

[Date]

To

[Name and
address of the Independent Director]

Sub: Your appointment as an Independent Director of Credila Financial Services Limited(formerly known as HDFC Credila Financial Services Limited)

Ref: Companies Act, 2013, rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear [*],

We are pleased to inform you that the Board of Directors of the Company, upon the recommendation of the Nomination and Remuneration Committee of Directors, at its meeting held on [*] has approved your appointment as an Independent Director of Credila Financial Services Limited(formerly known as HDFC Credila Financial Services Limited) ('the Company'). This letter sets out the terms and conditions of your appointment.

Tenure

You have been appointed as an Independent Director of the Company for a period of [*] consecutive years, with effect from [*] subject to the approval of the Members of the Company at the forthcoming general meeting. You shall not be liable to retire by rotation during the said period.

Reference Manual for Directors

We enclose herewith a copy of the "Reference Manual for Directors" which has been prepared for the benefit of the Directors of the Company. The said Reference Manual for Directors *inter alia* covers a brief on the Company, business overview, the roles, functions, powers and duties of the directors, disclosures and declarations to be submitted by directors and various codes and policies of the Company. The Reference Manual for Directors also contains details of the various committees constituted by the Board of Directors of the Company and methodology for board evaluation.

We request you to provide the necessary disclosures under all applicable laws as specifically mentioned in the Reference Manual for Directors and adhere to the various codes and policies.

Professional conduct, roles, functions and duties

We request you to kindly refer to the guidelines of professional conduct, roles, functions and duties of independent directors as mentioned in the Reference Manual for Directors.

Remuneration

As an Independent Director of the Company, you shall be eligible for sitting fees for attending the meetings of the Board and Committees thereof.

The Company shall reimburse you for all out-of-pocket expenses incurred for attending the meetings of the Board and Committee thereof and for discharging the fiduciary obligations towards the Company.

Directors' and Officers' (D&O) Liability Insurance

The Company has taken a D&O liability insurance policy and pays premium for the same.

Conflict of Interest

In the event of change in circumstances which might give rise to a conflict of interest, we request you to kindly notify the same to the Company.

We are confident that the Board and the Company will benefit immensely from your vast experience and insightful contributions.

With kind regards,

Sd/-

V. S. Rangan
Chairman

Encl: Reference Manual for Directors



**Credila Financial Services Limited
(formerly known as HDFC Credila Financial
Services Limited)**

Reference Manual for Directors

Version: 1.0
January 2022

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ABOUT CREDILA

is India's First Dedicated Education Loan Company. It pioneered the concept of specialist Education Loan lender and became India's First Dedicated Education Loan Company.

Vision : Transform lives and contribute towards the nation building!

Mission : Empower aspiring students to actualize their dreams of higher education!

With specialized focus, in-depth understanding of the requirements of students who wish to pursue higher education, Credila offers Customized Education Loans. With growing costs of education, the expenditure on children's education is one of the highest components of expenditure by an average Indian household. Over the past seven years, Credila has invested time and resources to set up appropriate systems, processes and know-how related to the education industry and has numerous databases on education sector and their credit scoring model for the approvals of loans, designed specifically for student loans.

Main Object of the Company : Credila extends loans to individuals (Indian citizens) for their education funding requirements

Education Industry – Overview

Higher Education Landscape in India

India's higher education system is amongst the largest in the world. According to the All India Survey on Higher Education (AISHE) 2019-20, there are 1,043 universities, 42,343 colleges and 11,779 standalone institutions in India. The total student enrolment in higher education is estimated to be 38.5 million, of which female students constitute 49%.

Statistics further indicate that 79.53% students are enrolled in undergraduate (UG) courses, 11.19% are enrolled in postgraduate (PG) courses and 6.94% students are enrolled in diploma courses. The remaining 2.34% students are enrolled in Ph.D. and certificate courses.

India's tertiary Gross Enrollment Ratio (GER) was 28.6% in 2019 and 29.4% in 2020, indicating a lower level of participation in the specified levels of education. Tertiary GER (2019) in countries such as China (53.8%), Canada (75.7%), UK (65.8%) and USA (87.9%) is much higher, indicating that there is significant room for improvement.

Higher Education Trends for Studying Overseas

The below trends have been observed with respect to Indian students pursuing their education overseas:

- Growth in Indian students opting for higher education overseas outpaced the domestic student growth by > 6x in the last three years. The number of Indian students overseas was ~770,000 in 2019 and is expected to reach ~1.8 M students with a total spend of USD 75-85 Bn by the year 2024.
- Higher living standards abroad, better educational quality and outcomes, placement and salaries, demand-supply imbalance, gaps in the Indian education system and the upward income mobility of Indian households are reasons driving study abroad trends among Indian students.
- Majority of students are enrolled for postgraduate courses overseas.
- Large proportion of student outflow is from Andhra Pradesh, Punjab and Maharashtra.

Popular Study Abroad Destinations

Whilst Indian students are present across the globe pursuing a variety of courses, certain countries such as USA, UK and Canada are the most popular study destinations.

- **Canada** has emerged as the most preferred country for Indian students due to favourable immigration policies and relatively lower cost of education.
- **UK** is expected to be a fast-growing destination country for students until 2024 as it has re-introduced the post-study work visa programme and offers comparatively economical one-year master's programmes.
- **Germany, New Zealand** and the **Philippines** are gaining popularity amongst Indian students owing to:
 - Many German institutes offering free tuition for STEM courses.
 - The excellent education system, internationally accredited qualifications, ample research opportunities and high standard of living that New Zealand offers.
 - The affordable medical programmes offered in the Philippines.

Financing Higher Education

The primary sources of funding for higher education include:

- Self-finance
- Scholarships from universities
- Apprenticeships
- Education loan from Banks/ Non-Banking Financial Institutions (NBFCs)

Lack of funds has historically been the primary hurdle for Indian students to achieve their aspirations to study abroad.

Education Loan Market Opportunity

There are 38.5 million students currently enrolled in higher education in India, making this an attractive business opportunity. In developed countries such as the USA where the population is around 25% of India's, the education loans outstanding is high. As per a report published by the Federal Reserve Bank of New York, education loans outstanding stands at USD 1.58 trillion (~ Rs. 117.10 lakh crore) in September 2021. This indicates a much higher penetration as compared to that in India and thus translates into a sizeable opportunity/ potential for lenders to fund Indian students for higher education in India and overseas. As per the RBI, education loans outstanding under priority sector for banks in India stands at INR 47,201 crore, while the total education loans outstanding stands at INR 63,437 crore⁶ as on September 24, 2021.

Acknowledging this opportunity, Credila has developed strong domain expertise, providing tailor-made solutions and competitive products. With an efficient domain specific technology platform for loan processing and dynamic credit underwriting, the Company is well equipped to expand its business to fund students both in India and overseas.

Main Business Risks to Credila

The Company's Management has identified the below as the main risks to its business:

- **Banks/ NBFCs** – The vast geographical reach and corresponding distribution capabilities of banks is a major threat. Many new NBFCs and Indian banks have entered the education loans market. Several of these offer competitive products in the same segments/ target markets as Credila.
- **FinTechs** – These are new-age technology driven companies which offer loans across a variety of sectors, including education. FinTechs are agile companies which use algorithmic driven machine learning models to assess the risk profiles of borrowers.
- **Macroeconomic/ Political Environment** – As a lender in the education loans sector, the biggest threat that the Company faces is the dynamic macroeconomic/ political environment in India and overseas. The ever-changing immigration and visa laws, work permits and other policies impact employment opportunities across the world. This requires constant tracking and monitoring to assess and mitigate risks.

Emerging Trends in the Education Industry

The education industry is constantly evolving with new and emerging trends, some of which are highlighted below:

- Regulatory
 - The Ministry of Education approved the new National Education Policy (NEP) in July 2020 with a broad roadmap for transforming school and higher education over the next 15 years. This is the country's third education policy after Independence.
 - The Union Government and Education Regulators, i.e., University Grants Commission (UGC) and Ministry of Education have identified five key areas of focus (education finance, administration, accounting system, a central higher education data repository, and internal autonomy) in the next phase of reforms for the higher education sector.
 - The Government of India is developing a Global Indian Students Portal (GISP) for Indian students who want to go abroad for studies. This will have information regarding courses, foreign universities, accreditation requirements, etc. which will guide prospective students to make informed decisions. The Portal is expected to be launched in 2022.

- Online Education
 - The spread and penetration of online education is expected to increase in future. UGC has allowed many Indian institutes to offer Open and Distance Learning Programmes. These programmes (including MBA courses) are offered at UG and PG level.
 - EdTech - Online education offerings for the K-12 segment (Classes 1 to 12) are projected to increase 6.3x by the year 2022, creating a USD 1.7 billion market. The post K-12 market is set to grow 3.7x to touch USD 1.8 billion. The Indian EdTech sector received an investment of USD 2.1 billion in 2020.

- Business Model
 - Use of alternative and derived data points to determine future income potential of students.
 - Multiple areas of funding within the education industry.
 - School Fee Finance
 - Schools - Working Capital finance
 - Infrastructure Loans for Educational Institutes
 - Vocational Courses/ Upskilling courses loan
 - Test Preparation loans

Credila – Business Overview

Credila extends loans to individuals (Indian citizens) for their education funding requirements. The due diligence and approval process of loans is handled by the various branches of Credila. The Company's Credit Policy and Standard Operating Procedures are guiding documents for its lending operations.

The key aspects of the lending operations are outlined below:

- I. Sourcing of Loans
- II. Education Loan Products and Features
- III. Loan Approval Process – Credit and KYC documentation
- IV. Disbursement Process and Post Disbursement Activities
- V. Risk Management and Monitoring
- VI. Grievance Redressal Mechanism

Below is the summary of the loan products and the processes followed across the loan transaction cycle.

Sourcing of Loans

A loan application is sourced through various channels such as education consultants, test preparation centres, informational webinars, business associates etc. Based on documents provided either in digital or in physical form, initial screening of documents and detailed data entry is done on system.

Education Loan Products and Features

Education loan products of Credila can be availed by any Resident or Non-Resident Indian for higher education in India or overseas under a wide range of courses, streams, colleges and universities. Education loans are funded up to 100% of tuition fee, living cost and ancillary expenses including study material, travel expenses etc. The funding largely depends on the type of course as well as duration. The Company offers both secured and unsecured loans, which are dependent on several factors that are thoroughly evaluated via a stringent credit appraisal process. There is a variety of products that cater to education courses in India as well as overseas, to accommodate varying customer profiles.

Loan Approval Process - Credit and KYC documentation

The education loan products offered by Credila seek to address specific requirements and customer profiles whilst operating within the norms specified by the regulator. The regulatory guidelines determine the KYC, PMLA and similar requirements. While these guidelines are applicable to all loans, some of the product attributes are distinct basis the term, applicable fees, maximum loan etc., while ensuring that the commercial and risk perception of the Company are kept in mind.

All loans are appraised by the Credit teams of respective locations post initial document fulfillment by the Sales teams. The appraisal process for determining loan eligibility involves underwriting of the submitted documents and undertaking various checks to ensure authenticity of the documents, genuineness of the transaction and strict compliance with all regulations. The various policy guidelines as issued by the RBI on KYC, CKYC, PMLA, etc. are adhered to during the appraisal process.

