

## **CORPORATE GOVERNANCE POLICY OF REPCO HOME FINANCE LIMITED**

### **I. Introduction:**

Corporate governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Corporate governance is primarily the responsibility of the Board as a group. The Board performs its duties with the support of managerial staff. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organization is able to enhance the trust and confidence of the stakeholders.

### **II. Corporate Governance Philosophy and Practice**

The Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings.

The Company believes that sound Corporate Governance is essential for enhancing long-term shareholder value and retaining investor trust.

The Company manages its affairs with diligence, transparency, responsibility and accountability to generate long term value for its stakeholders on a continuous and sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

The Company's Governance processes and practices ensure that the interest of all stakeholders are taken into account in a balanced and transparent manner and are firmly embedded into the culture and ethos of the organization.

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties towards all its stakeholders with the Corporate Governance mechanism in place.

### **III. Board of Directors**

The Board is responsible to act 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.

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

The Board is responsible for overall compliance with the Corporate Governance policy 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.

**A) Board Composition**

1. As per the Articles of Association of the Company, the maximum number of Directors which the Company can appoint is 12.
2. The Company's Board shall have an optimum combination of Executive, Non-Executive and Independent Directors, and not less than fifty per cent of the Board of Directors shall comprise of Non-executive Directors, and should have at least one Independent Woman Director as required by the applicable laws/ rules and regulations.
3. 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

Explanation.- For the purpose of this clause, the expression "related to any promoter" shall have the following meaning:

- (i) if the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;
- (ii) if the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.

**B) Responsibilities and Functions of the Board of Directors**

The Board of Directors shall have the following responsibilities in terms of Regulation 4(2)(f) of SEBI LODR regulations:

(i) Disclosure of information:

- The Directors shall disclose to the board of directors if we have, directly, indirectly or on behalf of third parties, a material interest in any transaction or matter directly affecting the Company.
- The Directors shall conduct themselves to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(ii) Key functions of the board of directors: The Board of Directors shall;

- Review and guide corporate strategy, major plans of action, risk policy, annual budgets and business plans, set performance objectives, monitor implementation

and corporate performance, and oversee major capital expenditures, acquisitions and divestments.

- Monitor the effectiveness of the Company's governance practices and making changes as needed.
- Select, compensate, monitor, when necessary, replace key managerial personnel and oversee succession planning.
- Align remuneration of board of directors with the long term interests of the Company and its shareholders.
- Ensure a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- Monitor and manage potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensure the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- Oversee the process of disclosure and communications.
- Monitor and review board of director's evaluation framework.

(iii) Other responsibilities include: The Board of Directors shall;

- provide strategic guidance to the Company, ensure effective monitoring of the management and shall be accountable to the Company and the shareholders.
- set a corporate culture and the values by which executives throughout a group shall behave.
- act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
- encourage continuing directors training to ensure that the members of board of directors are kept up to date.
- treat all shareholders fairly, where decisions of the board of directors may affect different shareholder groups differently.
- maintain high ethical standards and shall take into account the interests of stakeholders.
- exercise objective independent judgement on corporate affairs.
- consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.

- ensure that, while rightly encouraging positive thinking, these do not result in over- optimism that either leads to significant risks not being recognized or exposes the listed entity to excessive risk.
- have ability to ‘step back’ to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company’s focus.
- define and disclose the mandate, composition and working procedures of the Board Committees
- commit themselves effectively to their responsibilities.
- have access to accurate, relevant and timely information.
- facilitate the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.

### **C) Independent Director**

The Board shall comprise such numbers of independent directors as specified under the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations 2015] 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.

An independent director [as defined under SEBI(LODR)] who resigns or is removed from the board of the Company shall be replaced by a new independent director at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later. 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.

### **D) Committees of the Board**

The functioning of the Board shall be further supplemented/facilitated by its Audit Committee, Risk Management Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, IT Strategy Committee, Management Committee, Compensation Committee and Securities Allotment Committee. The Committees should meet at periodical intervals as per the statutory requirement or depending upon the need, as the case maybe. 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 is a director. Furthermore, it is a mandatory annual requirement for every director to inform the Company about the Committee positions he 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, 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 a qualified and independent Audit Committee, as per the terms of and in compliance with the provisions of Companies Act, 2013 and applicable regulations of the SEBI(LODR) Regulations, 2015.

