



Corporate Governance Policy

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1. Introduction:

In recent years, there has been a constantly increasing global trend and need towards improved corporate governance practices, accountability and responsibility. Corporate governance is about commitment to values and about the conduct of business with ethics. Corporate Governance encompasses the values, ethics and the best business practices followed by the Company. It comprises a unique combination of factors like statutory regulations, compliances, values, political and economic environments, transparency, accountability, voluntary practices and disclosures. It involves set-off relationships between the management and board of Directors, shareholders and all its stakeholders.

The most important part of corporate governance is the timely and accurate disclosure of information regarding the financial position, performance, board constitution, ownership of the company and the related matters. The Corporate governance arrangements are those through which an organization directs and controls itself and the people associated with it by establishing standards and codes of conduct.

Good Corporate Governance is a way of life that necessitates taking into account the stakeholders interests in every business decision.

2. Philosophy

The Company's philosophy on corporate governance is the adherence to the highest levels of transparency, accountability and equity, in all areas of its operations and in all interactions with its stakeholders, including shareholders, employees, government and other agencies and commitment to achieve the highest standards of corporate governance. It believes that all operations must be spearheaded towards attaining the final objective of enhancing stakeholders value continuously.

At the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the Company. The Company believes that an active, well-informed and independent Board with an active participation is necessary to ensure the highest standards of corporate governance.

The Company is committed to establish and maintain best corporate governance practices. The Company's Board follows ethical standards of Corporate Governance and adheres to the norms and disclosure requirements mentioned in the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 [SEBI Listing Regulations] to achieve the objectives of the principles laid down under SEBI Listing Regulations and provisions of the Companies Act, 2013 and related rules.

3. Principles:

Keeping in view the Company's size, complexity, operations, corporate traditions, applicable laws, Can Fin Homes Limited (CFHL) Governance framework is based on the following main principles;

- a. Constitution of Board of Directors of appropriate composition, size, varied expertise and commitment to discharge their functions, responsibilities, duties and disclosures.

- b. Constitution of Committees of the Board of appropriate composition, size, varied expertise and commitment to discharge their responsibilities and duties.
- c. Ensuring timely flow of information to the Board and its Committee to discharge their functions effectively.
- d. To protect and facilitate the exercise of shareholders' rights (including voting rights), to provide timely and adequate information to shareholders, equitable treatment of all shareholders (including minority and foreign shareholders), facilitation of effective shareholder participation (including inexpensive voting mechanism), adequate mechanism to address the grievances of shareholders, including minority shareholders etc..
- e. Maintain a sound system of risk management and internal control.
- f. Independent verification and safeguarding integrity of the company's financial reporting.
- g. Related party transactions, if any, to be entered into by the Company duly following the procedural aspects based on the materiality of the transaction(s).
- h. Timely and balanced disclosure of all material information concerning the company to all its stakeholders.
- i. Transparency and accountability.
- j. Fair and equitable treatment of all stakeholders.
- k. Compliance with all Statutes, Rules, Regulations and agreements as are applicable from time to time.

4. Composition of Board and Board Committees

a. Board of Directors

The Board is responsible to exercise their business judgement to act in what they reasonably believe to be in the best interests of the Company and its shareholders. In discharging their duties, the Directors shall comply with the Code of Conduct as adopted by the Board.

Directors are expected to attend and actively participate in Board Meetings and Meetings of Committees on which they serve as members and spend the needed time and meet as frequently as necessary to properly discharge their responsibilities.

The Board is responsible for overall compliance with the corporate governance of the Company. It oversees and directs the management of the Company's business and affairs. In doing so, it must act honestly, in good faith, and in the best interests of the Company.

The matters relating to the Code of conduct for the Board of Directors and the matters such as the size of the Board, its composition, appointment of Directors, independent Directors, meetings, compensation/sitting fees etc., are incorporated in the "Hand Book on Corporate Governance" placed as an annexure to this Policy.

The Board shall ensure that the requirements such numbers of independent Directors, combination of executive and non-executive members, periodicity of the Committee

meetings, performance evaluation of the Directors, their remuneration/compensation, code of conduct, vigil mechanisms etc. as prescribed are complied with.

b. Independent Director

The Board shall comprise such numbers of independent Directors as specified under the SEBI Listing Regulations and such Independent Director shall meet the criteria of independence, limits on the number of Directorships, performance, role, responsibility, functions and duties as may be prescribed from time to time under the applicable laws.

An Independent Director [as defined under SEBI Listing Regulations] who resigns or is removed from the board of Directors of the Company shall be replaced by a new Independent Director by the Company at the earliest but not later than three months from the date of such vacancy. However, where the Company fulfils the requirement of Independent Directors in its Board of Directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent Director shall not apply.

No person shall be appointed or continue as an Alternate Director for an Independent Director of the Company.

c. Committees of the Board

The functioning of the Board shall be further supplemented/facilitated by its Audit Committee, Management Committee, Risk Management Committee, Nomination Remuneration & HR Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and IT Strategy Committee. The Committees should meet at periodical intervals as per the statutory requirement or depending upon the need, as the case may be. The Board shall constitute the Board Committees which are mandatory and may also constitute any other Committees depending on the need.

A Director shall not be a member in more than ten committees or act as Chairperson of more than five Committees across all listed Companies in which he/she is a Director. Furthermore, it is a mandatory annual requirement for every Director to inform the Company about the Committee positions he/she occupies in other Companies and notify changes as and when they take place. (for the purpose of considering the limit of Committees in which a Director can serve, all public limited companies, whether listed or not, shall be included and all other Companies including private limited companies, high value debt listed entities, foreign companies and Companies under Section 8 of the Companies Act, 2013, shall be excluded. For the purpose of determination of limit, Chairmanship and membership of the Audit Committee and Stakeholders' relationship Committee alone shall be considered.)

The details of the existing committees of Board are as below:-

i. Audit Committee

The Board shall constitute an Audit Committee.

A qualified and independent Audit Committee shall be set up, as per the terms of and in compliance with the provisions of Companies Act, 2013 and SEBI Listing Regulations.

Other comprehensive details relating to the Audit Committee viz., the composition, the number of meetings, powers, roles and responsibilities etc. are incorporated in the

–
“Hand Book on Corporate Governance” placed as an annexure to this Policy (Chapter – II).

ii. Nomination Remuneration & HR Committee

The Company through its Board shall constitute a Nomination Remuneration and HR Committee, in terms of and in compliance with the provisions of Companies Act, 2013 and SEBI Listing Regulations.

Other comprehensive details relating to the composition, the number of meetings, powers, roles and responsibilities, scope and functions of the Committee etc. are provided as a separate policy

iii. Stakeholders’ Relationship Committee

The Company through its Board shall constitute Stakeholders’ Relationship Committee in terms of and in compliance with the provisions of Companies Act, 2013 and SEBI Listing Regulations.

Other comprehensive details relating to the composition, the number of meetings, powers, roles and responsibilities, scope and functions of the Committee etc. are incorporated in the “Hand Book on Corporate Governance” placed as an annexure to this Policy (Chapter– IV).

iv. Risk Management Committee

The Company through its Board shall constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Committee and may delegate monitoring and reviewing of the risk management plan to the Committee and such other functions as it may deem fit. The majority of the Committee shall consist of members of the Board of Directors.

Other comprehensive details relating to the composition, the number of meetings, powers, roles and responsibilities, scope and functions of the Committee etc. are incorporated in the “Hand Book on Corporate Governance” placed as an annexure to this Policy (Chapter V).

v. Corporate Social Responsibility Committee

The Company through its Board shall constitute a Corporate Social Responsibility Committee in terms of the section 135 of the Companies Act, 2013 and related rules. The Board shall define the roles, responsibilities and functions of the Committee.