Review of the loan application, credit and property documents (in the case of loans secured by collateral) by Credila's credit appraiser is supported by the above checks and personal discussion with the applicant/s (if required) to determine loan eligibility. The review is based on the assessment of the student's education qualifications and scores in entrance/ other related preparatory tests and exams, co-borrowers' repayment capacity by estimating their income and obligations, savings and investment history (if applicable), and their ability to fund the remaining cost of education (i.e., total cost of education less the loan amount, if applicable) and banking history.

The loan proposal is appraised holistically considering the student qualification and type of course to be undertaken for future job prospects, source of own contribution for balance funds, location and type of college/ university etc.

The loan eligibility of a customer is dependent on the ability to service the loan obligation. The ability to pay is a factor of the quantum and consistency of income of the coborrower/s. The source of the income, frequency, and continuity of the income stream is also considered when loan eligibility is determined.

Apart from credit underwriting, there are various checks undertaken during the approval process. The additional checks are: PAN verification from NSDL website

- Cross validation of customer information from CKYC Database
- Customer de-dupe Process
- CERSAI check
- Fraud management check (using Hunter)
- Online check on the Traces and EPFO websites

- Credit Bureau Reports (CIBIL/ Experian/ Equifax etc.)
- Residence and employment verification
- Risk Containment Unit (RCU)

Upon completion of the above, loans are recommended by credit appraisers and approved by a relevant authority, in line with the Board approved authority matrix.

The approving authority is based on loan amount, type of product (secured/ unsecured) and country/ course of study.

**In compliance with the RBI guidelines, the KYC documents of all customers are received and verified from the corresponding original prior to disbursement of the loan.*

In essence, the loan appraisal process includes:

1. **Identification of risk:** This is done through documentation and information acquisition (from customers), reviewing various reports such as CIBIL etc. and personal discussions. The risk is assessed on factors including age, qualification of student and co-borrower/s income stability, number of dependents as well as savings and investments history. This helps determine a customer's inclination to repay.
2. **Quantification of risk:** This involves extensive evaluation of the coborrower's current financial condition and capacity to repay. The source of income along with the frequency, consistency and continuity of income flow is assessed. The existing liabilities of the coborrower are also considered.
3. **Hedging of Risk:** Once a customer's ability and inclination to repay is determined, the need for any additional security required to hedge the risk further in terms of fixed deposits or property may be ascertained.
4. **Technical Evaluation and Legal Documentation:** Credila offers diverse education loan products including secured education loans, i.e., secured against collateral, which could be in the form of property and/ or fixed deposits. If property is taken as collateral, said property is kept as security with Credila for the tenure of the loan, with appropriate evaluation of the property carried out. The process involves technical and legal compliance which is undertaken during loan sanction. The property is checked through registered valuers verifying construction quality, area, dimensions, and clearance as per local by-laws. Similarly, property documents are verified by an external lawyer to ensure title is clear, encumbrance free and can be mortgaged to Credila.

Disbursement Process and Post Disbursement Activities

The disbursement process entails actual disbursement/ remittance of funds to the borrower. The process involves successful completion of loan formalities and other related documents which includes:

Pre-Disbursement Activities:

- Disbursement request form duly submitted by all applicants
- Completion of the below:
 - Legal & Technical due diligence
 - KYC requirements
 - Physical ACH mandate/ e-NACH activation
 - Collection of Origination Fees

For secured cases, the below additional requirements are to be completed:

- Credila second charge cases - charge is created and NOC is issued by Credila Ltd.
- Fixed Deposit - Original Fixed Deposit Receipt (FDR) and lien letter are collected together with a Power of Attorney (POA) and Pledge Agreement duly signed by the FD holder/s

Post-Disbursement Activities:

Once the loan is disbursed, the borrower's file is sent for storage. Any pending documents [marked as 'Post Disbursement Documents' (PDDs) in the system] are tracked and updated in the system/ docket once submitted by the borrower.

Risk Management and Monitoring

Credila has a robust risk management framework which assesses risks (and the mitigants) at the appraisal level.

The Risk Management Committee meets on a quarterly basis to assess these specific risks, grading them from high to low.

Credila also has an Internal Audit team which audits implementation of processes and policy compliance and shares feedback with branches for taking corrective action or a change in the process. These reports are also discussed in depth at the Audit Committee.

Grievance Redressal Mechanism

Credila is committed to providing effective and prompt service to its customers. The company has enabled access to grievance redressal mechanism in both online and offline modes. In addition, social media platforms are also monitored to identify customer grievances and negative feedback.

The Company has established a tiered escalation process to ensure all complaints are handled by an appropriate authority:

- Level 1 - Complaints received shall initially be addressed by the Service Desk (SD) within 10 working days. If the grievance is not resolved to the satisfaction of the customer within this timeframe, the SD forwards the same to the Grievance Officer (GO).
- Level 2 - If the customer is not satisfied with the resolution at Level 1, they may approach the Grievance Redressal Officer (GRO) with reference to the Loan Application ID.
- Level 3 - In case the complaint is not addressed to the customer's satisfaction, within one month from date of original complaint, they may appeal to the Officer in Charge of Regional Office of Department of Non-Banking Supervision (DNBS) of RBI.

The aim of this structure is to efficiently record and redress grievances from customers within stipulated timeframes. It also helps in enhancing delivery and service standards.

References:

¹ https://www.education.gov.in/sites/upload_files/mhrd/files/statistics-new/aishe_eng.pdf

² Gross Enrollment Ratio (GER) - Number of students enrolled in a given level of education, regardless of age, expressed as a percentage of the official school-age population corresponding to the same level of education. For the tertiary level, the population used is the 5-year age group starting from the official secondary school graduation age; Tertiary/Higher Education age group: 18 – 22 years

³ <http://uis.unesco.org/en/country/in>; <http://uis.unesco.org/en/country/cn>; <http://uis.unesco.org/en/country/ca>; <http://uis.unesco.org/en/country/gb>; <http://uis.unesco.org/en/country/us>

⁴ <https://redseer.com/reports/report-on-market-for-higher-education-abroad/>

⁵ https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/HHDC_2021Q3.pdf;

⁶ https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=52483

⁷ <https://www.livemint.com/education/news/centre-targets-five-areas-for-reforms-in-higher-education-11630434613345.html>

⁸ <https://mea.gov.in/rajyasabha.htm?dtl/34035/QUESTION+NO396+DATA+BANK+OF+INDIAN+STUDENTS+STUDYI+NG+ABROAD>

⁹ <https://thestartuplab.in/future-of-edtech-india-factors-driving-the-growth-of-edtech-industry-in-india/>

BOARD OF DIRECTORS

The detailed functions, duties, responsibilities and power of the Board of Directors of the Company in brief is provided hereinafter.

FUNCTIONS

[Reference - Regulation 4 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Key Functions of the Board of Directors broadly encompass the following:

- Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major investments, expenditures, acquisitions and divestments.
- Providing strategic guidance for implementation of business policies.
- Monitoring and managing 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.
- Ensuring integrity of financial information, robustness and effectiveness of financial controls, adequacy of risk management system.
- Overseeing internal control processes including legal and regulatory compliance framework of the Company.
- Overseeing the process of disclosure and communications.
- Monitoring the effectiveness of governance practices and making changes as and when required.
- Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.
- Monitoring and reviewing Board of Director's evaluation framework.
- Selecting, compensating, monitoring and when necessary, replacing key managerial personnel and overseeing succession planning.
- Aligning key managerial personnel and remuneration of Board of Directors with the longer term interests of the Company and its shareholders.
- Setting performance objectives and overseeing the performance of management in meeting agreed goals and objectives and monitoring the reporting of performance.

DUTIES AND RESPONSIBILITIES

Duties of the Board:

[Reference - Section 166 of the Companies Act, 2013]:

The duties of the Board of Directors include:

- To act in accordance with the Articles of Association of the Company.
- To act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, and the community and for the protection of environment.
- To exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- Not to involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his/her relatives, partners, or associates and if such director is found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain to the Company.
- Not to assign his/her office and any assignment so made shall be void.

Responsibilities of the Board:

[Reference - Regulation 4 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

The responsibilities of the Board of Directors include:

- Disclosure of interest (material or otherwise) in any transaction or matter directly affecting the Company.
- Maintaining high ethical standards.
- Treating all shareholders fairly.
- Conducting in a manner so as to meet the expectations of operational transparency while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
- Providing strategic guidance to the Company, ensuring effective monitoring of the management and be accountable to the Company and its shareholders.
- Setting a corporate culture and the values by which executives throughout Credila group shall behave.
- Acting on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and its shareholders.
- Encouraging continuing directors training to ensure that they are kept up to date.
- Ensuring that applicable accounting standards have been followed in the preparation of annual accounts.
- Ensuring that the annual accounts are prepared on a going concern basis.
- Ensuring that accounting policies selected have been applied consistently.
- Overseeing that proper and sufficient care has been taken for the maintenance of adequate accounting records and for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- Ensuring that the internal financial controls laid down to be followed by the Company are adequate and operating effectively.
- Ensuring that the compliance management systems are adequate and operating effectively.
- Exercise objective independent judgement on corporate affairs.
- Assign 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.
- To define and disclose the mandate, composition and working procedures of the committees of the board of directors as when they are established.

POWERS

[Reference - Section 179 of the Companies Act, 2013]:

The following matters can be approved by the Board of Directors only by passing a resolution at a board meeting. These matters cannot be passed by way of a circular resolution:

- (a) making calls on shareholders in respect of money unpaid on their shares;
- (b) authorising buy-back of securities;
- (c) issuance of securities, including debentures, whether in or outside India;
- (d) borrowing;*
- (e) investments;*
- (f) granting loans or giving guarantee or providing security in respect of loans;*
- (g) approval of financial statement and the Board's report;
- (h) diversifying the business;
- (i) approval of amalgamation, merger or reconstruction;
- (j) takeover or acquisition of a company or a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) appointment or removal of key managerial personnel; and
- (m) appointment of internal auditor and secretarial auditor

*can be delegated, to any committee of directors or managing director(s) or principal officer(s) of the Company and/or the branch office of the Company.

DIRECTORS' & OFFICERS' LIABILITY INSURANCE

The Company has taken Directors' & Officers' Liability Insurance policy. This policy provides protection for claims brought against directors for actual or alleged breach of duty, neglect, misstatements or errors in their capacity as a director of the Company.

MAXIMUM NUMBER OF DIRECTORSHIPS

Director

[Reference - Section 165 of the Companies Act, 2013]:

Type of Company	Maximum Number of Directorships	Remarks
Public	10	Includes private companies that are either holding or subsidiary of a public company.
Public + Private	20	Not for profit, dormant company and foreign companies are not included.

Independent Director

[Reference - Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Appointee Director	Maximum Number of Directorships	Maximum Number of Independent Directorships	Remarks
not serving as a whole time director in any listed company	7	7	Such a director can hold office in 7 listed companies in a non-executive capacity.
serving as a whole time director in any listed company	7	3	Such a director can hold office in 7 listed companies including the company in which he is a whole-time director. However, he can be appointed as an independent director only in a maximum of 3 of the 7 companies.

The count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange.