**1) Objectives**

The objectives of the Audit Committee 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 of the audit committee and the information to be reviewed by the audit committee shall be as specified in Part C of Schedule II of the SEBI (LODR) Regulations, 2015, and also those specified in section 177 of the Companies Act, 2013.

**2) Composition:**

- a) Minimum three Directors as members.
- b) Atleast two-thirds of the members of audit committee shall be independent Directors.
- c) All members of audit committee shall be 'financially literate' and the Committee will have atleast one member who shall have accounting or related financial management expertise.
- d) The chairperson of the audit committee shall be an independent director and he shall be present at Annual General Meeting to answer shareholder queries.
- e) The Company Secretary to act as the secretary to the audit committee.

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.

**4) Quorum:**

The quorum shall either be two members or one third of the members of the audit committee, whichever is greater, with a minimum of two independent directors.

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

A. The role of the Audit Committee shall include the following

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;.
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:
  - 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. monitoring and 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 or rights issue, 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;.
8. approval or any subsequent modification of transactions of the Company with related parties;.
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
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 Rs.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.

B. The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
  - 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).
7. 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.

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).

Apart from the above, the committee shall discharge

- any other role or responsibility as may be prescribed under law from time to time as and when it becomes applicable.
- any other assignment as may be delegated by the Board from time to time.

**6) Powers of Audit Committee:**

**A. Related Party Transactions (RPT)**

(a) Related Party Transactions (RPT): 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.

(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) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

**B. The following shall be indicated to the Audit committee in the compliance certificate to be furnished by chief executive officer and chief financial officer.**

(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.

**C. 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.**

D. 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.

E. Vigil mechanism/whistle blower policy: To consider the genuine concerns, if any, lodged under whistle blower policy/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].

F. 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.

G. 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.

H. 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.

## ii. Nomination & Remuneration Committee

The Company through its Board shall constitute a Nomination & Remuneration Committee, in terms of and in compliance with the provisions of Companies Act, 2013 and applicable regulations of the SEBI(LODR) Regulations, 2015.

### 1) **Objective:**

The Nomination & Remuneration (NRC) is a committee of the Board of Directors of the Company established in accordance with the Company's constitution and authorized by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this charter and such other roles and responsibilities. The Committee have primary objective of identifying persons who are qualified to become directors, senior management etc. and recommend the same to the Board. NRC shall formulate the policy for determining qualifications, positive attributes and independence of Director and their remuneration, Key managerial personnel and other employees.

### 2) **Composition:**

- a) Minimum three directors.
- b) All members of the committee shall be non-executive directors.
- c) At least two-thirds of the directors shall be independent directors.
- d) The Chairperson of the committee shall be an independent director.
- e) If the Chairperson of the Company, whether executive or non-executive, may be appointed as a member of NRC and shall not chair such Committee.
- f) The Company Secretary shall act as the Secretary to the Committee Meetings.

**3) Quorum:**

- a) The quorum shall be either two members or one third of the members of the committee, whichever is greater, including atleast one independent director in attendance.
- b) The Chairperson of the Nomination & Remuneration Committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries

**4) Stipulated periodicity of meetings:**

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

**5) Role/responsibility/functions:**

The role of the nomination and remuneration committee shall be as specified as in Part D of the Schedule II of the SEBI (LODR) Regulations, 2015, and also those specified in section 178 of the Companies Act, 2013.

The NRC shall;

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

For every appointment of an independent director, the Nomination & Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- b) Formulate the criteria for evaluation of performance of independent directors and the board of directors;
  - c) devise a policy on diversity of board of directors;
  - d) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
  - e) Consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  - f) carry out evaluation of every director's performance.
  - g) recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, senior management and other employees.
  - h) Carry out additional functions as is contained in the SEBI (LODR) or other regulatory requirements applicable to the Company.
  - i) while formulating the policy the NRC shall ensure that;
    - i. the level and composition of remuneration is reasonable and sufficient to attract,

retain and motivate directors of the quality required to run the company successfully;

- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

Such policy shall be placed on the website of the Company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

Senior Management: The expression 'Senior Management' shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

j) NRC shall lay down basic criteria for selection and to identify persons who are qualified to become Directors of the Company. Formulation of such criteria shall be aimed at determining qualifications, expertise, track record, integrity, positive attributes, independence of a Director and other 'fit and proper' criteria. NRC shall ensure 'fit and proper' criteria of the directors, at the time of appointment and on a continuing basis.