Other comprehensive details relating to the composition, the number of meetings, powers scope and functions of the Committee etc. are incorporated in the “Hand Book on Corporate Governance” placed as an annexure to this Policy (Chapter – VI).

vi. Management Committee

The Board may constitute a Committee to consider proposals for housing loans, rates of interest on such loans, review of sanctions made etc., as per the delegation of powers, including certain other important authorisations to take business decisions

and other assignments in terms of the powers delegated to the Committee by the Board from time to time.

Other comprehensive details relating to the composition, the number of meetings, powers scope and functions of the Committee etc. are incorporated in the "Hand Book on Corporate Governance" placed as an annexure to this Policy (Chapter – VII).

vii. IT Strategy Committee

The Board is required to constitute a Committee as per NHB guidelines NHB(ND)/DRS/Policy Circular No.90/ 2017-18.

Other comprehensive details relating to the composition, the number of meetings, powers scope and functions of the Committee etc. are incorporated in the "Hand Book on Corporate Governance" placed as an annexure to this Policy (Chapter – VIII).

5. Code of Conduct For Directors Including Independent Directors and Code Of Conduct for Senior Management Personnel

The matters relating to the Code of conduct for the Directors of the Company including Independent Directors and Code Of Conduct for Senior Management Personnel and obtaining their affirmation on an annual basis and placing the same before the Board for information. The said Code of Conduct is placed before the Board separately forming part of the "Hand Book on Corporate Governance" as an annexure to this Policy (Chapter-IX).

6. Code of Conduct for prohibition of Insider Trading, fair disclosure etc.

The Company shall put in place a Code of Conduct for the Company on 'Prohibition of Insider Trading', 'Fair Disclosure of UPSI' and 'minimum standards to regulate, monitor and report trading by insiders' in compliance of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

7. Material events or information for disclosures to stock Exchanges

The Board shall frame a policy on disclosures of material events and information as required under Regulation 30 of the SEBI Listing Regulations and ensure that the same is informed to the stock exchange and uploaded on the Company's website. Any modifications/amendments as approved by the Board from time to time shall be informed to the stock exchange and uploaded on the Company's website.

Board shall ensure disclosures of material events or information, upon its occurrence, as required under Part A (listed equity shares) and Part B (listed non-convertible debt securities) of Schedule III on matters listed therein, within the prescribed period.

The material events or information described are like revision in ratings, outcome of meetings of the Board of Directors, material agreements, proceedings of general meetings, schedule of analysts or institutional investor meet and presentation of financial results made by the Company, amendments to Memorandum and Articles of Association of the Company, major litigations, frauds or defaults by Directors, KMPs, employees, defaults in payment of interest/redemption of NCDs, etc.

The Board may form a Committee for deciding on the materiality of an event or information described in Para B of Part A of Schedule III for disclosure to stock

exchanges in terms of Regulation 30(3) of the said Regulations. The Policy on Material Events is placed before the Board separately forming part of the "Hand Book on Corporate Governance" as an annexure to this Policy (Chapter-X).

8. Familiarisation Programme for Independent Directors

The Regulation 25(7) of the SEBI Listing Regulations stipulates that the Company shall familiarize the independent Directors through various programs about the listed entity, including the nature of the industry in which the Company operates, business model of the Company, roles, rights, responsibilities of independent Directors and any other relevant information. The details of such familiarization programs shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report.

Other comprehensive details relating to the familiarization programme stated above are incorporated in the "Hand Book on Corporate Governance" (Chapter- XI).

9. Evaluation policy for Board:

The Board shall lay down a framework for evaluation of the Board, its Committees and of the individual Directors as per the requirements of Companies Act, 2013, SEBI Listing Regulations and SEBI circulars issued in this regard from time to time.

Details relating to Evaluation framework, process and objectives etc. are incorporated in the "Hand Book on Corporate Governance" placed as an annexure to this Policy (Chapter – XII).



HAND BOOK ON
CORPORATE GOVERNANCE

Board Secretariat Department
Registered Office,
Bangalore

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CHAPTER - I

BOARD OF DIRECTORS

1. Appointment of Directors

The invitation to join the Board is extended on behalf of the Board by the Chairman of the Board. The first and foremost requirement to be appointed as a Director of any Company is to have DIN i.e. Director Identification Number as per section 154 of the Companies Act, 2013. Also before a person is appointed as a Director of the Company he/she must give his consent in Form DIR-2 pursuant to section 152(5) and Rule 8 of the Companies (Appointment and Qualification of Director) Rules, 2014.

As per Reg.17(1C) of the SEBI Listing Regulations, the Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. However, if such appointment or re-appointment of a person to the board of directors or as a manager is subject to approval of regulatory, government or statutory authorities, then the time taken to receive such approvals shall be excluded for the purposes of this clause:

As per Reg 17(1D), with effect from April 1, 2024, the continuation of a Director serving on the board of Directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be:

Provided that the continuation of the Director serving on the board of Directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024:

Provided further that the requirement specified in this regulation shall not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013, if the approval of the shareholders for the reappointment or continuation of the aforesaid Directors or Manager is otherwise provided for by the provisions of these regulations or the Companies Act, 2013 and has been complied with:

Provided further that the requirement specified in this regulation shall not be applicable to the Director appointed pursuant to the order of a Court or a Tribunal or to a nominee Director of the Government on the board of a listed entity, other than a public sector company, or to a nominee Director of a financial sector regulator on the board of a listed entity:

Provided further that the requirement specified in this regulation shall not be applicable to a Director nominated by a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in its normal course of business or nominated by a Debenture Trustee registered with the Board under a subscription agreement for the debentures issued by the listed entity.

As per Reg 17(1E) SEBI Listing Regulations, any vacancy in the office of a Director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy:

Provided that if the listed entity becomes non-compliant with the requirement under sub-regulation (1) of this regulation, due to expiration of the term of office of any Director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated:

Provided further that this sub-regulation shall not apply if the listed entity fulfils the requirement under sub-regulation (1) of this regulation without filling the vacancy.

As per regulation 36(3) of SEBI Listing Regulations, in case of appointment of a new Director or re-appointment of a Director the shareholders shall be provided with the following information:

- i. a brief resume of the Director;
- ii. nature of expertise in specific functional areas;
- iii. disclosure of relationships between Directors inter-se;
- iv. names of listed entities in which the person also holds the Directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years; and
- v. shareholding of non-executive Directors in the Company, including shareholding as a beneficial owner
- vi. in case of independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.

As per Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, the Company shall ensure the following:

- i. A policy is put in place with the approval of the Board of Directors for ascertaining the 'fit and proper' criteria of the Directors at the time of appointment/reappointment and on a continuing basis.
- ii. Obtain a declaration and undertaking from the Directors giving additional information on the Directors as per the format specified in the directions.
- iii. Obtain a Deed of Covenant signed by the Directors as per the format specified in the directions.

In addition to the above the Director is supposed to give other declarations and undertakings as mentioned in the annexure. On appointment of the new Director he/she shall be apprised of the working of the Company and various codes of conduct adopted by the Company in its functioning.

2. Tenure

As per the provision of section 196(2) of the Companies Act, 2013, Maximum tenure for appointment of Managing Director, Whole Time Director or Manager is 5 (Five) Year at a time, subject to extension(s), if any. Company may re-appoint them for next term in last one year of current term (Section 196(2) proviso). Non-Executive Non-Independent Directors shall be eligible for retirement by rotation as well as reappointment.