MAXIMUM NUMBER OF COMMITTEE MEMBERSHIPS

[Reference - Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Maximum Number of Memberships	Maximum Number of Chairmanships in listed entities	Type of Committees included
10 (including chairmanship) (all public limited companies, whether listed or not)	5	- Audit and - Stakeholders Relationship (excluding private limited companies, foreign companies , high value debt listed entities' and companies under Section 8 of the Companies Act, 2013).

INDEPENDENT DIRECTORS

REQUIREMENT

[Reference - Section 149 of Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Type of Companies	Nature of Chairperson	Minimum Number of Independent Directors
Listed Public Companies	Non-executive If 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	1/3rd of the total directors* 50% of the total directors* (*Board should include at least one woman director and 50% non-executive directors)
Other Public Companies - Paid-up capital Rs. 10 crore - Turnover of Rs. 100 crore - Aggregate outstanding loans, debentures and deposits of Rs. 50 crore	-	2(Two)

The following classes of unlisted public company shall not be covered under above criteria:-

- (a) a joint venture;
- (b) a wholly owned subsidiary; and
- (c) a dormant company as defined under section 455 of the Act.

[Reference - Scale Based Regulation (SBR) A Revised Regulatory Framework for NBFCs effective from October 01, 2022]:

Within the permissible limits in terms of Companies Act, 2013, an independent director shall not be on the Board of more than three NBFCs (NBFC-ML or NBFC-UL) at the same time. Further, there should not be any conflict arising out of independent directors being on the Board of another NBFC at the same time. A timeline of two years shall be provided with effect from October 01, 2022 to ensure compliance with these norms. There shall be no restriction to directorship on the Boards of NBFC-BLs, subject to applicable provisions of Companies Act, 2013.

CRITERIA

[Reference - Section 149 of Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

A director who satisfies the following criteria shall qualify to be an Independent Director of the Company:

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience; who is not a nominee director; (“nominee director” means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.

- b) (i) who is or was not a promoter of the Company or its holding, or its subsidiary or associate companies or member of the promoter group of the Company;
(ii) who is not related to promoters or directors in the Company or its holding, subsidiary or associate companies;
- c) who has or had no material pecuniary relationship*, other than remuneration as such director or having transaction not exceeding 10% of his total income or such amount as may be prescribed, with the Company or its holding, its subsidiary or associate companies, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year;
- d) none of whose relatives —
 - A. is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - B. is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for an amount of fifty lakhs rupees, at any time during the three immediately preceding financial years or during the current financial year;
 - C. has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for an amount of fifty lakhs rupees, at any time during the three immediately preceding financial years or during the current financial year; or
 - D. has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income: singly or in combination with the transactions referred to in sub-clause (A), (B) or (C);

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

- e) who, neither himself /herself nor any of his/her relatives —
holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed. Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.
- f) who, neither himself /herself, nor whose relative(s) —
is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - A. a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
 - B. any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- g) who, neither himself /herself, nor whose relative(s) —
 - A. holds together with his relatives two per cent or more of the total voting power of the listed entity; or

- B. is a chief executive or director, by whatever name called, of any non- profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
- C. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- h) who is not less than 21 years of age.
- i) Who is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director
- j) who possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- k) Who is complied with the sub-rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

*Pecuniary Relationship shall mean:

- Transactions not in the ordinary course of business of the Company or at arm's length price;
- Receipt of remuneration other than by way of sitting fees, reimbursement of expenses for participation in the board and other meetings and remuneration in the form of commission.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

An independent director shall not be entitled to any stock option

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

GUIDELINES OF PROFESSIONAL CONDUCT

[Reference - Schedule IV to the Companies Act, 2013]:

An Independent Director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his/her duties;
- exercise his/her responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- avoid abusing his/her position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- refrain from any action that would lead to loss of his/her independence;
- where circumstances arise which make an independent director lose his/her independence, the independent director must inform the Board immediately; and
- assist the Company in implementing the best corporate governance practices.

ROLE AND FUNCTIONS

[Reference - Schedule IV to the Companies Act, 2013]:

The independent directors of the Company shall:

- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- bring an objective view in the evaluation of the performance of Board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- determine appropriate levels of remuneration of whole-time directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of whole-time directors, key managerial personnel and senior management; and
- moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

DUTIES

[Reference - Schedule IV to the Companies Act, 2013]:

The Independent Directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- strive to attend all meetings of the Board of Directors and of the committees of which he/she is a member;
- participate constructively and actively in the committees of the board in which they are chairpersons or members;
- strive to attend the general meetings;
- where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the board meeting;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper board or its committees;
- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- acting within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the board or required by law.

SEPARATE MEETINGS

[Reference - Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

The independent directors of the Company will hold at least one meeting in every financial year without the presence of non-independent directors and members of management and all the independent directors shall strive to be present at such meeting. At the said meeting the independent directors would:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors; and
- assess the quality, quantity and timeliness of flow of information between the management of the Company, board and the committees that is necessary for the Board to effectively and reasonably perform their duties.

APPOINTMENT AND RE-APPOINTMENT

The appointment, re-appointment or removal of an independent director of the Company is subject to the approval of shareholders by way of a special resolution

An independent director shall be eligible to be re-appointed for another term of up to 5 (five) consecutive years subject to approval of the Board of Directors of the Company based on evaluation of performance and approval of shareholders' by way of special resolution. No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

An independent director who resigns or is removed from the board of directors of the Company shall be replaced by a new independent director at the earliest but not later than three months from the date of such vacancy.

No independent director, who resigns from a listed entity, shall be appointed as an executive / whole time director on the board of the listed entity, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director

DISCLOSURES/DECLARATIONS

INITIAL

At the time of joining the board:

Form/Letter	Particulars	Page No.
Form DIR-2	Consent to act as a Director	50
Form MBP-1	<p>Disclosure of interest (including shareholding interest) or concern in:</p> <p>any company (Public/Private/Section 8/ Foreign) Partnership Firms/ LLP /HUF/ Sole Proprietorship/ Association of Individuals (Trust, Society) Firms/ LLPs in which the relatives of the Director are a Partner/ Sole Proprietor. Private Company(ies)/ body corporate/ association of individuals in which any of the relative is a director/ member. Public Companies in which any of the relative is a director and/or along with his/her relatives hold more than 2% of its paid- up share capital. Body corporates whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of the director on board. Name of the person on whose advice, directions or instructions director is accustomed to act. Public Companies in which the Director is a member in the Committee of the Board of Directors (Audit and Stakeholders Relationship Committee). Membership in other Committees. List of Relatives.</p>	51
Form DIR-8	<p>Declaration of non-disqualification under section 164 of the Companies Act, 2013 from being a director Details of directorships held during the last three years including the resigned ones. <i>Foreign companies are not required to be included.</i></p>	54
Declaration by an Independent Director	Confirmation on meeting the criteria of independence.	55
Fit & Proper Criteria	Deed of Covenants under RBI Master Directions	57
	Declaration and Undertaking under RBI Master Directions	60
Credila's Code of Conduct to Regulate, Monitor and Report Trading	<p>Name of Designated Person("DP") (with name of the Company in case of Group Designated Person) Department PAN and contact numbers Name of educational institutions from which the DP graduated</p>	63

by Designated Persons	<p>Details of past employers of the DP</p> <p>Name of the immediate relatives as disclosed by DP along with PAN and contact numbers</p> <p>Name of persons with whom DP shares material financial relationship</p> <p>DEMAT ID / FOLIO NO.</p>	
Form B as per Regulation 7(1)(b) read with Regulation 6(2) of SEBI PIT Regulation	<p>Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).</p>	64

ON CONTINUOUS BASIS

Form/Letter	Particulars	Page No.
Form MBP-1	<p>Change in any particulars that were disclosed earlier in Form MBP-1.</p> <p><i>To be informed within 30 days of change in interest.</i></p>	51
Credila's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons	<p>Name of Designated Person("DP") (with name of the Company in case of Group Designated Person)</p> <p>Department</p> <p>PAN and contact numbers</p> <p>Name of educational institutions from which the DP graduated</p> <p>Details of past employers of the DP</p> <p>Name of the immediate relatives as disclosed by DP along with PAN and contact numbers</p> <p>Name of persons with whom DP shares material financial relationship</p> <p>DEMAT ID / FOLIO NO.</p> <p><i>To be informed within 30 days of change</i></p>	63
FORM C as per Regulation 7(2) read with Regulation 6 (2) of SEBI PIT Regulation	<p>Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).</p>	65

ANNUAL

Form/Letter	Particulars	Page No.
Form MBP-1	General disclosure of interest containing details as mentioned above.	51
Form DIR-8	Declaration of non-disqualification under section 164 of the Companies Act, 2013 from being a director Details of directorships held during the last three years including the resigned ones. <i>Foreign companies are not required to be included.</i>	54
Declaration by an Independent Director	Confirmation on continue to meet the criteria of independence.	55
Code of conduct	Declaration confirming compliance with the Code of Conduct by the Non- Executive Director.	66
Fit & Proper Criteria	Annual Declaration confirming Fit and Proper criteria	60
Credila's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons	Name of Designated Person("DP") (with name of the Company in case of Group Designated Person) Department PAN and contact numbers Name of educational institutions from which the DP graduated Details of past employers of the DP Name of the immediate relatives as disclosed by DP along with PAN and contact numbers Name of persons with whom DP shares material financial relationship DEMAT ID / FOLIO NO.	63
Declaration Confirming Compliance with the Code of Conduct	Declaration Confirming Compliance with the Code of Conduct as applicable to the Non-Executive Directors of the Company	66

BOARD MEETINGS

NOTICE CONVENING A MEETING

The meetings of the Board of Directors are normally held at the Company's parent Company's corporate office in Mumbai. Meetings are generally scheduled well in advance and the notice of each board meeting is given in writing through letter/ email/ calendar invite to each director.

Senior management is invited to attend the board meetings so as to provide additional inputs to the matters being discussed by the board. Other experts, if required, are also invited to make presentation before the board on specific matters.

FREQUENCY OF MEETINGS

The board meets at least once in a quarter to review the quarterly performance and financial results of the Company. Members of the board are free to convene a board meeting at any time and shall inform the company secretary regarding the same.

QUORUM

Board Meeting - minimum 1/3rd of the total board strength or 2 directors whichever is higher.

Participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum. Any participation through audio/ tele-conference shall not be counted for the purpose of calculation of quorum.

ATTENDANCE

The directors are expected to be present at the meeting from the appointed time till the conclusion of the meeting. Any exception shall be with the permission of the Chairman.

If for any reason the directors are unable to attend a particular meeting, a request for leave of absence should be sent to the Chairman or Company Secretary in advance for recording the same in the minutes of the meeting.

As per the provisions of the Companies Act, 2013 in case a director absents himself from all the meetings of the Board of Directors held during a period of 12 months with or without seeking leave of absence of the Board, his office will become vacant.

AGENDA AND NOTES FOR THE MEETING

The Company Secretary in consultation with the whole-time director(s) prepares a detailed agenda for the meetings. The board is provided with the adequate information that is required for an informed decision making. The members of the board have access to all information of the Company.

