Family Home Finance Private Limited

Internal Guidelines on Corporate Governance Policy

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Adoption of the Policy	August 01, 2024	1.0
Amendment of the Policy	May 08, 2025	1.1
Amendment of the Policy	April 30, 2026	1.2

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1. Introduction

Family Home Finance Private Limited (the "**Company**") is a wholly owned subsidiary of A. K. Capital Finance Limited. As a part of the A. K. Group, the Company's philosophy on Corporate Governance is based on the principles of fair, ethical and transparent governance practices.

The Company recognizes its role as a corporate citizen and endeavors to adopt good practices and standards of corporate governance through transparency in business dealings, accountability to its customers, government and others.

The Company carries its activities in accordance with good corporate practices and is constantly striving to better them by adopting more prudent practices.

2. Objective on guidelines on corporate governance

The Company is a Housing Finance Company (HFC) - Non Deposit accepting registered with the National Housing Bank (NHB).

In order to enable HFCs to adopt best practices and greater transparency in their operations, the Reserve Bank of India vide its notification dated November 28, 2025 has introduced the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025 ("**Governance Directions**"), as amended from time to time, and has mandated all HFCs to frame internal guidelines on Corporate Governance. As per the para no. 55 of said Directions, all HFCs are required to frame their internal guidelines on corporate governance as approved by the Board of Directors and publish the same on their website. Accordingly, said policy shall also be available on the website of the Company viz., https://www.fhfpl.co.in/.

3. Governance Structure

3.1. Board of Directors

The Board of Directors along with its various Committees shall provide leadership and strategic guidance to the Company's management. The Company's management shall act in accordance with the supervision, control and direction by the Board of Directors of the Company.

- **Requirements under Companies Act, 2013 read with rules made thereunder (the 'Act'):**

  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. 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, and shall intimate changes asand when they take place. The Directors shall act in accordance with the duties as provided under the Act and the Independent Directors shall abide by the Code for Independent Directors under Schedule IV of the Act.

- **Requirements as per the Governance Directions**

- any Key Managerial Personnel of the Company shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL (including HFCs), except for Directorship in a subsidiary; and

- an independent director of the Company shall not be on the Board of more than three NBFCs/ HFCs (NBFC-ML or NBFC-UL) at the same time. Further, his directorship should be within permissible limits in terms of the Act.

All the Directors shall meet the 'fit and proper' person criteria, to be eligible for appointment on the Board of the Company and on a continuing basis, as prescribed in the policy on the 'fit and proper' criteria as adopted by the Company pursuant to Para No. 52 of the Governance Directions.

The Board has a vital role to play in the matters relating to policy formulation, implementation and strategic issues which are crucial for the long term development of the Company.

Composition:

The Company's Board shall have an optimum combination of Executive, Non-Executive and Independent Directors in line with the requirements of the Act and the Articles of Association of the Company.

Meetings:

The Board of Directors shall meet as and when required, but shall meet at least four times in a year in such a manner that not more than 120 (one hundred and twenty) days shall elapse between two successive Board Meetings.

Quorum:

The quorum for the meetings of the Board of Directors shall be as per the requirements of the Act and as prescribed in the Articles of Association of the Company.

3.2. Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference/ scope.

The Committees operate as per the terms of reference/ scope approved by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for noting in subsequent meeting.

3.2.1. Audit Committee

The Company has constituted the Audit Committee in accordance with the provisions of Para 17 of the Governance Directions read with Section 177 of the Act. The Audit Committee primary responsibility will consist of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee.
Composition	The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority. The Audit Committee Meeting may be attended by the following as required by the Committee: • Chief Financial Officer and Chief Compliance Officer on matters related to them; • Representatives of Statutory Auditors as and when invited; • Internal Auditors, if any; • Such other invitees at the discretion of the Chairman of the Committee; and • Company Secretary, who shall act as the secretary of the Committee.
Meetings	The Audit Committee shall meet at least four times in a year and not more than 120 (one hundred and twenty) days shall elapse between two Committee Meetings.
Quorum	The quorum shall be either two members or one third of the members of the Committee whichever is higher, provided that at least one Independent Director shall be present at the meeting.
Terms of reference	The terms of reference of the Audit Committee, inter-alia, shall include the following: ▪ recommending the Board, the appointment, re-appointment (including remuneration and other terms of appointment thereof) and, if required, the replacement or removal of the auditors; ▪ oversight Company's financial reporting process and the disclosure of