An independent Director can be appointed for a term of up to five consecutive years. In case of his reappointment for further five-year special resolution is required to be passed in general meeting and disclosure of such appointment is to be made in the Board's report. Further independent Director can be considered for re-appointment after expiration of three years of ceasing to become an independent Director but he must not be appointed/associated with the company directly or indirectly in any other capacity during the said period of three years.

3. Compensation/Sitting fees

(i) Executive Directors

Executive Director(s)/Managing Director(s)/Whole-time Director(s) shall be eligible/paid such remuneration and perquisites within the limits envisaged under Schedule XIII of the Companies Act. The remuneration payable shall be approved by the Board as well as the shareholders of the Company. As a policy, no sitting fees shall be payable to Executive Director(s)/Managing Director.

(ii) Non-Executive/ Independent Directors:

Non-Executive Directors/ Independent Directors (other than the Non-Executive Promoter Directors) are paid sitting fees for attending the meetings of the Board and its Committees. The sitting fees to be paid shall be within the prescribed limits of Companies Act and other applicable provisions of various regulations, as the case may be, from time to time.

All compensation paid to Non-Executive/ Independent Directors, if any, shall be fixed by the Board of Directors and shall be approved by shareholders in general meeting. The shareholders' resolution shall specify the limits for the maximum number of stock options, if any, that can be granted to non-executive Directors, including independent Directors, in any financial year and in aggregate.

The requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive Directors, if made within the limits prescribed under the Companies Act for payment of sitting fees without approval of the Central Government. All the details relating to the compensation so paid shall also be disclosed in the Annual Report of the Company.

4. Agenda for the Meeting

The agenda for the Board Meetings will be sent to the Directors at least 7 days prior to the Meeting. Each Board member is free to suggest the inclusion of items on the agenda. With the permission of the Chair, each Board member is also free to raise at any Board Meeting, matters that are not on the agenda. All information relevant to the agenda to be discussed at an upcoming Board Meeting shall be distributed in writing or electronically to all members to facilitate informed decisions at the Meeting. However, with reference to any sensitive/confidential matter on the agenda, relevant information shall be made available only at the time of the Board Meeting.

5. Attendance at Board Meetings

The Board Meetings shall be attended by the Directors and on invitation of the Board by the executives of the Company, depending upon the requirement and who can provide an insight into the items being discussed.

All the Executive as well as Non-Executive Directors shall make it a point to attend all meetings of the Board. In case a Director cannot attend a Meeting, he or she shall obtain leave of absence from the Board and the same cannot be presumed. The granting of leave of absence or otherwise by the Board that fact should be recorded in the minutes of the meeting.

The Board, in its sole discretion, shall also have access to any independent advisors.

6. Planning

At the Board Meeting the Board shall make strategic and operating plans for the Company. The Board shall review the plans periodically as may be necessary.

7. Minutes

The minutes of all meetings of the Board shall be signed by the Chairman of the Board or Chairman of the meeting, as the case may be and shall be placed before the succeeding meeting of the Board for noting.

8. Independent Directors

As per the definition provided in the SEBI(LODR)Regulations, 2015 an Independent Director means a Non-Executive Director, other than a nominee Director of the Company:

- i. who, in the opinion of the board of Directors, is a person of integrity and possesses relevant expertise and experience;

- ii. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- iii. who is not related to promoters or Directors in the listed entity, its holding, subsidiary or associate company;
- iv. who, apart from receiving Director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or Directors, during the three immediately preceding financial years or during the current financial year;
- v. None of whose relatives

A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;

B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or Directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;

C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or Directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or

D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or Directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

- vi. who, neither himself/herself, nor whose relative(s) —

- A. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.
- B. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - 1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
 - 2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- C. holds together with his relatives two per cent or more of the total voting power of the listed entity; or

- D. is a chief executive or Director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
- E. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- vii. Who is not less than 21 years of age.
- viii. Who is not a non-independent Director of another company on the board of which any non-independent Director of the listed entity is an independent Director

Other comprehensive details relating to the Board of Directors viz., the composition, the number of meetings, powers, roles and responsibilities etc. are incorporated in the charter for Board placed as an annexure to this chapter (Annexure-1).

Board of Directors Charter

1. Objective:

The Board, as a main functionary, is primarily responsible for efficient management of the affairs of the company and to ensure value creation for its stakeholders. Therefore, the foremost requirement of good governance is the clear identification of powers, roles, responsibilities and accountability of the Board, CEO/Chairman of the Board and other Directors in the form of a Board Charter.

2. Composition: (u/s.149 of Companies Act, related rules and Regulation 17 of SEBI LODR)

- a) Minimum three Directors & maximum fifteen (excluding Nominee Directors) Directors. As per Reg.17(1)(c) board of Directors of the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six Directors.
- b) The Board may have more than fifteen Directors only when he/she has been appointed after passing a special resolution in General Meeting.
- c) The Board shall consist of a Chairman who functions in Non-Executive Capacity and a Managing Director & CEO and other Directors.
- d) The Board of Directors shall have an optimum combination of executive and non-executive Directors with at least one independent woman Director and not less than fifty per cent of the Board of Directors shall comprise of non-executive Directors. [Reg.17(1)]

Where the chairperson of the board of Directors is a non-executive Director, at least one-third of the board of Directors shall comprise of independent Directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of Directors shall comprise of independent Directors:

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of Director or at one level below the board of Directors, at least half of the board of Directors of the listed entity shall consist of independent Directors.

- e) The Board of Directors shall have at least one Director who has stayed in India for a total period of not less than 182 days during the financial year. [Sec.149(3) of the Companies Act, 2013]
- f) The Board shall not have a person or continue the Directorship of any person as a non-executive Director who has attained the age of 75 years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. [Reg 17(1A) of SEBI LODR]
- g) In the absence of the Chairperson, the Senior-most Independent Non-Executive Director shall be appointed as the Chairperson for the meeting of the Board or as the members of the Board nominate for the particular meeting.

3. Quorum: (u/s.174 of Companies Act)

- a) One-third of total strength of the Board or three Directors, whichever is higher, including at least one independent Director. [Reg. 17(2A) of SEBI LODR]
- b) Each Director to make every effort to attend each Board meeting. Attendance in person/through video conference is required.

- c) Where at any time the number of interested Directors exceeds or is equal to two- thirds of the total strength of the Board of Directors, the number of Directors who are not interested Directors and present at the meeting, being not less than two, shall be the quorum during such time.

4. Stipulated periodicity of meetings: (u/s.173 & Regulation 17 of SEBI LODR)

The Board of Directors shall meet at least Four (4) times a year, with a maximum time gap of one hundred and twenty days between two consecutive meetings of the Board.

5. Maximum number of Directorships: (Reg. 17A of SEBI(LODR)]

The Directors of listed entities shall comply with the following conditions with respect to the maximum number of Directorships, including any alternate Directorships that can be held by them at any point of time –

- a) A person shall not be a Director in more than seven listed entities:
Provided that a person shall not serve as an independent Director in more than seven listed entities.
- b) Notwithstanding the above, any person who is serving as a whole- time Director / managing Director in any listed entity shall serve as an independent Director in not more than three listed entities.

For the purpose of this regulation, the count for the number of listed entities on which a person is a Director / independent Director shall be only those whose equity shares are listed on a stock exchange.

Further, as per Master Direction – Reserve Bank of India (Non-Banking Financial Company –

Scale Based Regulation) Directions, dated October 19, 2023, within the permissible limits in terms of Companies Act, 2013, an independent Director shall not be on the Board of more than three NBFCs (NBFCs-ML or NBFCs-UL) at the same time.

Further, the Board of the NBFC shall ensure that there is no conflict arising out of their independent Directors being on the Board of another NBFC at the same time.