The board papers, agenda and other explanatory notes are circulated to the directors well in advance and is made available in a digital form on BoardPAC. The members of the board are also free to recommend inclusion of any matter in the agenda for discussion. In case any director wishes to recommend inclusion of any matter, he/ she can contact either the Chairman or whole- time director(s) or the Company Secretary of the Company.

BOARD MEETINGS

Where it is not possible to send the agenda notes in advance or some new matters crop up after the initial agenda including the notes have been circulated, a supplementary agenda is circulated to the directors to enable them to participate in the discussions on the matter as also in decision making.

DECISIONS AND MINUTES

Generally all matters requiring board approval are decided collectively by the board/ committee thereof. In case some directors require additional information, the decision is postponed till the said information is furnished so that a decision, which is in the best interest of the Company is taken.

In case any director wishes to record his dissent on any matter, he can communicate the same to the Chairman of the Company.

The Company Secretary based on the items transacted at the board/ committee meetings prepares the draft minutes of such meetings. The draft minutes of each meeting are thereafter circulated to all board/ committee members, for their comments, within fifteen days from the date of the meeting. The directors, whether present at the meeting or not, may communicate his/ her comments, if any, in writing on the draft minutes.

Once the minutes are finalized, they are entered in the Minutes Book within thirty days from the date of the meeting. The said minutes are placed at the next meeting of the board/ committee, for noting/ confirmation and signing by the Chairman. Thereafter, the signed minutes are circulated to the respective board/ committee members.

RESOLUTION BY CIRCULATION

In case of items that are urgent in nature and cannot wait till the next board/ committee meeting, the said item can be approved by way of circulation. In such cases, a detailed note along with draft resolution will be circulated to the concerned directors for their information and approval. However, matters listed under “Powers of the Board” cannot be passed through circulation.

On receipt of the approval of the majority of directors or members of the concerned committee, the resolution will be deemed to have been passed.

COMMITTEES

To enable better and more focused attention on the affairs of the Company, the Board of Directors has delegated certain matters to its committees. These committees prepare the groundwork for decision-making and report the same to the Board at its subsequent meetings.

The Board of Directors of the Company, over the years, has constituted various committees of directors either voluntarily or in compliance with certain regulatory requirements. Some of these committees are constituted to discharge a management function.

Composition and detailed terms of reference of certain Committees of Directors as approved by the Board, from time to time, is provided hereunder:

➤ AUDIT COMMITTEE

1. Composition

- (a) The audit committee shall have minimum three directors as members.
- (b) At least two-thirds of the members of audit committee shall be independent directors
- (c) All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

Explanation (1).- For the purpose of this regulation, “financially literate” shall mean the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Explanation (2).- For the purpose of this regulation, a member shall be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

- (d) The chairperson of the audit committee shall be an independent director and he /she shall be present at Annual general meeting to answer shareholder queries.

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings

3. Meetings

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings.

4. Quorum

The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.*

*Applicable w.e.f. April 01, 2023

The audit committee at its discretion shall invite the finance director or head of the finance function, 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

5. Role

The role of the Audit Committee shall include the following:

- (i) The following matters as specified under the Companies Act, 2013 and Rules made there under and SEBI Listing Obligation and Disclosure Requirement Regulation, 2015:
 - a. 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
 - b. Recommend to the Board the appointment, remuneration and terms of appointment of auditors of the Company;
 - c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
 - d. Review and monitor the auditor's independence and performance and effectiveness of the audit process;
 - e. Examination of the financial statement and the auditors' report thereon;
 - f. Approval or any subsequent modification of transactions of the company with related parties;
 - g. To review status of any long-term (more than one year) or recurring RPTs on an annual basis
 - h. Scrutiny of inter corporate loans and investments;
 - i. Valuation of undertakings or assets of the company, wherever it is necessary;
 - j. Evaluation of the internal financial controls and risk management systems;
 - k. 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;
 - l. 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
 - m. 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;
 - n. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
 - o. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary, if any, 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 investments

- p. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity company and its shareholders.
- q. Ensure establishment and proper functioning of the system for storage, retrieval, display or print out of the electronic records in respect of books of accounts of the Company, maintained in electronic mode.
- r. Oversee the vigil mechanism and review the safeguards in place against victimization of employees and directors who avail of such mechanism and ensure adequate provision is there to provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.
- s. Any other issue within terms of reference under the relevant provisions of the Companies Act, 2013 and the Rules made there under, as amended from time to time.
- t. Oversight of financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- u. Approve payments to be made in respect of any other services rendered by Auditors.
- v. Review with the Management, the annual financial statements and auditor's report, before submission to the Board for its approval, with particular reference to;
 - Matters to be included in directors responsibility statement under Sec. 134 of the Companies Act, 2013
 - Changes if any, in accounting policies and practices
 - Major accounting entries involving estimates based on exercise of judgment management.
 - Significant adjustment made in financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Modified opinion(s) in the draft audit report.
- w. Review with management, the quarterly financial statements before submission to the Board for their approval.
- x. Review management discussion and analysis of financial condition and results of operations
- y. Review Management letters/ letters of internal control weaknesses issued by the statutory auditors, if any.
- z. Review Internal audit reports relating to internal control weaknesses.
- aa. Review the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- bb. Review statement of deviations:
 - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s)
 - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice

- cc. Review with management, performance of internal/external auditor and adequacy of internal control systems.
- dd. Discuss with internal auditors' significant findings and follow up thereon.
- ee. Review findings of internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- ff. Discuss with statutory auditor nature and scope of audit and post audit discussions relating to any area of concern.
- gg. To review Statement of significant related party transactions.
- hh. Statements to be issued to the Holding Company for preparation of Consolidated Financial Statements.
- ii. Recommend to the Board the appointment, remuneration and terms of appointment of Secretarial Auditors of the Company
- jj. Recommend to the Board the appointment, remuneration and terms of appointment of Internal Auditors of the Company
- kk. Annual review of results / outcome of updated macroeconomic model and suggesting changes in ECL computations.
- ll. To review the functioning of the whistle blower mechanism
- mm. To oversee the internal audit function in the Company and review the performance of the Risk Based Internal Audit (RBIA)
- nn. To review and recommend/ approve the RBIA plan to determine the priorities of the internal audit function based on the level and direction of risk, as consistent with the Company's goals.
- oo. To formulate and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The quality assurance program may include assessment of the internal audit function at least once in a year for adherence to the internal audit policy, objectives and expected outcomes.

(ii) Other matters:

Review of adherence to compliance with the KYC & AML Policy of the Company, assess the efficacy of the measures taken by the Company to prevent instances of material non-adherence and review serious lapses or intentional circumvention of prescribed procedures and guidelines laid by the Company in respect of KYC norms, by any employee or branch or department or agent, as the case may be.

The Committee shall review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively.

6. Powers

The Audit Committee be and is hereby vested with the following powers:

- (i) Investigate any activity within the terms of reference.
- (ii) Seek information from employees.
- (iii) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
- (iv) Call for comments of the auditors on the internal control systems, scope of audit, including observations of auditors and review of financial statements before their submission to the Board and also discuss any related issues with the internal and statutory auditors and the management of the Company.
- (v) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.

7. Report

The minutes of the meeting of the Audit Committee duly approved by the Chairman, shall be tabled at the meeting of the Board of Directors of the Company for its noting.

➤ **Nomination and Remuneration Committee:**

1. Composition

The NRC shall consist of a minimum of three non-executive directors out of which at least two-third of the Directors shall be independent directors in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The Chairperson of the nomination and remuneration committee shall be an independent director. The chairperson of the company (whether executive or non-executive) may be appointed as a member of the NRC and shall not chair the Committee.

The Chairperson of the nomination and 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

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings.

3. Meetings

The Committee will meet at least once in a year and as and when required.

4. Quorum

The quorum for transacting business at a meeting of the Committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance .

5. Role

The NRC shall consider and review the following matters and perform such other duties that may be assigned to it by the Board, from time to time, including but not limited to:

- **Nomination**

- (i) The NRC shall identify persons who are qualified to become Directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- (ii) The NRC shall formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a director and for evaluating their performance and to devise a policy on Board Diversity.
- (iii) For every appointment of an independent director, the Nomination and 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.
- (iv) The NRC shall formulate and recommend to the Board a policy for ascertaining the fit and proper criteria at the time of appointment of Directors and on a continuing basis. The policy should be framed taking into account the guidelines issued by the RBI in this regard.
 - (v) The NRC shall ensure that the circular/notifications/guidelines issued by the RBI with respect to appointment, qualification, remuneration, etc. of the directors are followed by the Company.
 - (vi) The NRC shall carry out evaluation of every Director's performance based on the criteria formulated by it and duly approved by the Board.
 - (vii) The NRC shall recommend 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
 - (viii) The NRC shall review and ensure that the persons who are proposed to be appointed/ re-appointed as the Managing Directors of the Company meets the conditions as set out in Section 166 read with Part I to Scheduled V to the Companies Act, 2013 or any re-enactment or amendment or modification thereto.

- **Compensation:**

- (i) The NRC shall formulate and recommend to the Board a Remuneration Policy for all Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees of the Company.
- (ii) Whilst formulating the said Policy, the NRC shall ensure the following:

- a. 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;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. 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.
 - d. The said Policy shall be disclosed in the Directors' Report.
- (iii) Review and approve the payment of remuneration of the Managing Directors and ensure that such remuneration is within the overall limits as set out in Sections 197, read with Schedule V and other applicable provisions of the Companies Act, 2013 or any re-enactment or amendment or modification thereto and subject to such terms and conditions, as may be approved by the shareholders of the Company, from time to time.
 - (iv) Review and recommend to the Board the sitting fees payable to the non-executive directors of the Company for attending meetings of the Board or Committee(s) thereof and any increase thereof, within the overall limits prescribed under the Companies Act, 2013, from time to time.
 - (v) Review and recommend to the Board the payment of profit related commission to the non-executive Directors of the Company within the overall limits as may be approved by the shareholders of the Company, in terms of Section 197 of the Companies Act, 2013.
 - (vi) The NRC shall review the disclosure made with regard to the Company's policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes, independence and other matters as specified in Section 178(3) of the Companies Act, 2013, in the Directors' Report, in terms of Section 134 (1) (e) of the Companies Act, 2013.
 - (vii) The NRC shall recommend to the board, all remuneration, in whatever form, payable to senior management
 - (viii) The NRC shall ensure that the remuneration payable to the Directors is within the overall limits as set out in Sections 197, read with Schedule V and other applicable provisions of the Companies Act, 2013 or any re-enactment or amendment or modification thereto and the terms as approved by the shareholders of the Company, from time to time
 - (ix) The NRC shall have the authority to formulate, adopt, administer, enforce and modify the employee stock option schemes of the Company, including grant of options to eligible employees under the schemes, in accordance with the provisions of SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws.
 - (x) The NRC shall perform such other functions as may be required under the relevant provisions of the Companies Act, 2013, the Rules made there under or Circulars and Notifications issued by RBI relating to Corporate Governance or any other applicable laws, as amended from time to time.

6. Powers

The NRC shall be vested with the following powers:-

- (i) To obtain advice from auditors or lawyers or experts as it may deem appropriate and to secure their attendance.
- (ii) To call for records, documents or seek explanations from Officer(s) of the Company or auditors or lawyers or experts as it may deem appropriate, whether or not as part of any investigation into violation of the policies of the Company.

