

INTERNAL GUIDELINES ON CORPORATE GOVERNANCE



SRG HOUSING FINANCE LIMITED

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INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

I. INTRODUCTION

The Board of Directors of SRG Housing Finance Limited (hereinafter referred to as “SRGHFL” or “the Company”) has adopted the Internal Guidelines on Corporate Governance as required under Master Direction–Non-Banking Financial Company–Housing Finance Company (Reserve Bank) Directions, 2021 (“said directions”). These guidelines provide for internal guideposts to maintain highest standards of Corporate Governance within the Company.

II. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

At SRG Housing Finance Limited (SRGHFL), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing stakeholders’ value, be it shareholders, employees, customers, investors or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses.

SRGHFL is committed to ensure high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times.

III. KEY ELEMENTS

1. Board of Directors

The Board of Directors (“the Board”) 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 is responsible to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. The Company’s Board shall have an optimum combination of executive, non-executive and Independent directors in line with the requirements of the provisions of the Companies Act, 2013 (hereinafter referred to as “the Act”) and Articles of Association of the Company, as amended from time to time. The Board shall meet at least once a quarter and

the time gap between two consecutive meetings of Board shall not be more than the time as prescribed under the Companies Act, 2013.

NUMBER OF DIRECTORSHIP/COMMITTEE/MEMBERSHIP:

Sr. no	Heading	Particular
1	Maximum no. of Directorship	<ul style="list-style-type: none"> A Director shall not hold the office of Director in more than 20 companies and the maximum number of directorships in public companies shall not be more than 10 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
2	Directorship in listed entities	A person shall not be a director in more than seven listed entities
3	Independent Director	A person shall not serve as an Independent Director in more than seven listed entities
4	Committee/ Membership	A Director shall not be a Member in more than 10 Committees or shall not act as Chairperson of more than 5 Committees across all listed Companies in which he/she is a Director

DIRECTOR DISCLOSURE:

All the Directors shall make the necessary annual disclosure regarding their change in concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including shareholding, directorships and committee positions and shall intimate changes as and when they take place in the next board meeting.

Further all the Directors including Independent Director shall also give disclosures and declaration as required to be given under Companies Act, SEBI LODR Regulations and RBI Master Directions.

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT:

The Board of Directors shall lay down a Code of Conduct for Board of Directors and Senior Management of the Company. The Board of Directors and Senior Management Personnel shall affirm compliance with the code on an annual basis.

The Directors shall not disclose any confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, during their term or following termination (by whatever means) to third parties unless expressly approved by the Board or required by law

MEETINGS OF THE BOARD

Act/Regulation	The Companies Act, SEBI LODR Regulations and other applicable guidelines
Composition	Board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty% of the board of directors shall comprise of non -executive directors
Quorum	1/3rd of the total number of directors or three (3) directors whichever is the higher including at least one independent director.
Meeting	At least four Board Meetings shall be held in a year. The maximum time gap between any two meetings shall not be more than one hundred and twenty days
Chairperson	As per Companies act, LODR and AOA of the Company
Terms of reference/ roles & responsibilities	As per Companies act and LODR

The Independent Directors of the Company shall meet at least once in a year without the presence of Non-Executive Directors and the Management in terms of Schedule IV of the Companies Act, 2013.

Committees of the Board

The Board of Directors has constituted a set of Committees comprising of Directors of the Company and expert senior management personnel as its Members. The Committees allow Board to divide the work of the Board into manageable sections and take informed decisions in the best interest of the Company. These Board Committees have specific terms of reference/ scope to focus effectively on the issues and ensure expedient resolution of diverse matters. These Board Committees operate as empowered agents of the Board as per their terms of reference. To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to the respective Committees of the Board set up for the purpose. These specialist Committees prepare the groundwork for decision-making and provide updates at the subsequent Board Meeting.

2. DETAILS OF THE COMMITTEES:

I. AUDIT COMMITTEE

The Board constituted the Audit Committee in terms of provisions of Section 177 of the Act, Regulation 18 read with Part D of Schedule II of SEBI LODR Regulations and RBI Master Directions.

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).

II. NOMINATION AND REMUNERATION COMMITTEE (NRC)

As per the Companies Act 2013, Board of every Company shall constitute a Nomination and Remuneration Committee. Further Board shall have a policy on Nomination & Remuneration duly approved by them and get the same displayed in the Company's website.

