



ORANGE CITY HOUSING
Finance Private Limited

(Formerly Known as ORANGE CITY HOUSING FINANCE LIMITED)

Corporate Governance Policy

Version 1.1

For Private Circulation Only

Corporate Governance Policy

I. Introduction

Orange City Housing Finance Private Limited (OCHFL) is a Housing Finance Company (HFC) based in Nagpur, registered with the National Housing Bank, New Delhi, wholly owned by the Reserve Bank of India. OCHFL is incorporated with Registrar of Companies, Mumbai under the Companies Act 1956, and is one of the 100 odd HFC license holders across India and the first in Central India. OCHFL aims to provide affordable housing loans to all sections of society. Since our inception, we will lead our customers on the path to prosperity by providing home loans to individuals for Purchase / Construction / Extension / Renovation etc. to help them to achieve their goals of owning their own home.

II. Company Philosophy

OCHFL was created to provide credit access to first time home buyers in EWS/LIG/MIG category and aims to contribute meaningfully towards the Indian Government's mission of "Housing for All". The Company intends to work on a philosophy of giving back to the society in a way and fashion that will cause a sustainable change for the less fortunate of India's populace without any discrimination based on religion, creed, caste, color or gender. The Company aims to undertake those initiatives which would bring about positive irreversible change for the betterment of the society and would help the beneficiaries quantitatively and qualitatively in their lives, with the underlying aim of decreasing the wealth inequality of Indian society.

Our Vision is to be the leading Housing Loan provider known for

- Exceptional Customer Service
- Loan Affordability
- Transparency of Operations
- Contribution to Society

OCHFL is geared towards fostering a maximally satisfied customer base with a mutually profitable relationship. It is therefore important to be completely open and honest with the customer and use simple, clear and unambiguous terms when offering a product or service to them.

This Policy serves as a set of broad guidelines to the loan origination team with these policy principles in mind.

III. Mission / objective of Corporate Governance Policy

In order to enable HFCs to adopt best practices and greater transparency in their operations, NHB has, vide its Circular no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued Guidelines on Corporate Governance. On July 1, 2017, NHB vide Circular NHB(ND)/DRS/REG/MC-07/2017 issued a Master Circular - Corporate Governance (NHB) Directions, 2017 and has required all HFCs to frame internal guidelines on Corporate Governance.

Corporate Governance Policy

In pursuance of the aforesaid directions / any other direction / guideline issued by the NHB, the internal guidelines on Corporate Governance have been formed for consideration by the Board of Directors.

IV. Review

This policy shall be reviewed by the company secretary team. The document will be put before being placed to the Board for approval.

V. Governance Structure

Following are broad structure of corporate governance in OCHFL

A. 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.

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 Composition of the Board shall be governed by the Articles of Association of the Company read with the applicable provisions of Companies Act, 2013 (the Act) and the rules framed thereunder.

Board Meetings and Quorum

The Board Meetings of the Company shall be held as per the requirements prescribed under the Applicable Laws and as decided by the Board of Directors. The meetings of the Board shall generally be held at the Company's corporate office/registered office unless otherwise decided by the Board of Directors.

The quorum shall be as per the requirements of the Applicable Laws and as per the provisions of the Articles of Association of the Company Composition.

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 ICSI and other Applicable Laws. Minutes of meetings of Committees of Board shall be placed before the Board.

Corporate Governance Policy

B. Committees of the Board

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 per the terms of reference approved by the Board. The minutes of the meetings of all Committees of the Board shall be placed before the Board for noting in subsequent meeting.

1. Audit Committee

The Company shall have in place the Audit Committee in accordance with the provisions of Para 3(1) of the Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 and Section 177 of the Act and the Rules framed thereunder.

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.
Meetings	The Audit Committee shall meet as and when required, but shall meet at least four times in a year.
Terms of reference	The terms of reference of the Audit Committee, inter-alia, shall include the following: ▪ recommendation for appointment, remuneration and terms of appointment of auditors of the Company; ▪ review and monitor the auditor's independence and performance, and effectiveness of audit process; ▪ examination of the financial statement and the auditors' report thereon; ▪ approval or any subsequent modification of transactions of the Company, if any, with related parties; ▪ scrutiny of inter-corporate loans and investments, if any; ▪ valuation of undertakings or assets of the company, wherever it is necessary; ▪ evaluation of internal financial controls and risk management systems; ▪ monitoring the end use of funds, if raised through public offers and related matters.

Corporate Governance Policy

	ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks, if any, faced by the Company.
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2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be constituted in accordance with the Corporate Governance guidelines promulgated by the National Housing Bank and the applicable provisions of the Act. The Committee shall be primarily responsible to assist the Board of Directors in fulfilling its responsibilities by recommending to the Board, criteria for Board membership, evaluation of directors, the committees and the Board as a whole.

Chairman	The Committee shall appoint one of its members as the Chairman of the Committee.
	The Chairman of the Company shall not be appointed as the Chairman of this Committee.
Composition	The composition shall be in accordance with the requirements specified in the National Housing Bank and the applicable provisions of the Act.
Meetings	The Committee shall meet as and when required.
Terms of reference	The terms of reference of the Nomination and Remuneration Committee shall inter-alia include the following:
	formulate the criteria for determining qualifications, positive attributes and independence of a director;
	identify and recommend to the Board of Directors, the appointment of persons considered capable and fit for the role of a director based on the criteria so formulated;
	evaluation of Directors' performance;
	recommend to the Board of Directors a policy relating to the remuneration for the directors, key managerial personnel and other senior employees of the Company; and
	such other tasks as may be entrusted to it by the Board of Directors from time to time.

3. Risk Management Committee

The Risk Management Committee shall ensure that the risks associated with the

Corporate Governance Policy

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.
Meetings	The Committee shall meet as and when required.
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 and transactional risk);
	▪ overseeing its integrated risk measurement system;
	▪ review the minutes of meetings of the Asset Liability Committee;
	▪ perform such other act, including the acts and functions stipulated by the Act, the Reserve Bank of India and any other regulatory authority, as prescribed from time to time.

4. Asset Liability Management Committee

The Asset Liability Management Committee (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 three members and shall meet the requirements specified in the Articles of Association of the Company.
Meetings	The Committee shall meet as and when required.
Terms of reference	The terms of reference of the ALM Committee shall inter-alia include the following:
	▪ Management of the balance sheet of the Company;
	▪ Review of the asset-liability profile of the Company with a view to manage the market exposure assumed by the Company;

Corporate Governance Policy

	▪ 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; and
	▪ Perform such other allied functions as may be required from time to time

C. 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:

1. The progress made in putting in place a progressive risk management system and risk management policy along with the strategy followed by the Company;
2. 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.
3. Updates of the various committees' meetings at from time to time;
4. Disclosures in the Annual Financial Statements information as may be prescribed under the NHB Regulatory Framework from time to time.

D. 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 shall not appoint the Statutory Auditor for a period of more than five consecutive years.