7. Report

The Chairman of the NRC shall apprise the Board on the recommendations made by it on any matter under these terms of reference.

➤ Stakeholders Relationship Committee:

1. Composition

The Stakeholders Relationship Committee (SRC) shall comprise of at-least 3 directors including a Chairperson who shall be a non-executive director, with at least one being an independent director.

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings.

3. Meetings

The Committee will meet at least once in a year as and when required.

4. Quorum

The quorum for transacting business at a meeting of the Committee shall be at least two or one-third of the members of the Committee, whichever is higher.

5. Role

The role of the SRC shall include the following:

- (i) Review the mechanism adopted for redressing the grievance of shareholders, debenture holders, other security holders and the status of such redressal.
- (ii) Resolve the grievances of the security holders including but not limited to complaints related to transfer/ transmission of securities, non-receipt of annual report, non-receipt of interest/declared dividends, redemption, issue of new/ duplicate certificates, meetings etc.
- (iii) Review of measures taken for effective exercise of voting rights by security holders
- (iv) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent
- (v) Review of the various measures and initiatives taken by the Company for ensuring timely receipt of interest/ dividend/ redemption amount /annual reports/statutory notices by the security holders of the company as per the regulatory requirements

6. Powers

The Committee shall be vested with the following powers: -

- (i) To obtain advice from auditors or lawyers or experts as it may deem appropriate and to secure their attendance.
- (ii) To call for records, documents or seek explanations from Officer(s) of the Company or auditors or lawyers or experts as it may deem appropriate, whether or not as part of any investigation into violation of the policies of the Company.

7. Report

The Chairman of the SRC shall apprise the Board on the recommendations made by it on any matter under these terms of reference.

➤ **Risk Management Committee**

1. Composition

The Risk Management Committee shall consist of minimum three members with majority of them being members of the board of directors, including at least one independent director and such members as the Board may decide from time to time. The Committee may also appoint members which may be ratified by the Board.

Chairman of the Committee shall be the member of the Board of Directors and senior executives of the listed entity may be members of the committee

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings

3. Meetings

The Committee will meet at least once in quarter and as and when required

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.

4. Quorum

The quorum for the meeting 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.

5. Roles

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 103[such function shall specifically cover cyber security

The role of the Risk Management Committee shall include the following:

- (i) Ensure formulation and implementation of the Risk Management Framework and Risk Management Policy reviewing the risk profile of the Company which shall include:
 - 1. A framework for identification of internal and external risks specifically faced by the Company, 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.
 - 2. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - 3. Business continuity plan.
- (ii) Ensure that appropriate methodologies, processes, strategies, mechanisms and systems are in place to identify, monitor, assess / evaluate and mitigate the various risks associated with the business of the Company.
- (iii) Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems;
- (iv) Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (v) Keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (vi) Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any)
- (vii) 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.
- (viii) Any other matters as may prescribed by RBI or any other regulatory body, as may be applicable from time to time
- (ix) Any other matters as the Board may delegate to the Committee from time to time.

6. Powers:

The Risk Management Committee be and is hereby vested with the following powers:

- (i) Investigate any activity within the terms of reference.
- (ii) Seek information from employees.
- (iii) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
- (iv) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.

7. Report:

The minutes of the meeting of the Risk Management Committee duly approved by the Chairman, shall be tabled at the subsequent meeting of the Board of Directors of the Company for its noting.

➤ **IT Strategy Committee:**

1. Composition

The IT Strategy Committee shall consist of such number of members as the Board may decide from time to time considering the requirements of RBI Guidelines and Companies Act. As per the current RBI Guidelines, an Independent Director would be the chairman of the Committee and Chief Information Officer & Chief Technology Officer shall be members of the Committee. The Committee may also appoint members which may be ratified by the Board.

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings

3. Meetings

The Committee will meet as and when required, subject to minimum number of meetings as specified in the RBI Guidelines. As per the current RBI Guidelines, not more than six months should elapse between two meetings of the Committee.

4. Quorum

The quorum for the meeting is two members.

5. Role:

The role of the IT Strategy Committee shall include the following:

- (i) Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- (ii) Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- (iii) Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- (iv) 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;
- (v) Ensuring proper balance of IT investments for sustaining the Company's growth and becoming aware about exposure towards IT risks and controls.
- (vi) Any other matters as may be prescribed by RBI from time to time
- (vii) Any other matters as the Board may delegate to the Committee from time to time.

6. Powers:

The IT Strategy Committee be and is hereby vested with the following powers:

- (i) Investigate any activity within the terms of reference.
- (ii) Seek information from employees.

- (iii) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
- (iv) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company
- (v) Any other matters as may be prescribed by RBI from time to time

7. Report:

The Chief Information Officer shall report to the IT Strategy Committee. The minutes of the meeting of the IT Strategy Committee duly approved by the Chairman of the IT Strategy Committee, shall be tabled at the meeting of the Board of Directors of the Company for its noting.

➤ **Allotment Committee:**

1. Composition

The Allotment Committee shall consist of such number of members as the Board may decide from time to time. The Committee may also appoint members which may be ratified by the Board.

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings

3. Meetings

The Committee will meet as and when required

4. Quorum

The quorum for transacting business at a meeting of the Committee shall be at least two or one-third of the members of the Committee, whichever is higher.

5. Role:

The role of the Allotment Committee shall include the following

- (i) To ensure compliance with the Companies Act, 2013 and Rules made there under relating to the issue and allotment of securities as may be issued by the Company from time to time.
- (ii) To oversee the process of application for issue of securities and decide on the allotment of securities
- (iii) Any other matters as the Board may delegate to the Committee from time to time.

6. Powers:

The Allotment Committee be and is hereby vested with the following powers:

- (i) Investigate any activity within the terms of reference.
- (ii) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
- (iii) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.

7. Report:

The minutes of the meeting of the Allotment Committee duly approved by the Chairman, shall be tabled at the meeting of the Board of Directors of the Company for its noting.

➤ **Asset Liability Management Committee**

1. Composition

The Asset Liability Management Committee shall consist of such number of members as the Board may decide from time to time. The Committee may also appoint members which may be ratified by the Board.

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings

3. Meetings

The Committee will meet as and when required

4. Quorum

The quorum for the meeting is 1/3rd or 2 whichever is higher.

5. Role:

The role of the Asset Liability Management Committee shall include the following:

- (i) To ensure compliance with Asset Liability Management Guidelines issued by RBI from time to time.
- (ii) To ensure that the internal processes and procedures are in place to ensure filing of ALM Returns to RBI.
- (iii) To make appropriate assumptions as may be necessary for preparing various ALM Reports under the RBI Guidelines.
- (iv) To review the Asset Liability Gap arising from the mismatch of the Maturity profile of payments and receivables and ensure that the same is adequately mitigated.
- (v) To review the borrowing position and borrowing mix of the Company and formulate future borrowing plans for reducing the cost of funds

- (vi) To review the Credila's Benchmark Lending Rate from time to time and ensure that it is in accordance with the RBI Guidelines and the Company's overall objectives.
- (vii) To monitor and discuss the status and results of implemented asset/liability management strategies and Committee decisions.
- (viii) Review Liquidity Risk MIS as required under RBI Notification on Liquidity Risk Management Framework dated November 04, 2019.
- (ix) Review the interest rate risk in context of the overall interest rate and liquidity scenario, policy rate and deliberate on the hedging strategies.
- (x) To review the current and prospective liquidity positions and monitor alternative funding sources.
- (xi) To review various risks that can be measured with a reasonable degree of effort. Discuss and report on the impact of major funding shifts and changes in overall investment and lending strategies.
- (xii) To review outlook for interest rates and economy.
- (xiii) To review maturity/ repricing schedules with particular attention to the maturity distribution of large amounts of assets and liabilities maturing.
- (xiv) To report the Minutes of each meeting to the Board of Directors.
- (xv) To measure performance against established standards and, if appropriate against peer group data.
- (xvi) To review the liquidity and contingency funding conditions of Credila
- (xvii) To review the business plan; given the importance of the ALM in the management of Credila's balance sheet and related earnings stream.
- (xviii) Any other matters as may prescribed by RBI from time to time
- (xix) Any other matters as the Board may delegate to the Committee from time to time

6. Powers:

The Asset Liability Management Committee be and is hereby vested with the following powers:

- (i) Investigate any activity within the terms of reference.
- (ii) Seek information from employees.
- (iii) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
- (iv) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.

7. Report:

The minutes of the meeting of the Asset Liability Management Committee duly approved by the Chairman, shall be tabled at the meeting of the Board of Directors of the Company for its noting.

➤ **Corporate Social Responsibility Committee**

1. Composition

The CSR Committee shall consist of a minimum of three directors out of at least one director shall be an independent director in accordance with the provisions of the Companies Act, 2013.

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings

3. Meetings

The Committee will meet as and when required.

4. Quorum

The quorum for transacting business at a meeting of the Committee shall be at least two or one-third of the members of the Committee, whichever is higher.

5. Role:

The terms of reference of the CSR Committee will be to –

- (i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR policy) which shall inter alia indicate the activities/ projects/ programs that will be undertaken directly by the Company and/ or through the Foundation and/ or through any other entity involved in CSR activities in any of the areas as specified in Schedule VII to the Companies Act, 2013 in terms of the provisions of Section 135 of the Act and the CSR Rules.
- (ii) Formulation and recommendation of an Annual Action Plan consisting of the CSR objective for the year, the list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013 to the Board, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken.
- (iii) Recommend to the Board, the amount of expenditure to be incurred on each of the CSR activities/ projects/ programs during each financial year.
- (iv) Approve and decide the areas where such CSR activities/ can be adopted, by giving preference to areas where the branches/ service centers of the Company are situated, subject to the terms and conditions or limits specified by any statutory/ regulatory authority, in this regard.

- (v) Review/ ratify/ approve activities/ projects/ programs to be undertaken by the Company either directly or through the Foundation and/ or through any other entity involved in CSR activities and determine the amounts to be allocated for each such activities/ projects/ programs, in such manner and at such frequency, as deemed appropriate.
- (vi) Formulate and adopt a transparent monitoring mechanism for the activities/ projects/ programs undertaken/ proposed to be undertaken by the Company or indirectly through the Foundation or through any other entity, in respect of the amounts allocated/ spent by it and its end use, in pursuance of the CSR Policy
- (vii) Implement and monitor the CSR Policy, the projects undertaken by the Company and/or through the Foundation or other credible partnering organization(s) and update the Board the changes / recommendations to the CSR Policy as deemed appropriate from time to time.
- (viii) To ensure that any recommendations made by the Board with regard to the amounts allocated for each CSR activity, monitoring of its end-use or any matter connected with regard and arising out of the CSR Policy is implemented and an action taken report submitted to the Board for their review.
- (ix) Approve the CSR report containing the disclosures as mandated under the CSR norms, before it is presented to the Board for its approval and inclusion in the Directors' report.
- (x) Provide for the manner in which the activities relating to CSR initiated by the Company including end use of funds by the Foundation or other NGOs can be conducted.
- (xi) To do all such acts, deeds, matters and things to ensure compliance with CSR norms and the CSR Policy, as amended, from time to time.
- (xii) Review of implementation of the CSR programmes once in a year and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with the CSR policy of the Company.
- (xiii) Annually report to the Board, the status of the CSR activities and contributions made by the Company

6. Powers:

- (i) The Committee has the authority to investigate into any matters concerning with or arising out of CSR norms.
- (ii) The Committee is authorised to obtain third party opinion on any matter on any matter concerning the CSR norms or the CSR policy of the Company, as deemed appropriate and secure their attendance.
- (iii) To call for records, documents or seek explanations from Officer(s) of the Company or auditors or lawyers or experts as it may deem appropriate, whether or not as part of any investigation into violation of the policies of the Company.