The Nomination and Remuneration Committee (NRC) of our Company has been duly constituted by our Board of Directors in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto (hereinafter referred to as 'the Act'). The Nomination and Remuneration Committee recommends the present policy to the Board of Directors in compliance with Section 178(3) of the Companies Act, 2013 read along with the applicable rules thereto.

The Board constituted the Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Act, Regulation 19 read with Part D of Schedule II of SEBI LODR Regulations, RBI Master Directions.

Comprehensive details relating to the Committee viz., the composition, the number of meetings, powers, roles and responsibilities etc. are incorporated in the Charter for NRC placed as an annexure to this chapter (Annexure-2).

III. RISK MANAGEMENT COMMITTEE

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.

The Board constituted the Risk Management Committee in terms of the and RBI Master Directions.

Comprehensive details relating to the Committee viz., the composition, the number of meetings, powers, roles and responsibilities etc. are incorporated in the Charter for RMC placed as an annexure to this chapter (Annexure-3).

IV. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

The Board constituted the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Act.

Comprehensive details relating to the Committee viz., the composition, the number of meetings, powers, roles and responsibilities etc. are incorporated in the Charter for CSR Committee placed as an annexure to this chapter (Annexure-4).

V. STAKEHOLDER 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.

The Board constituted the Stakeholders Relationship Committee in terms of the provisions of Section 178 of the Act and Regulation 20 read with Part D of the Schedule II of SEBI LODR 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 Stakeholders Relationship Committee placed as an annexure to this chapter (Annexure-5).

VI. ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Board constituted the Asset Liability Management Committee as per the guidelines issued by the NHB.

Comprehensive details for ALCO Committee is provided in (Annexure-6).

VII. IT STRATEGY AND STEERING COMMITTEE

The Board constituted the IT Strategy and steering Committee as per the guidelines issued by the NHB.

Comprehensive details for IT Strategy and steering Committee is provided in (Annexure-7).

3. Minutes

The minutes of all meetings of the Board and the Committees shall be circulated to the Board and the Committee respectively and shall be noted in the consequent Board Meeting and Committee meeting respectively as per Companies Act, 2013 and Secretarial Standard on Meetings of the Board of Directors issued by the Institute of Company Secretaries of India and other Applicable Laws. Minutes of meetings of Committees of Board shall be placed before the Board.

4. Fit and Proper Criteria

SRGHFL Shall:

I. Ensure that 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, and on a

continuing basis. The policy on the fit and proper criteria shall be on the lines of the Guidelines contained in Annex-1 of the said RBI Directions.

II. Obtain a declaration and undertaking from the directors giving additional information on the directors. The declaration and undertaking shall be on the lines of the format given in Annex-2 of the said RBI Directions.

III. Obtain a Deed of Covenant signed by the directors, which shall be in the format as given in Annex-3 of the said RBI Directions.

IV. Furnish to the National Housing Bank a quarterly statement on change of directors, and a certificate from the Managing Director of the Company that fit and proper criteria in selection of the directors have been followed. The statement must reach National Housing Bank, New Delhi within 15 days of the close of the respective quarter. The statement submitted by the company for the quarter ending March 31, should be certified by the auditors.

Provided that the National Housing Bank/Reserve Bank of India, if it deems fit and in public interest, reserves the right to examine the fit and proper criteria of directors of the Company.

5. Disclosure and transparency

The Company is committed to make adequate disclosures based on the principles of transparency, timeliness, fairness and continuity. The Board of Directors and employees of the Company shall ensure and make necessary disclosures to the Company, the Regulator(s) / Statutory Authorities, the Shareholders, Investors, Members or other stakeholders as may be required by the applicable laws and the codes / policies of the Company.

6. Auditors

(i) Statutory Auditors

The Board and the Audit Committee of the Company shall be responsible to appoint Statutory Auditors who demonstrate professional ability and independence in accordance with the RBI Guidelines, SEBI LODR Regulations and Companies Act, 2013. The Company shall review the independence and performance of the Statutory Auditors and the effectiveness of the audit process periodically. Declaration shall be obtained from the Auditors affirming their eligibility for being appointed as the Statutory Auditors of the Company.

Rotation of partners of the Statutory Auditors Audit Firm

SRGHFL shall rotate the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner does not conduct audit of the company continuously for more than a period of three years.

However, the partner so rotated will be eligible for conducting the audit of the company after an interval of three years, if the company, so decides. Company shall incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.