6. Role and responsibilities of the Board: (Regulation 17 of SEBI LODR)

- a) The Board of Directors shall periodically review compliance reports pertaining to all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.
- b) The Board of Directors of the Company shall satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management.
- c) The Board of Directors shall lay down a code of conduct for all members of Board of Directors and senior management of the Company. The code of conduct shall suitably incorporate the duties of independent Directors as laid down in the Companies Act, 2013.
- d) The Chief Executive Officer and the Chief Financial Officer shall provide the compliance certificate to the Board of Directors as specified in Part B of Schedule II of SEBI(LODR) Regulations, 2015.
- e) The Company shall lay down procedures to inform members of Board of Directors about risk assessment and minimization procedures. The Board of Directors shall be

responsible for framing, implementing and monitoring the risk management plan for the company.

- f) The performance evaluation of independent Directors shall be done by the entire Board of Directors which shall include performance of the Directors and fulfilment of the independence criteria as specified in these regulations and their independence from the management: Provided that in the above evaluation the Directors who are subject to evaluation shall not participate.
- g) The Board of Directors shall recommend all fees or compensation, if any, paid to non-executive Directors, including independent Directors to the shareholders for their approval in general meeting. [Reg.17(6) of SEBI LODR]
- h) The statement to be annexed to the notice as referred to in sub-section (1) of section 102 of the Companies Act, 2013 for each item of special business to be transacted at a general meeting shall also set forth clearly the recommendation of the board to the shareholders on each of the specific items. [Reg.17(11) of SEBI LODR]

7. Duties of the Directors (u/s 166 of Companies Act,2013):

- a) Subject to the provisions of Companies Act, 2013, a Director of a company shall act in accordance with the articles of association of the Company.
- b) A Director of the 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.
- c) A Director of the company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) A Director of the 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.
- e) A Director of the 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.
- f) A Director of the company shall not assign his office and any assignment so made shall be void.

8. Functions of the Board: (Regulation 17(7) & Part A of Schedule II of SEBI-LODR):

The Board shall consider the following:

- a) Annual operating plans and budgets and any updates.
- b) Capital budgets and any updates.
- c) Quarterly results for the company and its operating divisions or business segments.
- d) Minutes of meetings of audit committee and other committees of the board.
- e) The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.
- f) Show cause, demand, prosecution notices and penalty notices which are materially important.
- g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- h) Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.
- i) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.

- j) Details of any joint venture or collaboration agreement.
- k) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- l) Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc
- m) Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- n) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- o) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- p) Such other functions as may be specified under the Companies Act, related rules and SEBI regulations, and such other functions as determined by the Board from time to time.

9. Powers of Board: [Sec 179(3) of Companies Act r/w Rule 8 of The Companies (Meetings of Board and its Powers) Rules, 2014]

The Board of Directors of the company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely:—

- a) to make calls on shareholders in respect of money unpaid on their shares;
- b) to authorise buy-back of securities under section 68;
- c) to issue securities, including debentures, whether in or outside India;
- d) to borrow monies;
- e) to invest the funds of the company;
- f) to grant loans or give guarantee or provide security in respect of loans;
- g) to approve financial statement and the Board's report;
- h) to diversify the business of the company;
- i) to approve amalgamation, merger or reconstruction;
- j) to take over a company or acquire a controlling or substantial stake in another company;
- k) to make political contributions
- l) to appoint or remove Key Managerial Personnel (KMP)
- m) to appoint internal auditors and secretarial auditor.
- n) any other matter which may be prescribed

Board may delegate to any committee of Directors, the Managing Director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) by a resolution passed at meeting of the Board.

10. Restrictions on Powers of Board: [u/s.180 of the Companies Act, 2013]

The following powers of Board are subject to restrictions and shall not be exercised without the consent of the company by a Special resolution in a general meeting:

- a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation.

- c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

11. Disclosure/Declarations to be made by the Board members:

Sl. no	Reference (Applicable Sections/Regulations)	Particulars	Periodicity
1.	Section 164(2) of the Companies Act, 2013 r/w rule 14 of the Companies (Appointment and Qualification of Directors) Rules,	Intimation by Director of disqualification, if any, in Form DIR-8	At the time of joining the Board; (Immediate) As and when there is a change in particulars; During the last month of every Financial year [on or before March 31 of every year]
2.	Section 184 & r/w rule 9 of the Companies (Meetings of the Board and its Powers) Rules, 2014]	Disclosure of Interests in Form MBP-1	At the first meeting of Board in which the Director participates; (Immediate) As and when there is a change in particulars, at the first board meeting held after such change; During the first month of every Financial year
3.	Section 189 & r/w rule 16 of the Companies (Meetings of the Board and its Powers) Rules, 2014]	Disclosure of Particulars of concern or interest of Directors in other companies or bodies corporate, firms or other association of individuals. (Specifically, other Directorships /Committee Membership/ Chairmanship)	Within a period of thirty days of appointment or relinquishment of his office in other Company;(Immediate) As and when there is a change in particulars;
4.	Regulation 17A of SEBI LODR Regulations, 2015	Every Director shall ensure that at any point of time he or she is not a Director in more than 8 listed entities and in not more than 7 listed entities.	At any point of time

Sl. no	Reference (Applicable Sections/Regulations)	Particulars	Periodicity
		Also a person shall not serve as an independent Director in more than 7 listed entities. A whole-time Director / managing Director shall serve as an independent Director in not more than 3 listed entities. For the purpose the count for the number of listed entities on which a person is a Director / independent Director shall be only those whose equity Shares are listed on a stock exchange.	
5.	Section 165 of the Companies Act, 2013	The Directors shall ensure that they do not hold office as a Director, including alternate Directorship, in more than 20 (Twenty) companies. Maximum number of public companies in which a person can be appointed as a Director shall not exceed 10 (Ten). (For the purpose of reckoning limit of public companies, Directorship in private companies that are either holding or subsidiary company of a public company shall be included and for reckoning the limit of Directorships of 20 Companies, the Directorship in a dormant company shall not be included)	At any point of time

Sl. no	Reference (Applicable Sections/Regulations)	Particulars	Periodicity
6.	Regulation 26(1) & (2) of SEBI LODR Regulations, 2015	Every Director shall ensure that at any point of time he or she is not serving as a member in more than 10 committees or act as Chairperson of more than 5 committees across all listed entities in which he is a Director which shall be determined as follows: (a) the limit of the committees on which a Director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Companies Act, 2013 shall be excluded; (b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.	At the time of joining the Board; (Immediate) As and when there is a change in particulars; During the first month of every Financial year
7.	Regulation 26(3) of SEBI (LODR) Regulations, 2015 and Section 149(8), Schedule IV of the Companies Act, 2013	Declaration by Directors for 'Affirmation of compliance with the Code of Conduct'	Within 30 days from end of every Financial year
8.	Section 149(6), 149(7) of the Companies Act, 2013 & and Regulation 25(8) of SEBI (LODR) Regulations, 2015	Declaration by Independent Directors for 'Criteria of independence'	During the first month of every Financial year
9.	Requirements under Companies (Acceptance Of Deposits) Rules, 2015	Directors shall disclose to the Company as and when they pay any money to the Company and the Company shall make a declaration to that effect in the Annual Deposit Advertisement.	As and when any amount of money is given by the Director to the Company.