7. Report:

- (i) The minutes of the meetings of the CSR Committee shall be tabled at the subsequent meeting of the Board of Directors of the Company.

- (ii) The CSR Committee shall review the implementation of CSR Policy and shall update the Board of Directors of the Company, regarding its activities and practices adopted and provide for improvements/ actions required to be undertaken/omitted.
- (iii) In the event the Company has not spent the minimum required amount (i.e. 2% of the average net profits of the Company for the three years preceding the relevant financial year as contemplated under the CSR Rules), the CSR Committee shall submit a report specifying the reasons for not being able to spend the amounts so allocated, to the Board.
- (iv) The CSR Committee's activities during the year shall be disclosed in the Annual Report of the Company in the format prescribed under the CSR Rules.

➤ **IT Steering Committee**

1. Composition

The IT Steering Committee shall consist of such number of members as the Board may decide from time to time considering the requirements of the Company and applicable RBI Guidelines. The Committee may also appoint members which may be ratified by the Board.

2. Secretary

The Company Secretary shall act as the Secretary to the Committee Meetings

3. Meetings

The Committee will meet as and when required.

4. Quorum

The quorum for the meeting is two members.

5. Role:

The role of the IT Steering Committee shall include the following:

- (i) Providing oversight and monitoring of the progress of the project including deliverables to be realized at each phase of the project and milestones to be reached according to the project timetable;
- (ii) Setting priority for projects;
- (iii) Deciding the resource allocation for projects;
- (iv) To monitor the effectiveness of the revised processes and digital transformation
- (v) Any other matters as may be prescribed by the IT Strategy Committee from time to time;
- (vi) Any other matters as may be prescribed by RBI from time to time;
- (vii) Any other matters as the Board may delegate to the Committee from time to time.

6. Powers:

The IT Steering Committee be and is hereby vested with the following powers:

- (i) Investigate any activity within the terms of reference.
- (ii) Seek information from employees.
- (iii) Obtain outside legal counsel or other professional advice and secure their attendance if necessary.
- (iv) Investigate any matter in relation to the items stated above or referred to it by the Board and for this purpose to obtain professional advice from external sources and have access to full information contained in the records of the Company.

7. Report:

The IT Steering Committee shall report to the Board Committees or the Board of Directors depending the reporting requirement

APPOINTMENT, REMUNERATION & CESSATION

APPOINTMENT

The Board of Directors of a company is vested with authority to appoint an additional director or an alternate director or a director in casual vacancy. Independent directors, whole-time directors and directors whose office is liable to be retire by rotation are appointed by shareholders at general meetings.

The Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Alternate director holds office till the date on which the original director returns to India. Director appointed in casual vacancy holds office till the date up to which the director in whose place he is appointed would have held office, if it had not been vacated.

The Nomination and Remuneration Committee of Directors is responsible for identifying individuals who are suitably qualified to become directors of the Company and making recommendations to the Board for their appointments.

PERFORMANCE EVALUATION

The performance of the board as a whole, its committees and of its respective members individually is evaluated on an annual basis as per the board evaluation process established by the Nomination and Remuneration Committee.

The outcome of the evaluation is reviewed by the Nomination and Remuneration Committee and the Board. Requisite action plan is prepared for areas for improvement identified, if any, during the evaluation process and is informed to the Board of Directors.

REMUNERATION

Sitting Fees:

The non-executive directors (including independent directors) of the Company are being paid a sitting fee of Rs. 75,000 for attending each meeting of the Board of Directors and its Committees thereof.

Sitting fee of Rs. 75,000 is also paid to independent directors for attending the separate meeting of independent directors.

CESSATION AS A DIRECTOR

A director may cease to hold office in several ways as follows –

Retirement:

The independent directors of the Company are appointed for a period of 5 consecutive years, from the date of such appointment and are not liable to retire by rotation.

The non-executive directors of the Company are liable to retire by rotation.

Resignation:

A director may resign, any time, by giving a notice in writing along with detailed reasons for such resignation, to the Company and also provide a confirmation that there is no other material reason other than those provided.

The said resignation shall be effective from the date on which the notice is received by the Company or the date, if any, specified by the director in such notice, whichever is later.

Vacation of office as a Director/ Disqualifications:

The office of a director shall become vacant in case the director:

- Incurs any of the disqualifications as mentioned below:
[Reference - Section 164 and 167 of the Companies Act, 2013]:
- He/she is of unsound mind and stands so declared by a competent court;
- he/she is an undischarged insolvent;
- he/she has applied to be adjudicated as an insolvent and his application is pending;
- he/she has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
- an order disqualifying him/her for appointment as a director has been passed by a court or Tribunal and the order is in force;
- he/she has not paid any calls in respect of any shares of the company held by him/her, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- he/she has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years ;
- he/she has not been allotted Director Identification Number;
- he/she holds office as a director, including any alternate directorship, in more than twenty companies at the same time or
- he/she is or has been a director of a company which —
 - (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
 - (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, and five years have not elapsed from the date on which the said company failed to do so.

Where a person is appointed as a director of a company which is in default of above clause (a) or clause (b), he/she shall not incur the disqualification for a period of six months from the date of his appointment.

- Absents himself/herself from all the meetings of the Board of Directors held during a period of 12 months with or without seeking leave of absence of the Board.
- Acts in contravention of the provisions of section 184 (Disclosure of Interest by Director) of the Act relating to entering into contracts or arrangements in which he/she is directly or indirectly interested.
- Fails to disclose his/her interest in any contract or arrangement in which he is directly or indirectly interested.
- Becomes disqualified by an order of a court or the Tribunal *
- Convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than 6 months *

*The office shall not be vacated by the director in case of orders referred to in clauses above

- (i) for thirty days from the date of conviction or order of disqualification;
- (ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or
- (iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of.
- He/ She is removed in pursuance of the provisions of Companies Act, 2013
- Having been appointed a director by virtue of his/her holding any office or other employment in the holding company, ceases to hold such office or other employment in the holding company.

LIST OF APPLICABLE LAWS

- (i) The Companies Act, 2013 ('Act') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (effective till August 15, 2021);
 - (b) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (w.e.f. August 16, 2021)
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);
 - (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (v) Laws specifically applicable to an NBFC-ND-SI, as identified by the management, that is to say:
 - (a) The Reserve Bank of India Act, 1934;
 - (b) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('Directions, 2016');
 - (c) Miscellaneous Instructions to all Non-Banking Financial Companies;
 - (d) Master Direction - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016;
 - (e) Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016;
 - (f) Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016;
 - (g) Master Direction - Know Your Customer (KYC) Directions, 2016;
 - (h) Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016;
 - (i) Master Direction - Information Technology Framework for the NBFC Sector;
- (vi) RBI Commercial Paper Directions, 2017, effective from 10th August, 2017 (as amended from time to time) w.r.t. issue of commercial papers and applicable Operating Guidelines issued by FIMMDA (Fixed Income Money Market and Derivatives Association of India), and SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22nd October, 2019 on 'Framework for listing of Commercial Paper';
- (vii) Laws specifically applicable to a Corporate Agent, as identified by the management- The Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.
- (viii) General Commercial and Labour Laws:

- Indian Stamp Act, 1899
- Maharashtra Stamp Act, 1958
- Registration Act, 1908
- Indian Accounting Standards and guidelines issued by ICAI
- Income Tax Act, 1961 and Rules made thereunder
- Negotiable Instruments Act, 1881
- Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
- Information Technology Act, 2002
- Payment of Bonus (Amendment) Act, 2015 and Rules made thereunder
- Minimum Wages Act, 1948 and Rules made thereunder
- Contract Labour (Regulation and Abolition) Act, 1970
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder
- Maternity Benefit Act, 1961 and Rules made thereunder
- Indian Contract Act, 1872
- Guidelines issued by Government of India relating to appropriate measures to be taken for containment of COVID-19 pandemic
- Maharashtra Shops and Establishment Act, 2017
- Motor Vehicles Act, 1988
- Applicable labour laws
- Secretarial Standards 1, 2 and 3

LIST OF POLICIES

The Following is the list of policies/codes adopted by the Company under various rules, regulations and directions. The said policies are available on the BoardPAC for your ready references:

Sl. No	Policy Name	Whether Board approved	Statutory requirement
1	Corporate Social Responsibility Policy	Yes	Section 135 of the Companies Act, 2013 and rules made thereunder
2	Whistle Blower Policy	Yes	Section 177 of the Companies Act, 2013 and Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
3	Remuneration Policy	Yes	Companies Act, 2013, the rules made thereunder and Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
4	"Property, Plant & Equipments and Intangible Assets Policy (earlier Fixed Asset Policy)"	Yes	Companies Act, 2013, the rules made thereunder.
5	Liquidity Risk Management Framework/ Financial Risk Management and Asset Liability Management Policy (earlier Asset Liability Management Policy)	Yes	RBI Circular dated November 04, 2019 on "Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies"
6	Fair Practices Code	Yes	Guidelines issued by the RBI on Fair Practices Code for Non Banking Finance Companies vide the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
7	Resource Planning Policy	Yes	Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI

8	Investment Policy	Yes	Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by the RBI
9	Policy on Protection of Women Against Sexual Harassment	Yes	The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder
10	Code of practices and procedures for fair disclosure of unpublished price sensitive information in terms of regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	SEBI (Prohibition of Insider Trading) Regulations, 2015
11	Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons	Yes	SEBI (Prohibition of Insider Trading) Regulations, 2015
12	Policy On Related Party Transactions	Yes	The Companies Act, 2013 and Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
13	Policy for Fit and Proper Criteria for Directors	Yes	Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
14	Know Your Customer (KYC) Policy & Anti-Money Laundering (AML) Measures	Yes	Prevention of Money Laundering Act, 2002
15	AML Compliances Manual	Yes	The Prevention of Money Laundering Act, 2002 (PMLA) and RBI Guidelines to file specified reports to Financial Intelligence Unit (FIU), India.
16	Distressed Asset Policy	Yes	RBI Circular on Early Recognition of Financial Distress, Prompt Steps for Resolution and Fair Recovery for Lenders: Framework for Revitalising Distressed Assets in the Economy dated 21st March, 2014 and RBI's Prudential Framework for Resolution of Stressed Assets dated June 7, 2019
17	Branch Audit Policy	Yes	Internal Policy
18	Risk Management Framework & Risk Management Policy	Yes	Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
19	Credit Policy	Yes	Internal Policy