	its financial information to ensure that the financial statement is correct, sufficient and credible; ▪ review with the management the annual financial statements and auditor's report including modified opinion of the Auditor, if any thereon before submission to the Board for approval; ▪ review, with the management, the quarterly financial results before submission to the Board for approval; ▪ lay down the criteria for granting the omnibus approval in line with the policy on related party transactions; ▪ review and/or recommend any related party transaction including omnibus approval; ▪ review the details of related party transactions entered into by the company pursuant to each of the omnibus approvals given; ▪ approve or any subsequent modification of transactions of the Company, if any, with related parties; ▪ review and monitor the auditor's independence and performance and effectiveness of audit process; ▪ scrutiny of inter-corporate loans and investments except those in the ordinary course of business; ▪ reviews the functioning of the Whistle blower/ Vigil mechanism; ▪ valuation of undertakings or assets of the Company, wherever it is necessary; ▪ evaluation of internal financial controls and risk management systems; ▪ reviewing the details of frauds/ frauds attempted on the Company; ▪ monitoring end use of the funds raised, if any, by the Company. Any deviations to be approved and thereon recommended for Board's noting, as and when required on a case to case basis; ▪ 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 lenders, if any; ▪ recommend the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate; ▪ reviewing the adequacy of internal audit function, if any, including its structure, staffing and seniority of the official who heads the department, reporting structure coverage and frequency of internal audit; ▪ Exercise decisions in accordance with the provisions of Companies Act, 2013 and RBI Directions; ▪ Periodic review of the cases of wilful defaults and recommend steps to be taken to prevent such occurrences and their early detection should these occur ▪ Root cause analysis of willful default cases and on system deficiencies, if any ▪ Review credit risk monitoring ▪ To conduct Information System ("IS") Audit of all the identified

	information technology assets and systems as per the periodicity specified in the IS Audit Policy of the Company. and ▪ such other tasks as may be entrusted to it by the Board of Directors from time to time.

3.2.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in accordance with the provisions of Para 18 of the Governance Directions read with Section 178 of the Act. The Committee will be primarily responsible to assist the Board of Directors in fulfilling its responsibilities of identifying qualified individuals to be appointed as director or senior management personnel, laid down the criteria and recommend the appointments/ removals, fixing parameters for performance evaluation of individual directors as well as of Board.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee.
Composition	The Committee shall consist of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors. Company Secretary, who shall act as the secretary of the Committee.
Meetings	The Committee shall meet as and when required, but shall meet at least once in a year.
Quorum	The quorum shall be either two members or one third of the members of the Committee whichever is higher, provided that at least one Independent Director shall be present at the meeting.
Terms of reference	The terms of reference of the Nomination and Remuneration Committee shall inter-alia include the following: ▪ formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board of Directors a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company; ▪ identifying 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; ▪ recommending to the Board for appointing and removal of Directors and the Senior Management; ▪ evaluating the performance of independent directors, board and/ or its committees; ▪ For the appointment of independent director(s), the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation prepare a description on the role and capabilities required of an independent director;

	▪ deciding 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; ▪ Review matters related to remuneration and benefits payable to directors, Key Managerial Personnel ("**KMP**") and the Senior Management; ▪ Ensure adherence of fit & proper criteria for all the Directors in line with Governance Directions; ▪ ascertain that there is no conflict of interest between the Company and Directors, KMPs and Senior Management of the Company; ▪ Exercise decisions in accordance with the provisions of Companies Act, 2013 and RBI Directions; and ▪ such other tasks as may be entrusted to it by the Board of Directors from time to time.