Sl. no	Reference (Applicable Sections/Regulations)	Particulars	Periodicity
10.	Requirements under Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021	Declaration by all the Directors under 'Fit and Proper' Criteria as per NHB Directions	At the time of joining the Board; (Immediate) As and when there is a change in particulars; During the first month of every Financial year
11.	Requirements under Para 52.2 of Master Direction – NonBanking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021	Declaration and undertaking by Director in the format given by NHB	At the time of joining the Board; (Immediate) As and when there is a change in particulars; During the first month of every Financial year
12.	Requirements under Para 52.2 of Master Direction – NonBanking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021	Deed of Covenants	At the time of joining the Board; (Immediate)
13.	[Regulation 7 (1) (b) read with Regulation 6 (2) of SEBI (Prohibition of Insider Trading) Regulations, 2015	Initial disclosure to the company regarding Securities held by Promoter, Key Managerial Personnel (KMP), Director and other such persons as mentioned in Regulation 6(2).	At the time of joining the Board; (Immediate) As and when there is a change in particulars;
14.	Section 152(5) and rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014	Consent to act as a Director of the Company to be submitted by the Director at the time of his/her appointment	At the time of joining the Board; (Immediate)

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CHAPTER – II
AUDIT COMMITTEE

As per the provisions of Section 177 of Companies Act 2013 and regulation 18 of SEBI Listing Regulations, Board of every listed public Company shall constitute an Audit Committee.

The Audit Committee (AC) of our company has been duly constituted by the Board of Directors in compliance with Section 177 of the Companies Act, 2013 read along with the applicable rules thereto (hereinafter referred to as 'the Act') and regulation 18 of SEBI Listing Regulations.

Comprehensive details relating to the Committee viz., the composition, the number of meetings, powers, roles and responsibilities etc. are incorporated in the Charter for Audit Committee placed as an annexure to this chapter (Annexure-1).

Audit Committee Charter

1) Objectives

The objectives of the Audit Committee (AC) of the Board of Directors of the Company is to assist the Board and to act as a catalyst in helping the Company achieve its objectives by assisting the Board in overseeing the (i) accuracy, integrity and transparency of the Company's financial statements (ii) compliance with legal and regulatory requirements (iii) performance of the Company's statutory auditors and the internal audit function (iv) Approval of transactions with related parties. (v) acquisitions and investments made by the Company.

The role, responsibilities and powers of the Committee shall include the matter set out in this Charter and such other items as may be prescribed by applicable laws or by Board as amended from time to time.

2) Composition:

- a) Minimum three Directors as members. [Reg.18(1)(a), sec 177(2)]
- b) Atleast two-thirds of the members of audit committee shall be independent Directors. [Reg.18(1)(b), Sec 177(2)]
- c) All members of audit committee shall be 'financially literate' and the Committee will have at least one member who shall have accounting or related financial management expertise. [Reg.18(1)(c), Sec 177(2)]
- d) The chairperson of the audit committee shall be an independent Director and he/she shall be present at Annual General Meeting to answer shareholder queries. [Reg.18(1)(d)]
- e) The Company Secretary to act as the secretary to the audit committee. [Reg.18(1)(e)]
- f) The Members of the Committee shall be rotated in every two years.

Though Managing Director is not a member of the Audit Committee, in case of need the Audit Committee may invite the Managing Director for the meeting.

3) Stipulated periodicity of meetings:

The audit committee shall meet at least four (4) times in a year and not more than one hundred and twenty days shall elapse between two consecutive meetings. [Reg.18(2)(a)]

4) Quorum:

The quorum shall either be two members or one third of the members of the audit committee, whichever is greater, with at least of two independent Directors. [Reg.18(2)(b)]

5) Role, functions and responsibilities of the Audit Committee:

A. The role of the Audit Committee shall include the following [Reg 18(3) r/w Part C of Schedule II of the SEBI]:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company; [also u/s.177 of Companies Act, 2013].
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to: [also u/s.177 of Companies Act, 2013].

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- a) matters required to be included in the Director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the board to take up steps in this matter;
 7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process; [also u/s.177 of Companies Act, 2013].
 8. approval or any subsequent modification of transactions of the Company with related parties; [also u/s.177 of Companies Act, 2013].
 9. scrutiny of inter-corporate loans and investments; [also u/s.177 of the Act].
 10. valuation of undertakings or assets of the Company, wherever it is necessary; [also u/s.177 of the Act].
 11. evaluation of internal financial controls and risk management systems; [also u/s.177 of Companies Act, 2013].
 12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 14. discussion with internal auditors of any significant findings and follow up there on;
 15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 18. to review the functioning of the whistle blower mechanism;
 19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 20. carrying out any other function as is mentioned in the terms of reference of the audit committee specified by the Board in writing.
 21. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

22. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- B. The audit committee shall mandatorily review the following information:
1. management discussion and analysis of financial condition and results of operations;
 2. management letters / letters of internal control weaknesses issued by the statutory auditors;
 3. internal audit reports relating to internal control weaknesses; and
 4. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 5. statement of deviations: [also u/R.32(3) of SEBI LODR]
 - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
 6. The Audit Committee shall review the annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, certified by the statutory auditors of the Company, till such time the full money raised through the issue has been fully utilized. [u/R.32(5) of SEBI LODR]
- C. Audit Committee must ensure that an Information System Audit of the critical and significant internal systems and processes is conducted at least once in two years to assess operational risks faced by the HFC (As per Para 50.1.2 of Master Direction – Non- Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021).

6) Powers of Audit Committee:

B. Related Party Transactions (RPT) [Reg 23 (2)]:

- (a) Related Party Transactions (RPT) [Reg 23 (2)]: All related party transactions and subsequent material modifications shall require prior approval of the audit committee as mentioned in the Related Party Transactions policy of the Company. Provided that only those members of the audit committee, who are independent Directors, shall approve related party transactions.
- (b) Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely-
 - i. the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
 - ii. the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
 - iii. the omnibus approval shall specify:
 - (1) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - (2) the indicative base price / current contracted price and the formula for variation in the price if any; and
 - (3) such other conditions as the audit committee may deem fit:

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

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- (c) the 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 approvals given.
 - (d) The shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months. Further, in case of omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year. The following shall be indicated to the Audit committee in the compliance certificate to be furnished by chief executive officer and chief financial officer. [Reg.17(8) and point D of Part B of Schedule II]
- C. The following shall be indicated to the Audit committee in the compliance certificate to be furnished by chief executive officer and chief financial officer. [Reg.17(8) and point D of Part B of Schedule II]
- a) significant changes in internal control over financial reporting during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.
- D. The audit committee at its discretion shall invite the head of the finance function/CFO, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee. Provided that occasionally the audit committee may meet without the presence of any executives of the Company.
[Reg.18(1)(f)]
- E. The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. [Reg.18(2)(c)]
- F. Vigil mechanism/whistle blower mechanism: To consider the genuine concerns, if any, lodged under whistle blower/vigil mechanism established by the Company for Directors and employees. [Vigil mechanism shall provide for adequate safeguards against victimization of Director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases]. [as per Sec 177(9) &(10) and Reg 22(1) & (2)]
- G. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company. [as per Sec 177(5)]
- H. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of Companies Act, 2013 or referred to it by the Board and for this purpose shall have power to obtain professional

advice from external sources and have full access to information contained in the records of the company. [as per Sec 177(6)]

- I. Such other powers as given by the Board, Companies Act, 2013 & related Rules and by SEBI or such other statutory or regulatory authority, from time to time.

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Chapter-III
Nomination Remuneration & HR Committee

Note: NRC Policy is provided as a separate policy.

CHAPTER IV

STAKEHOLDERS' RELATIONSHIP COMMITTEE

As per the provisions of section 178(5) of the Companies Act, 2013 the Board of Directors of a Company which consists of more than 1000 shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year shall constitute a Stakeholders Relationship Committee. As per regulation 20 of SEBI(LODR), 2015 every listed Company shall constitute a Stakeholders Relationship Committee to specifically look into various aspects of interest of shareholders, debenture holders and other security holders. Non-compliance of Section 178 of the Act attracts a penalty of Rupees five lakh rupees and every officer of the company who is in default shall be liable to a penalty of one lakh rupees.