20	Collection & Recovery Policy	Yes	RBI Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances
21	Outsourcing Policy	Yes	RBI Directions issued on November 9, 2017
22	Grievance Redressal Mechanism	Yes	Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
23	Document Storage Policy	Yes	Internal Policy
24	Preservation of Documents	Yes	Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
25	IT Governance Framework	Yes	RBI Master Direction dated June 08, 2017 - Information Technology Framework for the NBFC Sector
26	Cyber Crisis Management Plan	Yes	RBI Master Direction dated June 08, 2017 - Information Technology Framework for the NBFC Sector
27	Information Technology Policy	Yes	RBI Master Direction dated June 08, 2017 - Information Technology Framework for the NBFC Sector
28	Information & Cyber Security Policy (earlier Information Security Policy)	Yes	RBI Master Direction dated June 08, 2017 - Information Technology Framework for the NBFC Sector
29	Corporate Governance Code	Yes	RBI Master Circular on Corporate Governance dated July 1, 2014 and Master Direction – Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
30	ECL Policy	Yes	Ind AS 109 and Implementation of Indian Accounting Standards
31	Employees Code of Conduct	Yes	Internal Policy
32	Human Resource Policy	Yes	Internal Policy
33	Open Architecture Policy	Yes	IRDAI (Registration of Corporate Agent) Regulations, 2015
34	Moratorium Policy	Yes	RBI Notification on COVID-19 Regulatory Package dated March 27, 2020
35	COVID - 19 Extension of Moratorium Policy	Yes	RBI Notification to extend the moratorium on term loan instalments

36	Restructuring policy	Yes	RBI Notification on Prudential Framework to enable the lenders to implement a resolution plan
37	Refund of Interest on Interest Policy	Yes	Supreme Court Judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and RBI circular on 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package' dated April 7, 2021
38	Resolution Framework 2.0	Yes	RBI Circular on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses
39	Leave Policy	Yes	Internal Policy
40	Employee Referral Policy	Yes	Internal Policy
41	Transfer Relocation Policy	Yes	Internal Policy
42	Web Archival Policy	Yes	Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
43	Groupwide (Credila) KYC Policy	Yes	Groupwide Policy
44	Group-wide Oversight Policy	Yes	Groupwide Policy
45	Appointment of Statutory Auditors	Yes	RBI Circular on Appointment of Statutory Auditors (SAs) of Commercial banks, (excluding RRBs), UCBs and NBFCs (including HFCs).
46	Code of conduct for Executive Directors and Senior Management	Yes	Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
47	Code of Conduct for Non-Executive Directors	Yes	Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
48	Policy on Board Diversity	Yes	Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
49	Policy on Succession Plan	Yes	Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

FORMATS OF DISCLOSURES/DECLARATIONS

FORM DIR – 2

Consent to act as a Director of a company
[Pursuant to Section 152(5) and Rule 8 of Companies (Appointment and
Qualification of Directors) Rules, 2014]

To,
The Board of Directors
Credila Financial Services Limited(formerly known as HDFC Credila Financial Services Limited)
B - 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road, Andheri (East), Mumbai 400 059.

Subject: Consent to act as a Director.

I, _____, hereby give my consent to act as a Director of Housing Development Finance Company Limited, pursuant to sub-section (5) of Section 152 of the Companies Act, 2013 and certify that I am not disqualified to become a director under the Companies Act, 2013.

1.	Director Identification Number (DIN)	:	
2.	Name (in full)	:	
3.	Father's Name (in full)	:	
4.	Address	:	
5.	E-mail ID	:	
6.	Mobile No.	:	
7.	Income-Tax PAN	:	
8.	Occupation	:	
9.	Date of Birth	:	
10.	Nationality	:	
11.	No. of companies in which I am already a Director and out of such companies the names of the companies in which I am a	:	
12.	Managing Director, Chief Executive Director, Whole time Director, Secretary, Chief	:	

DECLARATION

I declare that I have not been convicted of any offence in connection with the promotion, formation or management of any company or LLP and have not been found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or any previous company law in the last five years. I further declare that if appointed my total Directorship in all the companies shall not exceed the prescribed number of companies in which a person can be appointed as a Director.

Signature:.....

Designation: Director

Date:

Place:

Attachments:

1. Proof of Identity
2. Proof of Residence

FORM MBP - 1

Notice of interest by director
[Pursuant to section 184 (1) of The Companies Act, 2013 and rule 9(1) of the
Companies (Meetings of Board and its Powers) Rules, 2014]

To
The Board of Directors
CREDILA FINANCIAL SERVICES LIMITED (formerly known as HDFC Credila Financial Services Limited)
B - 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road, Andheri (East), Mumbai 400 059.

Dear Sirs,

I, _____, son/daughter/spouse of _____, resident _____, being the director of the Company hereby give notice of my interest or concern in the following company or companies, bodies corporate, firms or other association of individuals:-

Sr. No.	Names of the Companies /bodies corporate (including Foreign Companies)/ firms/ association of individuals	Nature of interest or concern/ Change in interest or concern	Share- holding (No. of shares held) ¹	Date on which interest or concern arose/ Changed
Listed Companies (entities which have its equity shares listed on any recognized stock exchange)				
Unlisted Private Limited Companies				
Not for profit (Section 8) Companies				
Foreign Companies²				
Partnership Firms/ LLP /HUF / Sole Proprietorship /Association of Individuals (Trust, Society)				

Name: _____

Designation: _____

DIN.: _____

Place: _____

Date: _____

¹In case holds individually or along with relatives or in association with other directors of the Company more than 2% of paid up share capital.

²foreign company : means any company or body corporate incorporated outside India which—
(a) has a place of business in India whether by itself or through an agent, physically or through electronic mode; and
(b) conducts any business activity in India in any other manner.

A. LIST OF MY RELATIVES:

Sr. No.	Relationship	Name	PAN	DIN
1.	Spouse			
2.	Father			
3.	Mother			
4.	Son			
5.	Son's Wife			
6.	Daughter			
7.	Daughter's husband			
8.	Brother			
9.	Sister			
11.	Other members of HUF in which I am member			

B. LIST OF FIRMS/ LIMITED LIABILITY PARTNERSHIPS IN WHICH MY RELATIVES IS A PARTNER:

Sr. No.	Name of the Relative	Names of the Firms/ LLP	Percentage of Partnership	PAN/LLPIN	Date on which interest or concern arose/ Changed

C. LIST OF PRIVATE COMPANIES/ BODY CORPORATE/ ASSOCIATION OF INDIVIDUALS IN WHICH ANY OF MY RELATIVE IS A DIRECTOR/ MEMBER:

Sr. No.	Name of the Relative	Name of the Company/body corporate/ firms/ association of individuals	Nature of interest/ Shareholding	PAN of the Company/body corporate/ firms/ association of individuals / CIN	Date on which interest or concern arose / changed

D. LIST OF PUBLIC COMPANIES IN WHICH ANY OF MY RELATIVE IS A DIRECTOR AND/ OR HOLDS MORE THAN 2% SHAREHOLDING INDIVIDUALLY OR ALONGWITH OTHER RELATIVES

Sr. No.	Name of the Relative	Name of the Company Shareholding	Nature of interest/ Shareholding	PAN of the Company	Date on which interest or concern arose /changed

E. BODY CORPORATES WHOSE BOARD OF DIRECTORS, MANAGING DIRECTOR OR MANAGER IS ACCUSTOMED TO ACT IN ACCORDANCE WITH MY ADVICE, DIRECTIONS OR INSTRUCTIONS:

Sr. No.	Name of the Body Corporate	PAN of the Body Corporate

F. NAME OF THE PERSON ON WHOSE ADVICE, DIRECTIONS OR INSTRUCTIONS I AM ACCUSTOMED TO ACT:

Sr. No.	Name of Person	PAN of the Person

G. LIST OF COMMITTEE OF DIRECTORS (AUDIT AND STAKEHOLDERS RELATIONSHIP COMMITTEE IN PUBLIC COMPANIES) IN WHICH I AM A CHAIRMAN/ MEMBER:

Sr. No.	Name of the Company	Nature of Committee	Member/ Chairman

H. LIST OF OTHER COMMITTEES/ADVISORY BOARD/CONSULTING POSITION WITH/WITH OUT PECUNIARY INTEREST:

Sr. No.	Name of the Company	Nature of Committee	Member/ Chairman

Place:

Name: _____

Designation: _____

Date:

DIN: _____

FORM - DIR '8'
INTIMATION BY DIRECTOR
[PURSUANT TO SECTION 164 (2) AND RULE 14(1) OF COMPANIES
(APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014]

Particulars	Remarks
CIN	U67190MH2006PLC159411
Registration No. of the Company	159411
Nominal Capital	Rs. ...
Paid Up Capital	Rs....
Name of the Company	CREDILA FINANCIAL SERVICES LIMITED
Address of Registered Office	B - 301, Citi Point, Next to Kohinoor Continental,

To
The Board of Directors
CREDILA FINANCIAL SERVICES LIMITED (formerly known as HDFC Credila Financial Services Limited)

I, _____ (DIN: _____), son/daughter/wife of _____, resident of _____, director/ managing director/ manager in the Company hereby give notice that I am/was a director in the following companies during the last three years:-

Sr. No.	Name of the Company	Date of Appointment	Date of Cessation

I further declare that I am not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

I further confirm that neither I nor any of the companies where I am a director has been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India nor does my name appear in the intermediary caution list.

I further confirm that I have not incurred disqualification under section 164(2) of the Companies Act, 2013 in any of the above companies, in the previous financial year, and that I, at present, stand free from any disqualification from being a director.

Name: _____

Dated this _____ day of _____

DECLARATION BY AN INDEPENDENT DIRECTOR

To,
The Board of Directors
CREDILA FINANCIAL SERVICES LIMITED (formerly known as HDFC Credila Financial Services Limited)
B - 301, Citi Point, Next to Kohinoor Continental,
Andheri - Kurla Road, Andheri (East), Mumbai 400 059.

Dear Sir,

Sub: Declaration on meeting the criteria prescribed for independent directors under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I hereby declare that I continue to meet the criteria prescribed for 'independent director' under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are listed below:

1. I am not a nominee director;
2. I have never been a promoter of the Company or its holding, or its subsidiary or associate companies or member of the promoter group of the Company;
3. I have not been related to any promoter or directors of the Company or its holding, subsidiary or associate companies;
4. I do not have nor had any pecuniary relationship, other than remuneration as a director and had no transaction equal to or exceeding 10% of my total income with the Company or its holding, subsidiary or associate companies or their promoters or directors, during the three immediately preceding financial years or during the current financial year;
5. None of my relative—
 - (i) is holding any security of or interest in the Company, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the Company, its holding, subsidiary or associate company, respectively;
 - (ii) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, for an amount of fifty lakh rupees, at any time during the three immediately preceding financial years or during the current financial year;
 - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters or directors, for an amount of fifty lakh rupees, at any time during the three immediately preceding financial years or during the current financial year; or
 - (iv) has any other pecuniary transaction or relationship with the Company, or its holding, subsidiary, or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

(the pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company or their promoters, or directors in relation to points (i) to (iv) above has not exceeded two percent of its gross turnover or total income or fifty lakh rupees, whichever is lower)
6. Neither I nor any of my relatives —
 - (i) hold or has held the position of a key managerial personnel of the Company or its holding, subsidiary or associate companies in any of the three financial years immediately preceding this financial year

- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding this financial year, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate companies; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate companies amounting to ten per cent or more of the gross turnover of such firm;
- (iii) Holds together with my relatives two per cent or more of the total voting power of the Company; or
- (iv) Is the Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate companies or that holds two per cent or more of the total voting power of the Company.
- (v) Is a material supplier, service provider or customer or a lessor or lessee of the Company.