(ii) Internal Auditors

The Board and the Audit Committee of the Company shall appoint Internal Auditors in accordance with the provisions of applicable laws and regulations who shall perform independent and objective assessment of the internal controls, processes and procedures instituted by the management and accordingly monitor its adequacy and effectiveness.

(iii) Secretarial Auditors

The Board shall appoint an independent Company Secretary in practice, in accordance with the provisions of the Companies Act, 2013, SEBI LODR Regulations and Rules made thereunder to conduct a Secretarial Audit of the Company for every financial year.

The Secretarial Auditor shall provide its report in the form and manner prescribed under the applicable laws / regulations. The Secretarial Audit Report shall be placed before the Board for its noting and records and the same be annexed to the Board's Report which shall be circulated to the Members of the Company in accordance with the applicable laws / regulations.

7. PERFORMANCE EVALUATION

The Nomination and Remuneration Committee of the Company shall evaluate the performance of the individual Directors, the Board as a whole and its Committees. The Nomination & Remuneration Committee shall provide an overview Report of the evaluation conducted by it, to the Board for their discussion and analysis

8. POLICIES ADOPTED BY THE COMPANY

The Company shall adopt such policies, as may be required to adopt under the Companies Act, 2013, SEBI LODR Regulations, the RBI Guidelines / Directions applicable to the Company, and such other laws and regulations as may be applicable. The policies adopted may be reviewed by the Board from time to time.

9. REVIEW OF POLICY

The Board or its Committee may review the Policy from time to time as may be required. Changes, if any, shall be effective only upon approval by the Board.

Annexure-1

Audit Committee

The Company shall have in place an Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and rules framed thereunder. The Audit Committee shall consist of minimum of three directors and atleast two third of the members shall be independent directors. All the Members of the Audit Committee shall be financially literate and atleast one Member shall have an accounting or related financial management expertise. The Chairperson of the Audit Committee shall be an Independent Director. At least 4 meetings of the Committee shall be held in every calendar year and the Committee shall meet once every calendar quarter. The terms of reference of the committee are as below:

1. oversight of the financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible including the compliance of KYC;
2. recommendation for appointment, re-appointment, remuneration and terms of appointment of auditors;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. 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. 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 listed entity with related parties;

9. scrutiny of inter-corporate loans and investments;

10. valuation of undertakings or assets of the listed entity, 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.

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.
23. To analyse economic conditions, industry-wise performance, guidelines issued by regulatory authorities, competitor's policies & alerting management to the possibility of any adverse/risky situation emerging.
24. Review Asset Liability Management, capital adequacy, resources raised, credit ratings and management of Non-Performing Assets.
25. Analyse trend of cost of funds, expenses and review action taken to mitigate risks thereof.
26. Analyse performance of assets assigned/secured, related party transactions, single party exposure & contingent liabilities.
27. Review the credit policy for each product & to assess dovetailing of business done in accordance with overall credit policy.
28. Review all major operational control/actionable points to handle failures and other exigencies.
29. Carry out any other function as decided by the Board from time to time The Company Secretary or an executive of the Secretarial Department shall act as the secretary to the committee.

Annexure-2

Nomination & Remuneration Committee

The Company shall have in place a Nomination and Remuneration Committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee shall comprise of atleast three directors and all Directors of the Committee shall be Non- Executive Directors. Atleast fifty percent of the Members shall be Independent Directors. However, the Chairman of the Company (whether executive or nonexecutive) may be appointed as a Member of the Committee but shall not be allowed to chair the Committee. The Committee shall meet at such regular intervals as may be required at least once in a year . The Chairperson of the Committee shall be present at the Annual General Meeting to answer shareholder queries The presence of atleast two members shall be required to form the necessary quorum unless otherwise stipulated in the Act.

The terms of reference of the committee are as below:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director
- Identify persons who qualify to become Directors and recommend their appointment to the Board, as and when vacancies arise.
- Recommend removal of a Director from the Board, in case if such need arises.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors
- Carry out evaluation of performance of every Director on an annual basis.
- Identify persons who may be appointed as members of senior management.
- Formulate policies for qualification, attributes and independence of directors.
- To ensure 'fit and proper' status of Directors at the time of their appointment as well as on continuing basis.
- Recommend to the Board policy relating to remuneration for directors, key managerial personnel and employees keeping in view to attract, motivate and retain talent required for the progress of the Company.
- To determine if the term of appointment of the independent director should be extended or continued, on the basis of the report of performance evaluation of independent directors.
- Guide policies and practices in the talent management of the Company.
- Formulate, recommend to the Board and administer Employees Stock Option Plans (ESOP) and other incentive plans for employees and directors and interpret and adopt rules for the operation thereof.
- Approve employment agreements, severance arrangements and change in control agreements.
- To form Sub-committees and take matters as may be assigned by the Board from time to time.