Comprehensive details relating to the Committee viz., the composition, the number of meetings, powers, roles and responsibilities etc. are incorporated in the charter for Stakeholders Relationship Committee placed as an annexure to this chapter (Annexure-1).

Stakeholders Relationship Committee Charter

1) Objective

The Stakeholder Relationship Committee (SRC) is a committee of the Board of Directors constituted in accordance with section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI LODR and authorised by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. Stakeholders Relationship Committee (SRC) has the authority and power to exercise the role and responsibilities set out in this charter and such other roles and responsibilities. The Committee shall as per this charter and as per the policy approved by the Board have primary objective of considering and resolving the grievances of security holders of the Company, formulation of policies and procedures in line with the statutory guidelines, to ensure speedy disposal of various requests received from security holders from time to time, to process transfer / transmission of shares and other securities, monitor and review any investor complaints received by the Company or through SEBI; and SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary and RTA of the Company.

Composition: [Sec.178 of Companies Act & Reg.20 of SEBI (LODR)]

- a) A minimum of three members (as constituted by the Board from time to time)
- b) The Chairperson of the Committee shall be the non-executive Director.
- c) At least three Directors, with at least one being an independent Director, shall be members of SRC. [Reg.20(2A) of SEBI LODR]
- d) The Members of the Committee shall be rotated in every two years.

2) Quorum:

- a) Any two members present at the meeting of the committee shall form the quorum and if on any date of the meeting on which the Chairman is not able to attend the meeting or not present within half an hour of the time fixed for the meeting, the remaining members of the committee shall appoint a Director as the Chairman for the meeting.
- b) The participation of Directors by video conferencing or by any other audio-visual means shall also be counted for the purpose of quorum.
- c) The Company Secretary shall act as the Secretary to the committee.

3) Stipulated periodicity of the meetings:

The committee shall meet at least twice a year i.e., once in six months and such additional number of meetings be held as decided by the Chairperson of the Committee depending upon the requirement.

4) Powers/Authority of the Committee:

- a) Powers as per the provisions of Companies Act, 2013, Articles of Association of the Company, the powers conferred under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, various statutes, notifications from various statutory regulatory authorities from time to time
- b) Powers delegated by the Board of Directors of the Company from time to time.

- c) The Chairperson of the Committee or in his absence any other member of the Committee authorized by the Chairperson in this behalf shall be present at the general meetings of the Company to answer the queries of the security holders. [Sec.178(7) of the Act, and Reg.3 of SEBI (LODR)].

5) Role/Functions of the Committee:

- a) The Committee shall consider and resolve the grievance of the security-holders of the Company [S.178(6) of the Act].
- b) The Committee to specifically look into various aspects of interest of shareholders, debenture holders and other security holders [Reg.20(1) of SEBI LODR].
- c) As per Part D of Schedule II of SEBI(LODR) the role of the committee shall inter-alia include the following:
 - i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
 - ii. Review of measures taken for effective exercise of voting rights by shareholders.
 - iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the RTA.
 - iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.]

Apart from the above, the Committee shall approve/ ratify/ review/ note, as authorised by the Board from time to time, the following:

- (a) The transfers/ transmissions, sub-divisions, consolidation, renewal, exchange of shares and debentures and other securities issued by the Company from time to time;
- (b) issue within the statutory time limit of such lodgment for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading, signed by a responsible Official of the Company upto 10,000 units of each of the said securities, per case of transfer etc.
- (c) in cases where transfers etc., exceed 10,000 units of shares/debentures and other securities per case, the said subject be placed before the Committee for approval.
- (d) to invite any executives of the Company or any members of the R & T Agents, if need be, for discussion of any issues pertaining to R & T Agreement or any other matter relating to the shares, debentures of any other securities issued by the Company from time to time and also regarding the matters pertaining to the shareholders, debenture holders or any other holders of securities of the Company.
- (e) to review the shareholding pattern, dematerialization of shares, share quotes, holdings of promoters, movement of shares in the hands of top 10 shareholders of the Company periodically.
- (f) Issue of duplicate share certificates within the prescribed time
- (g) And such other matters as delegated by the Board of Directors from time to time.

CHAPTER V

RISK MANAGEMENT COMMITTEE (RMC)

1. Objective:

The objective of the Risk Management Committee (RMC) of the Board shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks. The Committee has overall responsibility for monitoring and approving the risk management framework and associated practices of the Company. The risk management committee is also responsible for reviewing and approving risk disclosure statements in any public documents or disclosures. RMC will be the working interface between the Board and the Management and shall approve and monitor the overall Risk Management framework in the Company for management of Credit risk, Market risk, Operational risk, Asset Liability Management, Compliance risk etc.

As per Para 50.3 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, to manage the integrated risk, all HFCs shall form a Risk Management Committee, besides the Asset Liability Management Committee.

2. Composition:

- a) The Risk Management Committee shall have minimum three members with majority of them being members of the board of Directors, including at least one independent Director [Reg21(2)-SEBI LODR]
- b) The Chairperson of the Risk management committee shall be a member of the board of Directors and senior executives of the listed entity may be members of the committee. [Reg 21(3)-SEBI LODR]
- c) The members of the risk management committee will be appointed by the Board on the recommendation of the Nominations Remuneration & HR committee.
- d) The Members of the Committee shall be rotated in every two years.

3. Quorum:

The quorum shall be either two members or one third of the Members of the Committee, whichever is greater, including at least one Independent Director in attendance.

4. Stipulated periodicity of meetings:

As and when required, minimum two meetings in a financial year. The meetings of the Risk Management shall be conducted in such a manner that on a continuous basis not more than 210 days shall elapse between any two consecutive meetings. [Reg 21- SEBI LODR]

5. Role/responsibility/functions:

- a) The Board of Directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit, such function shall specifically cover cyber security and roles as specified in Schedule II of SEBI Listing Regulations. [Reg.21(4) of SEBI LODR].
- b) **In Credit Risk:**
 - i) Oversee the Credit Risk Management and ensure that principal credit risk facing the Company have been properly identified and being appropriately managed.

- ii) Approve Credit risk exposure limits for various portfolios/ products/ Geographic's etc.
 - iii) Approve credit risk management and measurement policies, the same are placed before the Board.
 - iv) Prescribed credit risk management process in conformity with regulatory guidelines of NHB, RBI, etc.
 - v) Evolve suitable financial models and systems to measure credit risk.
 - vi) Arrange and evaluate for Credit risk, stressed test. vii) Development of new products.
- c) **In Market Risk:**
- i) Implement policies for market risk measurement, management and reporting.
 - ii) Evolve Risk Management processes (peoples, systems, operations, limits and controls).
 - iii) Review and approve market risk limits.
 - iv) Ensure the robustness of financial models and effectiveness of systems used to calculate market risk.
- d) **In Operational Risk**
- i) Review operation risk profile and key operational risk exposures (including regulatory) and economic environment having significant impact on the risk profile of the Company.
 - ii) Review and recommend Operation Risk Management Framework, policies and procedures.
- e) Asset Liability Management- Evaluate the overall risk faced by the Company including liquidity and interest rate risk.
- f) The RMC shall also act as compliance Committee to discuss level of compliance risk, discuss and review compliance policy at periodical intervals for evaluating the effectiveness and steps to address the compliance risk in the Company.
- g) The risk management committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- h) The role and responsibilities of the risk management committee shall include such other items as may be prescribed by applicable law, from time to time.
- i) The risk management committee shall have access to any internal information necessary to fulfil its oversight role. The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

CHAPTER VI

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The objective of the Corporate Social Responsibility Committee of the Board of Directors of the Company shall be to assist the Board and the Company in fulfilling its corporate social responsibility.

