchases or supply of any goods or materials.
- (b) Selling or otherwise disposing of, or buying, property of any kind,
- (c) Leasing of property of any kind
- (d) Availing or rendering of any services
- (e) Appointment of any agent for purchases or sale of goods, materials, services or property.
- (f) Such related party's appointment to any office or place of profit in the company its subsidiary company or associate company and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the company

Transaction with Related Parties:

- All Transactions entered into by the Company with Related Parties will be put up for approval of Audit Committee on regular basis.
- All Transaction entered with Related Parties after 1st October 2014 will be done after prior approval of Audit Committee. The Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered into by the Company subject to compliance with the following conditions
 - a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transaction of the Company and such approval shall be applicable in respect of transaction which are repetitive in nature.

- b. The Audit Committee shall satisfy itself the need for such omnibus approval and such approval is in the interest of the Company;
- c. Such omnibus approval shall specify
 - i. the name/s of related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into.
 - ii. the indicative base price/ current contracted price and the formula for variation in the price if any and
 - iii. such other conditions as the Audit Committee may deem fit.

Where the need for Related Party Transaction cannot be unforeseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transaction subject to their value not exceeding Rs. 1 crore per transaction.

- d. Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given.
- e. such omnibus approvals shall be valid for a period not exceeding 1 year and shall require fresh approvals after the expiry of one year.

Tests to be applied for determining whether a Related Party Transactions is in the Ordinary Course or not:

“In the Ordinary Course of Business” means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and is not a standalone transaction. The Company should take into account the frequency of the activity and its continuity carried out in a normal organised manner for determination what is in the ordinary course business.

Related party Transactions should be at Arm’s Length Price

All Related party transaction should be adequately supported by Contracts or purchase orders/ work order or sales order and documentations to justify Arm’s Length Price.

If Arm’s Length Price cannot be justified for any transaction then approval should be taken from Board and Shareholders.

Disclosures

(a) The Company is required to disclose Related Party Transactions in the Company’s Board’s Report to shareholders of the Company at the Annual General Meeting.

(b) Details of all Material Related Party Transactions shall be disclosed quarterly along with Company’s Compliance Report on Corporate Governance, in accordance with the Listing Agreement.

(c) The Company is also required to disclose this Policy on its website and also in the Annual Report of the Company.

(d) The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party.