Whenever a new director is to be inducted, then NRC shall review the profiles of candidates and evaluate their credentials against the laid down criteria to establish that they are 'fit and proper' for the position for which they are being considered.

The appointment, renewal, re-appointment, re-categorisation and/or removal of the Directors identified in accordance with laid down criteria, including extension or continuation of the term of appointment, shall be recommended by NRC to the Board.

Apart from the above, the committee shall discharge

- any other role or responsibility as may be prescribed under law from time to time as and when it becomes applicable.
- any other assignment as may be delegated by the Board from time to time.

### 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 applicable regulations of the SEBI(LODR) Regulations, 2015.

#### 1) **Objective**

The Stakeholder Relationship Committee (SRC) is a committee of the Board of Directors established in accordance with the Company's constitution and authorized by the Board to assist it in fulfilling its statutory, fiduciary and regulatory responsibilities. It 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.

**2) Composition**

- 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.

**3) 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.

**4) Stipulated periodicity of the meetings:**

The committee shall meet at least once a year

**5) 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.

**6) Role/Functions of the Committee:**

The role of the Stakeholders Relationship Committee shall be as specified as in Part D of the Schedule II of the SEBI (LODR) Regulations, 2015, and also those specified in section 178 of the Companies Act, 2013.

- a) The Committee shall consider and resolve the grievance of the security-holders of the Company
- b) The Committee to specifically look into various aspects of interest of shareholders, debenture holders and other security holders

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 discharge

- any other role or responsibility as may be prescribed under law from time to time as and when it becomes applicable.
- any other assignment as may be delegated by the Board from time to time.

iv. **Risk Management Committee**

The Company through its Board shall constitute a Risk Management Committee.

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]

**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
- 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.
- c) The members of the risk management committee will be appointed by the Board on the recommendation of the Nominations & Remuneration committee.

**3. Quorum:**

The quorum shall be either two members or one third of the members of the committee, whichever is greater, including atleast one independent director in attendance.

**4. Stipulated periodicity of meetings:**

The committee shall meet at least once in every quarter.

**5. Role/responsibility/functions:**

The role and responsibilities of the Risk Management Committee shall mandatorily include the performance of functions specified in Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

- 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.
- 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.

Apart from the above, the committee shall discharge

- any other role or responsibility as may be prescribed under law from time to time as and when it becomes applicable.
- any other assignment as may be delegated by the Board from time to time.

v. **Corporate Social Responsibility Committee (CSR 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.

**1) Objective**

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.

**2) Composition:**

- a) Minimum three directors
- 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.

**3) Quorum:**

The quorum shall be either two members or one-third of the members of the committee, whichever is greater, with at least one independent director being present.

**4) Stipulated periodicity of meetings:**

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

## **5) 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.
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company. [Rule 5(2) of The Companies (CSR Policy) Rules, 2014]
- e) 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.
- f) 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.
- g) The adequacy of this charter shall be reviewed and reassessed by the Committee as may be deem 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.

Apart from the above, the committee shall discharge

- any other role or responsibility as may be prescribed under law from time to time as and when it becomes applicable.
- any other assignment as may be delegated by the Board from time to time.

## **vi. Management Committee**

The Board may constitute a Management Committee to take business decisions like sanctioning of loan proposal, approval of one-time settlement (OTS) and other related activities.

### **Role/responsibility/functions:**

- a) To consider proposals for sanction of loans
- b) To consider One time settlement (OTS) proposals
- b) Any other assignments in terms of the powers delegated to the Committee by the Board from time to time.

## **vii. IT Strategy Committee**

The Board is required to constitute an IT Strategy Committee as per Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices as amended from time to time. The role of the IT Strategy Committee shall be as specified in the above-mentioned RBI guidelines.