1) Composition:

- a) Minimum three Directors [Sec 135(1) of Companies Act, 2013]
- b) Minimum one Director of the said committee shall be an Independent Director.
- c) The Committee shall have a Chairperson.
- d) The Company Secretary shall act as the Secretary to the Committee.
- e) The Members of the Committee shall be rotated in every two years.

2) Quorum:

The quorum shall be either two members or one-third of the Members of the Committee, whichever is greater.

3) Stipulated periodicity of meetings:

As and when required, minimum one meeting in a financial year.

4) Role, functions and responsibilities of Corporate Social Responsibility Committee:

CSR Committee shall-

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of Companies Act, 2013. [Sec.135(3)(a) of Companies Act, 2013]
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; [Sec.135(3)(b) of Companies Act, 2013]
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d. monitoring and reporting mechanism for the projects or programmes; and
 - e. details of need and impact assessment, if any, for the projects undertaken by the company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

- d) The Board report of the Company shall include an annual report of CSR containing particulars as provided by the Companies (CSR Policy) Rules, 2014 as amended from time to time signed by the Chairman of the Committee and Chief Executive Officer or Managing Director of the Company.
- e) Carry out additional functions as is contained in the Companies Act, 2013 or other regulatory requirements applicable to the Company and such other functions as delegated by the Board from time to time.
- f) The adequacy of this charter shall be reviewed and reassessed by the Committee as may be deemed fit by the Committee and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about to the regulatory framework, from time to time.

CHAPTER VII

MANAGEMENT COMMITTEE

1. Composition:

- a) Minimum three Directors.
- b) The Company Secretary is the Secretary to the Management Committee.
- c) The Members of the Committee shall be rotated in every two years.

2. Quorum:

The quorum shall be either two members or one third of the members of the Committee, whichever is greater.

3. Stipulated periodicity of meetings:

As and when the Company receives credit/any other proposals falling under the powers of the Management Committee, as authorised by the Board from time to time.

4. Role/responsibility/functions:

- a) To consider proposals for sanction of loans to individuals/builders, rates of interest on such loans, terms and conditions for sanction and certain other financial sanctions and
 - b) Any other assignments in terms of the powers delegated to the Committee by the Board through various policies from time to time.
-

CHAPTER VIII

IT STRATEGY COMMITTEE

As per NHB guidelines (NHB(ND)/DRS/Policy Circular No.90/ 2017-18), all HFC's are required to conduct gap analysis between their current IT framework and stipulations as laid out in the specified circular. As per above mentioned circular there is requirement of constituting an IT Strategy Committee for review and amend IT strategies as and when required.

For the purpose the Board suggested to take steps like, have a sub-Committee within IT framework, to invite an IT expert to the Board as special invitee, frame strategies and place before the Board for approval, to have security audit certificate etc.

The IT Strategy Committee is constituted with an Independent Director as the Chairperson and an Executive Director, General Manager, Head of IT Dept. And an expert from outside, if need be, can be appointed as members of the Committee. The Members of the Committee shall be rotated in every two years.

The said Committee is authorized to take all necessary steps towards compliance of requirements under the said NHB Circular dated 15/06/2018 and such other assignments and authority as delegated by the Board from time to time and to incur related expenses, if any, within the limits of IT budget.

CHAPTER IX

Code of Conduct for Directors including Independent Directors and Senior Management Personnel

this Policy is provided as a separate policy.

CHAPTER – X

POLICY ON MATERIAL EVENTS AND INFORMATION FOR DISCLOSURE TO STOCK EXCHANGES IN TERMS OF SEBI LISTING REGULATIONS, 2015

this Policy is provided as a separate policy.

CHAPTER XI
FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS
(In terms of SEBI (LODR) Regulations, 2015)

this Policy is provided as a separate policy.

CHAPTER – XII

EVALUATION POLICY FOR BOARD, COMMITTEES & DIRECTORS

I Purpose

To lay down a framework for evaluation on basis the recommendation of the Nomination and Remuneration Committee, adopted this board evaluation policy to comply with the various provisions under Regulation 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") & related circulars and the Companies Act, 2013.

The Policy is based on the SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation ("SEBI Guidance Note").

II Objectives of Board level evaluation policy:

The Policy provides guidance on evaluation of the performance, on an annual basis, of individual Directors (including the Chairperson and independent Directors of the Company), the Board as a whole; and various committees of the Board ("Board Committees").

i) For the Board

- To enhance efficiencies in the functioning of the Board
- To promote better time management and more efficient meetings To build trust amongst the Board members

ii) For the Directors

- To encourage individual Director involvement and participation
- To ensure Director's skills are utilized effectively
- To clarify legal duties and responsibilities of individual Directors

iii) For the Company

- To build effective Board-Management relationship To help bring strategic focus

iv) For other stakeholders

- To increase trust and reputation of the Company
- To demonstrate commitment to good governance

III Selection of Directors

The Nomination & Remuneration Committee shall identify the fit and proper persons in accordance with the criteria laid down and recommend to the Board for appointment as an additional Director under the category of independent Directors for a particular tenure and not liable to retire by rotation or as Directors liable to retire by rotation, as the case may be and the shareholders at the general meeting appoint those Directors as per the provisions of the applicable laws. The Board of Directors shall appoint a Chairman for the Board. The Nomination & Remuneration Committee shall carry out evaluation of every Director's performance.

The performance evaluation of the independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated. On the basis of the evaluation it shall be determined whether to extend or continue the term of appointment of the independent Director in terms of Schedule IV of the Companies Act, 2013.

IV Evaluation framework and process

- (1) The Board shall, on an annual basis, evaluate the performance of each Board Committee as per the evaluation parameters
- (2) The evaluation process shall be completely anonymous and shall be undertaken annually. The Chairman will be responsible for conducting the evaluation process for Board and the Directors. Upon completion of the evaluation by the Chairman, the results of the evaluation exercise will be shared by the Chairman with the Board in the subsequent Board meeting, including listing of the identified strengths, areas of improvement and actions to be taken, if any, with the assistance of the Board Secretariat Department.
- (3) The performance evaluation framework consists of three parts as per below:
 - Performance Evaluation of Committees
 - Performance Evaluation of the Board as a whole
 - Performance Evaluation of Individual Directors
- (4) Evaluation of the Board shall be generally conducted in the context of the following four attributes:
 - a) Skills and knowledge: Does the Board have a mix of skills, experience and expertise as appropriate for the Company?
 - b) Process: Does the Board get sufficient time to discharge its duties? Is the Board well aware of its roles and responsibilities?
 - c) Information: Does the Board receive information in a manner to effectively discharge its duties? Do the Board members receive sufficient information between scheduled meetings?
 - d) Behaviour: Are the Board members able to participate fully in the decision-making process?
- (5) This Policy lays down a mix of self and peer evaluation through a rated questionnaire (given as annexures 1 to 3), which shall address various facets of performance of the Board, its Committees and the individual Directors. The Directors shall fill up the questionnaire as a member of the Board and of a Committee once in the financial year during the first fortnight of April month.
- (6) The model questionnaire (annexures 1 to 3) shall be filled up by all the Directors, including the Chairman and submitted to the Chairperson of the Board.
- (7) The evaluation will be done annually as per below:
 - Committee evaluation will be done prior to the Annual Board Meeting and results will be shared with the Committee prior to the Annual Board Meeting and will also be presented during the Annual Board meeting by the HR head/CS.
 - Board evaluation as a whole will be done prior to the Annual Board Meeting & results will be presented during the Annual Board Meeting by the HR head/CS.