3.2.3. Risk Management Committee

The Risk Management Committee is constituted in accordance with the provisions of Para 9 of the Governance Directions. The Risk Management Committee is primarily responsible to ensure that the risks associated with the business/ functioning of the Company are identified, controlled and mitigated and shall also lay down procedures regarding managing and mitigating the risks through integrated risk management systems, strategies and mechanisms.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee.
Composition	The Committee shall consist of such number of members as may be determined by the Board. Company Secretary, who shall act as the secretary of the Committee.
Meetings	The Committee shall meet as and when required, but shall meet at least once in every quarter.
Quorum	The quorum shall comprise of at least two members.
Terms of reference	The terms of reference of the Risk Management Committee shall inter-alia include the following: ▪ identification, monitoring and measurement of the risk profile of the Company (including market risk, operational risk, sectoral and transactional risk); ▪ overseeing its integrated risk measurement system; ▪ review of the following: ▪ returns/ reports to the NHB and ▪ periodic investment portfolio; ▪ Evaluating the overall risks faced by the Company; ▪ Ensure that appropriate training on money laundering and terrorist

	financing to employees/ staff is being carried out whenever required; ▪ To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; ▪ To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken; and ▪ perform such other act, including the acts and functions stipulated by the Reserve Bank of India, National Housing Bank and any other regulatory authority, as prescribed from time to time. ▪ To oversee enterprise level operational risk and mitigation plans. ▪ To oversee the effectiveness of the Information and Communication Technology risk management through the designated committee. ▪ To ensure root cause analysis, after any disruption to a business service with emphasis on critical service.

3.2.4. Asset Liability Management Committee

The Asset Liability Management Committee (ALM Committee) is constituted in accordance with the provisions of Para 50.3 of the Directions. The ALM Committee shall monitor the asset liability gap and strategize action to mitigate the risks associated with the business of the Company.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee.
Composition	The Committee shall consist of such number of members as may be determined by the Board. Company Secretary, who shall act as the secretary of the Committee.
Meetings	The Committee shall meet as and when required, but shall meet at least on quarterly basis.
Quorum	The quorum shall comprise of at least two members.
Terms of reference	The terms of reference of the ALM Committee shall inter-alia include the following: ▪ Review of the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company; ▪ Safeguarding the recovery positions at any point of time; ▪ Review of risk monitoring system, ensure payment of liability on its due dates, liquidity risk management, funding and capital planning, profit planning and growth projections, forecasting and analyzing different scenarios and preparation of contingency plans; ▪ Oversee strategy of the Company relating to liquidity, interest rate and asset liability gap from time to time;

	▪ To borrow money not exceeding an amount of INR 25 Crores (per transaction) within the overall borrowing limit approved by the shareholders and review, negotiate, execute the terms thereof by way of: a) Loans/ credit facilities from banks/ financial institutions. b) By way of issuing of securities ▪ To consider and approve Direct Assignment transactions for acquiring loan book of third parties aggregating upto an amount of INR 20 Crores (per transaction) and; ▪ Performing any other act, duty as stipulated by the Reserve Bank of India, National Housing Bank and any other regulatory authority, as prescribed from time to time.

3.2.5. IT Strategy Committee, IT Steering Committee & Information Security Committee

The IT Strategy Committee, IT Steering Committee and Information Security Committee are constituted in accordance with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023 ("IT Master Directions").

A. IT STRATEGY COMMITTEE:

The IT Strategy Committee (ITSC) is primarily responsible to 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.