The said Committee is authorized to take all necessary steps towards compliance of requirements under the said RBI Master Direction 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.

**1) Objective:**

The Committee shall carry out review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

**2) Composition**

- Minimum three directors.
- The Chairman of the Committee shall be an Independent Director and have substantial IT expertise in managing/ guiding information technology initiatives.

**3) Stipulated periodicity of meetings:**

The IT Strategy Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings.

**4) Role, functions and responsibilities of IT Strategy Committee:**

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining HFC's growth and becoming aware about exposure towards IT risks and controls.

Apart from the above, the committee shall discharge

- any other role or responsibility as may be prescribed under law from time to time as and when it becomes applicable.
- any other assignment as may be delegated by the Board from time to time.

**viii. Compensation Committee**

The Board may constitute a Compensation Committee for the purpose of reviewing and approving stock compensation to all employees and to administer the Company's stock option plans, on behalf of the Board of Directors, Management recommendations. Further, the committee shall perform any other assignment as may be delegated by the Board from time to time.

**ix. Securities Allotment Committee**

The Board may constitute a Securities Allotment Committee to the effect allotment of Debentures and securities including that of allotment of shares pursuant to the exercise of employee stock options. Further, the committee shall perform any other assignment as may be delegated by the Board from time to time.

**IV. Related Party Transactions**

The Board shall ensure compliance of the requirements of the related party transactions as prescribed under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**V. Code of Conduct of Directors & Employees**

A code is a comprehensive collection of laws, instructions or precepts on a given subject area and a code of conduct is a comprehensive statement of the guiding principles of conduct by which a Company expects its directors to behave when carrying out their work. Such a code states the values for which the Company stands and by which it professes to do its business. A code of conduct states publicly to customers, shareholders, competitors and all those who come into contact with the Company what standards of dealing they can expect from the Company.

The regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 mandates for framing a code of conduct for Board of Directors of the Company and the Code of Conduct shall suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013.

The Code of Conduct adopted by the Company shall be hosted on the web site of the Company. All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis. The declaration by the Managing Directors & CEO on compliance with the code of conduct by board of directors and senior management shall form part of the annual report.

**VI. 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.

**VII. 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 (LODR) Regulations, 2015 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 of Schedule III on matters listed therein, within the prescribed period.

#### **VIII. Compliance**

The Board shall ensure compliance of the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the provisions of Companies Act, 2013 and related rules, as amended from time to time.

The Company shall ensure disclosure, in terms of Regulations 34 of the said Regulations, as described in Schedule V attached thereto, related party disclosures, management discussion and analysis, disclosures of accounting treatment, Corporate Governance report, declaration by the Chief Executive Officer relating to affirmation of Code of Conduct by the members of the Board and senior management, compliance certificate from Auditors or the Practicing Company Secretaries regarding compliance of conditions of Corporate Governance, etc. and also disclosure of reports, statements, policies etc. as required under the provisions of Companies Act, 2013 and related rules. Further, the Board shall ensure compliance of the requirements under the applicable laws/ regulations/ guidelines etc.

#### **IX. Whistle Blower Policy**

The Company has the Whistle Blower policy, as per the Companies Act, 2013 related rules and Regulation 22 of SEBI (LODR) Regulations 2015. This policy aims to provide an avenue for its employees and other stakeholders to raise concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct, violations of legal or regulatory requirements, incorrect or misrepresentation of any statements and reports, etc.

#### **X. Board Evaluation**

The Companies Act, 2013 has prescribed provisions with regard to evaluation of the performance of the Directors/ Board of Directors. The Company shall put in place a mechanism to facilitate evaluation of performance of Directors in line with the requirements under the Act.

Further, in line with the requirements prescribed under the Act, the Independent Directors are required to hold at least one meeting a year, without the attendance of non-independent directors and members of the Management in order to transact business as may be specified in the Act from time to time.

**XI. Review of policy**

This policy shall be reviewed from time to time based on the business, operational or regulatory requirements of the company but not later than 3 years from the date of the Board's approval. In case of any inconsistency between the policy and the applicable regulatory provision, the regulatory provision shall prevail.

<b>Department</b>	Secretarial Department
<b>Last Review date</b>	05 <sup>th</sup> February 2026