- Individual Directors evaluation will be done during the Annual Board Meeting.
- (8) In addition, the Independent Directors shall hold a meeting at least once in any given year, without the presence of the non-Independent Directors of the Company, to review the performance of such non-Independent Director. All Independent Directors shall strive to attend such meeting.

(V) Feedback and Action Plan

- (1) Once responses from all the Directors have been received, a summary of results of the Board evaluation will be placed before the Board. The various parameters of evaluation and the averages of the marks/rating given by each of the Director will be disclosed. Based on the feedback from each member, the gist of the evaluation will be summarized. The overall performance of each of the Directors including executive Directors, operating framework of the Board, overall performance, conduct of meetings of the Board, the performance of Committees, Chairman/Chairperson and the performance of each of the Independent Directors will be presented to the Board.
- (2) All questions with average rating of 4.0 or less have been identified as areas for reflection and action planning. These are not necessarily the problem areas but definitely the areas where processes/ practices can be improved to meet the best governance standards and the Board may devise a plan to address such identified areas. The Board will initiate discussion basis individual feedback, broad & common areas that are working well and those that need attention. The Board will then decide if changes in its governance practices and policies need to be made going forward.
- (3) Company Secretary will tabulate the results and share the summary report with the Board members in the Board Meeting. The summary report will include score against each of the evaluation criteria & verbatim comments without any names.
- (4) All the evaluation forms containing individual Director's evaluation shall be placed in custody of Company Secretary.

Board Evaluation Questionnaire

**To,
Shri.
The Chairman**

(Name of the Director)
(DIN -)
Can Fin Homes Ltd.
Registered Office,
Bangalore

Dear Sir,

Sub: Questionnaire for evaluation of Board, Committees and Individual Directors

Please assign the rating/value in the appropriate box, as below:

- 1 - Needs significant improvement
- 2 - Needs improvement
- 3 - Adequate
- 4- Consistently good
- 5 - Outstanding

Q.No	Operating Framework	Rating/ Value
1	The Board has sufficient time to execute its responsibilities.	
2	Board proposals and reporting are presented in a manner and format which is comprehensive, timely and easily understood and which facilitates informed and effective decision making.	
3	The Board has the appropriate mix of skills, experience and expertise in individual members.	
4	The Board's responsibilities with regards to oversight and governance are clear and well understood.	
5	The minutes of the meetings adequately reflect the proceedings of the Board.	
6	Board meeting priorities are clear and agenda notes cover crucial topics for discussion.	
7	The Board environment fosters a candid and open exchange of ideas and opinions among Board members.	
8	Every Board member is able to participate fully in the decision making process of the Board.	
9	Board members work together effectively.	
10	The Board effectively discharges its responsibilities when deciding upon strategic transactions.	

11	There is clear delegation from the Board to its Committees and to the executive management.	
12	The Board is able to challenge the management effectively.	
13	The Board receives adequate feedback on execution of its decisions and directives.	
14	There is appropriate open communication between the Board, Key Managerial Personnel (KMP) and other executives/ Board Secretariat	
15	The Board provides effective inputs for the creation of annual operating plan.	
16	Board members receive sufficient information at the time of induction and on an on-going basis.	
17	The Board makes effective use of outside advisers, if and when required.	
18	The Board has sufficient contact with Board Secretariat/ management team and receives relevant information between the scheduled Board meetings.	
19	The Board receives timely information in advance of the meetings.	
20	The information presented to the Board identifies the appropriate issues & risks and market trends & dynamics in which the Company operates and are fully understood by the Board.	

Additional comments:

Place:

Date:

Signature of the Director
(Name)

Committee Evaluation Questionnaire

To, Shri.

The Chairman

(Name of the Director)

(DIN -)

Can Fin Homes Ltd.

Registered Office, Bangalore - 4

Dear Sir,

Sub: Questionnaire for evaluation of the

Committee

Note: Please assign the rating/value in the appropriate box, as below:

- 1 - Needs significant improvement
- 2 - Needs improvement
- 3 - Adequate
- 4 - Consistently good
- 5 - Outstanding

Generic Questions

Q.No.	Operating Framework	Rating/ Value
1	The Committees have sufficient time to execute their responsibilities.	
2	Proposals are presented in a manner and format which is comprehensive, timely and easily understood and which facilitates informed and effective decision making.	
3	The Committees' responsibilities are clear and well understood.	
4	The minutes of the meetings adequately reflect the proceedings of the Board.	
5	Committee meeting priorities are clear and agenda notes cover crucial topics for discussion.	
6	The Committees effectively discharges responsibilities and make appropriate recommendations to the Board.	
7	There is effective reporting of key matters to the Board.	

Additional comments:

Committee specific questions:

(Please mention 'NA' in case you are not a member of a particular Committee.)

Q.No.	Audit Committee	Rating/ Value
1	The members are well aware about the Terms of reference of the Audit Committee and effectively discharge their duties as members of the Audit Committee.	
2	The Audit Committee members have access to and hold discussions with the statutory auditors.	
3	The members have access to and hold discussions with KMPs/Key control function heads/Audit head / other senior Executives.	
4	The members effectively review the internal financial controls of the Company and the risk management systems.	
5	The members get sufficient time to review the financial performance of the Company; the Chief Financial Officer/ Board Secretariat/Company Secretary provides adequate information for the discussions.	

Additional comments:

Q.No.	Risk Management Committee	Rating/ Value
1	The members are well aware about the Terms of Reference of the Risk Management Committee (RMC) and effectively discharge their duties as members of the Risk Management Committee.	
2	The RMC members have effective oversight on the risk management framework of the Company and review the Company's risk and reward objectives in line with all stakeholders' expectations.	
3	The RMC regularly reviews the asset liabilities management framework and the solvency position of the Company.	
4	The RMC members have access to and hold discussions with the concerned Officers of the Company.	
5	The members provide their comments and suggestions on the administrative policies of the Company.	

Additional comments:

Q.No.	Management Committee	Rating / Value
1	The members are well aware about the Terms of Reference of the Management Committee and effectively discharge their duties as members of the Committee.	
2	The members have effective oversight on the Credit Policy of the Company and regularly monitor its implementation.	

Additional comments:

Q.No.	Corporate Social Responsibility Committee	Rating / Value
1	The members are well aware about the Terms of Reference of the Corporate Social Responsibility Committee and effectively discharge their duties as members of the Committee.	
2	The members recommend an effective CSR Policy to the Board.	
3	The members have put in place an effective and transparent framework for monitoring of various CSR projects.	
4	The members are regularly updated on the status update of various CSR projects.	
5	The members have oversight over the implementation of the CSR Policy.	

Additional comments:

Individual Directors' Evaluation Questionnaire

The Chairman

(Name of the Director) (DIN -)

Can Fin Homes Ltd.

Registered Office, Bangalore

- 4Dear Sir,

Sub: Questionnaire for evaluation of Shri. _____, Director

Note: Please assign the rating/value in the appropriate box, as below:1

- Needs significant improvement

2 - Needs improvement

3 - Adequate

4 - Consistently good

5 - Outstanding

Q.No.		Rating/ Value
1	Does Director come prepared for the Board and Committee meetings	
2	Does Director effectively participate in the Board and Committee meetings	
3	Does Director possess sufficient skills and knowledge to discharge his/her duties as Directors on the Board and members of Committees.	
4	Does Director effectively interact with other Board members and effectively raise concern for all stakeholders in Board/Committee meetings	

Additional comments:

Place:

Date:

Signature of the Director

Name