Chairman	The Chairman of the ITSC shall be an independent director and have substantial IT expertise in managing/ guiding information technology initiatives.
Composition	The ITSC shall consist of atleast three directors as members, who are technically competent. The following persons shall attend the meetings of ITSC as permanent invitees: Chief Executive Officer Chief Information Security Officer Company Secretary, who shall act as the secretary of the Committee.
Meetings	The ITSC shall meet atleast once in every quarter.
Quorum	The quorum shall comprise of at least two members.
Terms of reference	The terms of reference of the ITSC shall inter-alia include the following: ▪ To ensure an effective IT strategic planning process in place;

	▪ To guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives; ▪ To satisfy that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation; ▪ To ensure that the Company has put in place processes for assessing and managing IT and cyber security risks; ▪ To ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; ▪ to carry out review and amend the IT strategies in line with the corporate strategies, board policy, cyber security arrangements and any other matter related to IT Governance and may place its deliberations before the Board ▪ approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place ▪ ensuring IT investments represent a balance of risks and benefits and that the budgets are acceptable; ▪ ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business; ▪ 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 to institute effective governance mechanism and risk management process for IT outsourced operations, if any; ▪ To review the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery ("**DR**") Management of the Company as per IT Master Directions ▪ To conduct Vulnerability Assessment ("VA") and Penetration Testing ("PT") as per IT Master Directions; and ▪ To perform any other act, duty as stipulated by the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

B. IT STEERING COMMITTEE:

The IT Steering Committee operates at an executive level and focuses on priority setting, resource allocation and project tracking to provide oversight and project tracking.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee.
Composition	The Committee shall consist of such members as may be decided by the Board with representation from senior management level from IT and business functions. The following persons shall attend the meetings of IT Steering as permanent invitees: Chief Information Security Officer Chief Technology Officer Company Secretary, who shall act as the secretary of the Committee.
Meetings	The Committee shall meet atleast once in every quarter.
Quorum	The quorum shall comprise of at least two members.
Terms of reference	The terms of reference of the IT Steering Committee shall inter-alia include the following: ▪ To assist the IT Strategy Committee ("ITSC") in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs; ▪ To oversee the processes put in place for business continuity and disaster recovery; ▪ To ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and ▪ To update ITSC and CEO periodically on the activities of IT Steering Committee. ▪ To provide oversight and monitoring of the progress of the IT related projects, including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable; ▪ Advice on IT infrastructure products; ▪ Defining project success measures and following up progress on IT projects; and ▪ To perform any other act, duty as stipulated by the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

C. INFORMATION SECURITY COMMITTEE:

The Information Security Committee (ISC) operates at an executive level and shall focus on managing cyber/ information security.

Chairman	The Chairman of the Committee shall be from risk management vertical.
Composition	The Committee shall consist of such members as may be decided by the Board on recommendation of ITSC comprising of Chief Information Security Officer (CISO), Chief Technology Officer (CTO) and other representatives from business and IT functions, etc. Company Secretary, who shall act as the secretary of the Committee.
Meetings	The Committee shall meeting at such frequency as may be required but shall meet at least on a quarterly basis.
Quorum	The quorum shall comprise of at least two members.
Terms of reference	The terms of reference of the ISC shall inter-alia include the following: ▪ To managing cyber/ information security; ▪ Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the RE's risk appetite ▪ Approving and monitoring information security projects and security awareness initiatives ▪ Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; ▪ Updating ITSC and CEO periodically on the activities of ISC; and ▪ To perform any other act, duty as stipulated by the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by Reserve Bank of India and any other regulatory authority, as prescribed from time to time

3.2.6. Fraud Risk Management Committee

The Fraud Risk Management Committee is constituted as per the provisions of Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) ("Fraud **Master Directions**"). The Fraud Risk Management Committee shall monitor cases of frauds and effectiveness of the fraud risk management.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee.
Composition	The Committee shall consist of minimum of three members, at least one of whom shall be a Whole-time director or equivalent rank

