



## **GUIDELINES ON CORPORATE GOVERNANCE**

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. As a part of Hinduja Group and being a subsidiary of Hinduja Leyland Finance Limited, the Company's philosophy on Corporate Governance, the Company's corporate governance standards demonstrate strong commitment to values, ethics and business conduct.

### **RESERVE BANK OF INDIA (RBI) DIRECTIONS ON CORPORATE GOVERNANCE**

In view of public interest and for the purpose of enabling better regulation over the housing finance Companies, the RBI has issued Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 on 17th February, 2021. In pursuance to the aforesaid directions, the Company has framed the following internal Guidelines on Corporate Governance.

### **BOARD OF DIRECTORS**

The Board of Directors along with its Committees shall provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company. The Board's strength is required to be a minimum of three to a maximum of fifteen directors. All the Directors shall make the necessary annual disclosure regarding their directorships and Committee positions and shall intimate changes as and when they take place.

### **BOARD MEETINGS**

Meetings of the Board of Directors shall be held at least four times a year, with a maximum time-gap of four months between any two consecutive meetings. The minimum information to be statutorily made available to the Board shall be furnished to the Directors.

### **CODE OF CONDUCT**

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute a set of Committees with specific terms of reference / scope. The Committees shall operate as empowered agents of the Board as per their Charter / terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting. The Board of Directors have set up the following committees with specific terms of reference as approved by the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Asset Liability Management Committee
- Wilful defaulter review Committee
- IT Strategy Committee

### **MD/CFO CERTIFICATION**

The Managing Director and the Chief Financial Officer of the Company shall make the necessary certifications regarding the Financial Statements, Internal Controls, etc. to the Board.

### **COMPLIANCE OFFICER**

The Company Secretary shall be the Compliance Officer of the Company.



## **ROTATION OF STATUTORY AUDITORS AUDIT FIRM**

The Company shall rotate the Chartered Accountant firm conducting the audit, every three years so that same audit firm does not conduct audit of the Company continuously for more than a period of three years. However, the audit firm so rotated will be eligible for conducting the audit of the Company after an interval of six years, if the Company so decides and subject to the firms satisfying the eligibility norms. The Company shall also incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.

## **POLICIES ADOPTED BY THE BOARD**

The following policies have been framed and adopted by the Board, viz.

- ALM Policy
- Policy on issuance of Non-Convertible Debentures
- Interest rate policy
- Investment Policy
- Related Party Transaction Policy
- Policy on classification of financial assets under IND-AS
- Policy on Expected Credit Loss Model
- Whistle Blower policy
- Risk Based Internal Audit Policy
- KYC & AML Policy
- Fraud Detection
- Fair Practices Code
- Policy on Moratorium on Term Loans
- Policy on restructuring of loans for COVID-19 related stress
- Recovery Policy
- Guidelines for Recovery Agents
- Grievance Redressal Process
- Guidelines on Corporate Governance
- Policy on Wilful Defaulters
- Policy on valuation or properties and empanelment of valuers
- Policy on Restructuring Loan 2.0
- Policy on refund relating to interest on interest
- Credit Policy
- CSR Policy
- Information Technology Policy & Information Security Policy
- Policy on performance evaluation of Independent Directors (IDs)
- Code of conduct for Directors and Senior Management Personnel
- Policy on fit and proper criteria for directors
- Policy on separate meeting of Independent Directors (IDs)
- Human Resource Policy
- Policy on prevention of sexual harassment
- Remuneration Policy
- Familiarisation programme for IDs
- Outsourcing Policy
- Policy on Transfer of Loan Exposures
- Risk Management Policy
- ICAAP Policy

The abovementioned policies shall be reviewed at least once in a year.