The Company Secretary or an executive of the Secretarial Department shall act as the secretary to the committee.

Annexure-3

Risk Management Committee

The Risk Management Committee shall be constituted with majority of the Board members. The purpose of the Committee is to manage the integrated risks which the Company is exposed to. The Risk Management Committee shall identify, review and control key risk areas, across the entire organization. The Risk Management Committee shall review and monitor viz; credit risk, market risk, liquidity risk, operational risk, regulatory risk and reputational risks. The Risk Management Committee shall be vested with necessary powers, as defined in its charter/Terms of Reference to achieve its objectives

The constitution and functioning of Risk Management Committee shall be in line with the requirements of the RBI Master Direction, SEBI (LODR) Regulations, 2015 or any other law applicable to the Company. The Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director. The Chairperson of the Committee shall be a member of the Board and the senior executives of the Company may be members of the Committee.

The risk management committee shall meet at once in a quarter. The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance. The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings.

The terms of reference of the committee are as below:

- To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; (b) Measures for risk mitigation including systems and processes for internal control of identified risks; (c) Business continuity plan.

- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Annexure-4

CSR Committee

The Corporate Social Responsibility Committee shall consist of three or more Directors, out of which atleast one Director shall be an Independent Director. At least one meeting of the Committee shall be held every year. The presence of atleast two members shall be required to form the necessary quorum unless otherwise stipulated in the Act.

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- To recommend the amount of expenditure to be incurred on the activities
- To monitor the Corporate Social Responsibility Policy of the company from time to time. The Company Secretary or an executive of the Secretarial Department shall act as the secretary to the committee.

Annexure-5

Stakeholder Relationships Committee

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]

Quorum:

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.

Stipulated periodicity of the meetings:

The committee shall meet at least once in a year.

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)].
- d) The following are some of the powers, which are only illustrative:

2) 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.]

The Company Secretary shall act as the secretary to the committee.

Annexure-6

ALCO Committee

The Company shall have in place an Asset Liability Management Committee. The Asset Liability Management committee shall consist of minimum of two members. The Head of Technology and Chief of Credit would be invitees for the meetings of the committee. At least 4 meetings of the Committee shall be held in every calendar year and the Committee shall meet once every calendar quarter. The presence of two members shall be required to form the necessary quorum. The terms of reference of the committee are as below:

Sr. No.	Particulars
1	ALCO ensures limits set by the Board as well as for deciding the business strategy of the Company in line with the Company's budget and decided risk management objectives.
2	Forecasts (simulations) reflecting the impact of various possible changes in market conditions on the balance sheet and recommend the action needed to adhere to Company's internal limits.
3	Integrated balance sheet management from risk-return perspective including the strategic management of interest rate and liquidity risks.
4	product pricing for advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer HFCs for similar services/product, etc.
5	review the results of and progress in implementation of the decisions made in the previous meetings.
6	The ALCO would also articulate the current interest rate view of the Company and base its decisions for future business strategy on this. In respect of the funding policy, its responsibility includes to decide on the source and mix of liabilities or assets. Towards this end, its role includes to develop a view on future direction of interest rate movements and decide on funding mixes between fixed vs. floating rate funds, wholesale vs. retail funds, money market vs. capital market funding , domestic vs. foreign currency funding, etc.
7	estimate the behavioural pattern of various components of assets and liabilities on the basis of past data/empirical studies and may classify them in the appropriate

	time buckets, subject to approval by the ALCO/Board
8	Company may set the prudential limits in terms of Earnings at Risk (EAR) or Net Interest Margin (NIM) based on their views on interest rate movements with the approval of the Board/ALCO
9	Review MIS designed to provide timely and forward-looking information on the liquidity position
10	analysing, monitoring and reporting the liquidity risk profile
11	Review treatment of the investment portfolio for the purpose of ALM

Annexure-7

IT STRATEGY AND STEERING 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, as members of the Committee.

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.