	Official. Company Secretary, who shall act as the secretary of the Committee.
Meetings	The Committee shall meet atleast on quarterly basis.
Quorum	The quorum shall comprise of at least two members.
Terms of reference	The terms of reference of the Fraud Risk Management Committee shall inter-alia includethe following: ▪ oversee the effectiveness of the fraud risk management; ▪ review and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds; ▪ Identify appropriate Early warning indicators for monitoring credit facilities/ loan accounts and other financial transactions, oversee the effectiveness of the framework for Early Warning Signals and implement preventive measures; and ▪ such other responsibilities as prescribed in Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies). ▪ such other tasks as may be entrusted to it by the Board of Directors from time to time.

3.2.7. Loan Committee

The Loan Committee is constituted to analyzing the credit worthiness of the borrower while lending including their repayment capacity. The Committee shall also carry out the functions of the Identification Committee as specified in the Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025 for examining and identifying the cases of wilful default if any.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee.
Composition	The Committee shall consist of such members as may be decided by the Board. Further, the Committee shall consists of an officer not more than one rank below the MD/ CEO as chairperson and two senior officials, not more than two ranks below the chairperson of the committee, as members to fulfill its functions as an Identification Committee.
Meetings	The Committee shall meet as and when required.
Quorum	The quorum shall comprise of at least two members.
Terms of reference	The terms of reference of the Loan Committee shall inter-alia includethe following: ▪ Scrutinizing the loan proposals including top-up loans and if

satisfied approving the sanction of the loan proposal;

- Review and approve various proposals with respect to due diligence and onboarding of customers, product, co-lending as well as other form of arrangement etc. as may be required from time to time;
- Review the necessary compliances with respect to lending;
- all other matters/actions required to be taken with respect to the loans as sanctioned/ disbursed by the Company;
- take note of the loans sanctioned by the Chief Executive Officer of the Company as per the powers delegated by the Board of Directors;
- To verify the status of prospective borrowers at the time of on-boarding as well as on regular basis from willful and/ or large defaulters perspective
- To analyze and identify the cases of willful as well as large defaulters borrowers/ promoters/ guarantor and/ or directors/ persons-in-charge for the management of borrower with respect to any credit facility sanctioned by the Company for recommending the same to Review Committee for perusal.
- To authorize the officials of the Company for issuing show cause notices to such willful/ larger defaulter borrowers/ promoters/ guarantor and/ or directors/ persons-in-charge for the management of borrower
- To examine the 'wilful default' aspect in respect to all the Non-Performing Assets (NPA) accounts with outstanding amount of INR 25 lakh and above or as may be notified by Reserve Bank of India from time to time
- To recommend the Review Committee the requirement of initiating criminal proceedings against any willful/ large defaulters, based on the facts and circumstances of each case.
- To recommend penal actions and other measures against any such willful/ large defaulters/ guarantors/ promoters and/ or directors/ persons-in-charge for the management of borrower
- To take all the necessary steps specified in the Board approved mechanism/ procedure for identifying willful/ large defaulters. The Committee may recommend to Review Commiittee any amendment to such mechanism/ procedure for approval and the same shall be placed place in subsequent meeting of Board of Directors.
- Monitoring of payment/ repayments from borrowers
- To recommend actions against statutory auditors of such borrower, in case of any negligence or deficiency at its part.
- To analyse the accountability and involvement of third party engaged by the Company if they have played a vital role in credit sanction/ disbursement and are found negligent or deficient in their work or have facilitated the wilful default by the borrower; and
- such other tasks as may be entrusted to it by the Board of Directors from time to time.

3.2.8. Review Committee

The Review Committee is constituted as per the provisions of Reserve Bank of India (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025 . The Review Committee shall consider the proposal of the Identification Committee to classify a borrower as a wilful defaulter.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee being an MD/ CEO.
Composition	The Committee shall consist of two independent directors or non-executive directors or equivalent officials serving as members.
Meetings	The Committee shall meet as and when required.
Quorum	The quorum shall comprise of at least two members.
Terms of reference	The terms of reference of the Review Committee shall inter-alia includethe following: ▪ To review the cases of willful as well as large defaulters as recommended by Identification Committee from time to time and classify the borrowers/ promoters/ guarantor and/ or directors/ persons-in-charge for the management of borrower as a willful/ large defaulter by explaining the reasons in writing. ▪ To authorize the officials of the Company for issuing show cause notices to such willful/ larger defaulter borrowers/ promoters/ guarantor and/ or directors/ persons-in-charge for the management of borrower ▪ To discuss the recommendation of Identification Committee in relation to wilful defaults identified for the Non-Performing Assets (NPA) accounts with outstanding amount of INR 25 lakh and above or as may be notified by Reserve Bank of India from time to time. ▪ To examine the requirement of initiating criminal proceedings against any willful/ large defaulters, based on the facts and circumstances of each case. ▪ To take penal actions and other measures against any such willful/ large defaulters ▪ Regular monitoring of any willful as well as large defaulters identified ▪ To take all the necessary steps specified in the Board approved mechanism/ procedure for identifying and reviewing willful/ large defaulters. The Committee may consider and approve the recommendation of Identification Committee for any amendment to such mechanism/ procedure. Revised mechanism/ procedure shall be placed in subsequent meeting of Board of Directors. ▪ Monitoring of reporting to Credit Information Companies

	("CICs") in relation to defaults in subject and on the website of the Company, in the prescribed manner ▪ Ensure compromise settlements with any such default borrower to be made in line with policy as well as relevant directions/ circular. ▪ To actions against statutory auditors of such borrower, in case of any negligence or deficiency at its part. ▪ To fix the accountability of third party engaged by the Company if they have played a vital role in credit sanction/ disbursement and are found negligent or deficient in their work or have facilitated the wilful default by the borrower. ▪ To carry out any other function or undertake any other activity (from time to time) as is referred/ specified by the Board/ Committee or enforced by any statutory notification/ amendment or modification as may be applicable, whether under any act, regulations or by any other regulatory authority.

4. Risk Management Framework

The Company being Housing Finance Company is exposed to various types of risk mainly the credit risk, liquidity risk and interest rate risk. The Company has in place a mechanism to identify, assess, monitor and strengthen controls to mitigate various risks associated with the business of the Company. Major risks identified by the business and functions, if any, are systematically addressed through mitigating actions on a continuing basis. The Risk Management Committee meets atleast quarterly. Further, considering the nature of the business of the Company, credit proposals are sent to the Loan Committee, only after a detailed risk note is prepared bythe Risk Team.

5. Disclosure and Transparency

In order to practice the policy of Disclosure and Transparency, the following information shall be put to the Board of Directors at regular intervals in this regard:

- Conformity with Corporate Governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.;

- Updates of the various committees' meetings at from time to time; and

- Disclosures in the Annual Financial Statements information as may be prescribed under the NHB/RBI Regulatory Framework from time to time.

6. Rotation of Statutory Auditors / Audit Partner(s)

For the purpose of adopting best corporate practices and to strengthen the governance mechanism, the partner of the Statutory Auditors is subject to rotation and is required to rotate in every three years. Also, the Company while appointing the statutory auditor shall ensure applicable compliance with the provisions of the Act and the guidelines issued by RBI on the appointment of statutory auditors, as amended from time to time.

7. Amendment

The Company reserves the right to review and make amendments to this Policy from time to time as it deems fit in accordance with the applicable laws, rules and regulations for the time being in force with the approval of the Board at its own or on the recommendation of any committee.

In case any amendments, clarifications, circulars and guidelines, not being consistent with the provisions laid down under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendments, clarifications, circulars and guidelines. An interim review and amendment can also be carried out to accommodate minor changes, if any, on regulatory and operating front by the Company Secretary of the Company.

The Policy shall also be published on the website of the Company.