7. I am not / have not been an employee of the Company or its holding, subsidiary or associate companies in any of the three financial years immediately preceding this financial year

8. I am not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.

9. I possess the requisite qualification as prescribed under Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

10. I have complied with the sub-rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

11. I possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business

12. I am not less than 21 years of age.

Signature: _____

Name: _____

Designation: _____

Place: _____

Date: _____

Note: This declaration is effective from _____

FORM OF DEED OF COVENANTS WITH A DIRECTOR

THIS DEED OF COVENANTS is made this _____ day of _____ Two thousand _____ BETWEEN Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited), having its registered office at B 301, Citi Point, Next to Kohinoor Continental, Andheri-Kurla Road, Andheri (East), Mumbai - 400 059 (hereinafter called the 'Company') of the one part and Mr/Ms _____ of _____ (hereinafter called the "Director") of the other part.

WHEREAS

- A. The director has been appointed as a director on the Board of Directors of the Company (hereinafter called "the Board") and is required as a term of his / her appointment to enter into a Deed of Covenants with the Company.
- B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS:

1. The director acknowledges that his / her appointment as director on the Board of the Company is subject to applicable laws and regulations including the Memorandum and Articles of Association of the Company and the provisions of this Deed of Covenants.
2. The director covenants with the Company that:
 - i. The director shall disclose to the Board the nature of his / her interest, direct or indirect, if he / she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the Company and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he / she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.
 - ii. The director shall disclose by general notice to the Board his / her other directorships, his / her memberships of bodies corporate, his / her interest in other entities and his / her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.
 - iii. The director shall provide to the Company a list of his / her relatives as defined in the Companies Act, 1956 or the Companies Act, 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies' corporate, firms and other entities.
 - iv. The director shall in carrying on his / her duties as director of the Company:
 - a. use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience;
 - b. in the performance of his / her duties take such care as he / she might be reasonably expected to take on his / her own behalf and exercise any power vested in him / her in good faith and in the interests of the Company;
 - c. shall keep himself / herself informed about the business, activities and financial status of the Company to the extent disclosed to him / her;
 - d. attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his / her obligations as director of the Company;
 - e. shall not seek to influence any decision of the Board for any consideration other than in the interests of the Company;
 - f. shall bring independent judgment to bear on all matters affecting the Company brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;
 - g. shall in exercise of his / her judgement in matters brought before the Board or entrusted to him / her by the Board be free from any business or other relationship which could materially interfere with the exercise of his / her independent judgement; and

- h. shall express his / her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his / her independent judgement;
 - v. The director shall have:
 - a. fiduciary duty to act in good faith and in the interests of the Company and not for any collateral purpose;
 - b. duty to act only within the powers as laid down by the Company's Memorandum and Articles of Association and by applicable laws and regulations; and
 - c. duty to acquire proper understanding of the business of the Company.
 - vi. The director shall:
 - a. not evade responsibility in regard to matters entrusted to him / her by the Board;
 - b. not interfere in the performance of their duties by the whole-time directors and other officers of the Company and wherever the director has reasons to believe otherwise, he / she shall forthwith disclose his / her concerns to the Board; and
 - c. not make improper use of information disclosed to him / her as a member of the Board for his / her or someone else's advantage or benefit and shall use the information disclosed to him / her by the Company in his / her capacity as director of the Company only for the purposes of performance of his / her duties as a director and not for any other purpose.
3. The Company covenants with the director that:
- i. the Company shall apprise the director about:
 - a. Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
 - b. control systems and procedures;
 - c. voting rights at Board meetings including matters in which Director should not participate because of his / her interest, direct or indirect therein;
 - d. qualification requirements and provide copies of Memorandum and Articles of Association;
 - e. corporate policies and procedures;
 - f. insider dealing restrictions;
 - g. constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
 - h. appointments of Senior Executives and their authority;
 - i. remuneration policy;
 - j. deliberations of committees of the Board, and
 - k. communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the Company, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.
 - ii. the Company shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the Company and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;
 - iii. the disclosures to be made by the Company to the directors shall include but not be limited to the following:
 - a. all relevant information for taking informed decisions in respect of matters brought before the Board
 - b. Company's strategic and business plans and forecasts;
 - c. organisational structure of the Company and delegation of authority;
 - d. corporate and management controls and systems including procedures;
 - e. economic features and marketing environment;
 - f. information and updates as appropriate on Company's products;
 - g. information and updates on major expenditure;
 - h. periodic reviews of performance of the Company; and
 - i. report periodically about implementation of strategic initiatives and plans;
 - iv. the Company shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and
 - v. advise the director about the levels of authority delegated in matters placed before the Board.

4. The Company shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.
5. The Company shall appoint a compliance officer who shall be a senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities.
6. The director shall not assign, transfer, sublet or encumber his / her office and his / her rights and obligations as director of the Company to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the Company.
7. The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.
8. Any and all amendments and / or supplements and / or alterations to this Deed of Covenants shall be valid and effectual only if in writing and signed by the director and the duly authorised representative of the Company.
9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

FOR Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited)	Director
Name	
Title	Name

In the presence of:

1.

2.

DECLARATION AND UNDERTAKING UNDER FIT & PROPER CRITERIA

Name of NBFC: Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Limited)

Declaration and Undertaking by Director (with enclosures as appropriate as on date)

I PERSONAL DETAILS OF DIRECTOR	
<ul style="list-style-type: none">a. Full nameb. Date of Birthc. Educational Qualificationsd. Relevant Background and Experiencee. Permanent Addressf. Present Addressg. E-mail Address / Telephone Numberh. Permanent Account Number under the Income Tax Act and name and address of Income Tax Circlei. Relevant knowledge and experiencej. Any other information relevant to Directorship of the NBFC	
II RELEVANT RELATIONSHIPS OF DIRECTOR	
<ul style="list-style-type: none">1. List of Relatives if any who are connected with the NBFC (Refer Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies of Specification of definitions Details Rules, 2014)2. List of entities if any in which he/she is considered as being interested (Refer Section 184 of the Companies Act, 2013)	

<p>3. List of entities in which he/she is considered as holding substantial interest within the meaning of NBFC Prudential Norms Directions,2007</p> <p>4. Name of NBFC in which he/she is or has been a member of the Board (giving details of period during which such office was held)</p> <p>5. Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c) above from the NBFC</p> <p>6. Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC / bank</p>	
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III RECORDS OF PROFESSIONAL ACHIEVEMENTS

a. Relevant professional achievements

IV PROCEEDINGS, IF ANY, AGAINST THE DIRECTOR

<p>a. If the director is a member of professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.</p> <p>b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic Laws and regulations</p> <p>c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director</p> <p>d. Whether the director attracts any of the disqualifications envisaged under</p>	
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<p>Section 164 of the Companies Act, 2013?</p> <p>e. Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?</p> <p>f. Has the director at any time been found guilty of violation of rules/regulations/legislative requirements by custom/exercise/income tax/foreign exchange/ other revenue authorities if so give particulars</p> <p>g. Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA.</p> <p>h. Whether the Director is a Director of any Life Insurance Company</p>	
<p>V. ANY OTHER EXPLANATION / INFORMATION IN REGARD TO ITEMS I TO III AND OTHER INFORMATION CONSIDERED RELEVANT FOR JUDGING FIT AND PROPER</p>	

Undertaking

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the NBFC fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all directors of the NBFC.

Place:

Signature

Date:

VI. Remarks of Chairman of Nomination Committee/Board of Directors of Credila Financial Services Limited(formerly known as HDFC Credila Financial Services Limited)

Place:

Signature

Date:

Annexure from Credila's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

**REGISTER OF DESIGNATED PERSONS (DP)
[To be maintained by the Compliance Officer]**

Sr. No.	Emp No	Name of Designated Person with name of the Company in case of Group Designated Person	Dept	Div. & Location	PAN and contact number	Name of educational institutions from which the DP graduated	Details of past employers	Name of the immediate relatives as disclosed by DP along with PAN and contact numbers	Name of persons with whom DP shares material financial relation- ship	DEMAT ID or FOLIO NO.	Date of joining	Date of ceasing

FORM B

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7(1)(b) read with Regulation 6(2) Disclosure on becoming a Key Managerial Personnel/Director/Promoter/Member of the promoter group]

Name of the Company:

ISIN of the Company:

Details of Securities held on appointment of Key Managerial Personnel (KMP) or Director or upon becoming a Promoter or member of the promoter group of a listed company and immediate relatives of such persons and by other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & Address with contact nos.	Category of Person (KMP / Director or Promoter or member of the promoter group/ Immediate relative to/others, etc.)	Date of appointment of KMP/Director / OR Date of becoming Promoter/ member of the promoter group	Securities held at the time of appointment of KMP/Director or upon becoming Promoter or member of the promoter group		% of Shareholding
			Type of securities (For e.g. – Shares, Warrants, Convertible Debentures, Rights entitlements, etc.)	No.	
1	2	3	4	5	6

Note: "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Open Interest of the Future contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group			Open Interest of the Option Contracts held at the time of appointment of Director/KMP or upon becoming Promoter/member of the promoter group		
Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms	Contract specifications	Number of units (contracts * lot size)	Notional value in Rupee terms
7	8	9	10	11	12

Note: In case of Options, notional value shall be calculated based on premium plus strike price of options

Name & Signature:

Designation:

Date:

Place:

FORM C

Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [Regulation 7(2) read with Regulation 6 (2) – Continual Disclosure]

Name of the Company:
ISIN of the Company:

Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/ DIN & Address of with contact nos.	Category of Person (Promoter /member of the promoter group/designated person/ Director s/immediate relative to/others etc.)	Securities held prior to acquisition/ Disposal		Securities acquired /Disposed				Securities held post acquisition/ Disposal		Date of allotment advice/ acquisition of shares/sale of shares specify		Date of intimation to company	Mode of acquisition /disposal (on market/ public/ rights/ preferential offer/ off market/ Inter-se transfer, ESOPs, etc.)	Exchange on which the trade was executed
		Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlements etc.)	No. and % of share-holding	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No.	Value (In `)	Transaction Type (Purchase/sale Pledge / Revocation / Invocation/ Others-please specify)	Type of securities (For eg. – Shares, Warrants, Convertible Debentures, Rights entitlement, etc.)	No. and % of share-holding	From	To			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
(ii) Value of transaction excludes taxes/brokerage/any other charges

Trading in derivatives (Specify type of contract, Futures or Options etc.)						Exchange on which the trade was executed
Type of contract	Contract specifications	Buy		Sell		
		Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
16	17	18	19	20	21	22

Note: In case of Options, notional value shall be calculated based on Premium plus strike price of options.

Name & Signature:
Designation:

Date :
Place :

DECLARATION CONFIRMING COMPLIANCE WITH THE CODE OF CONDUCT

To,
The Chairman
The Board of Directors
Credila Financial Services Limited
(formerly known as HDFC Credila
Financial Services Limited)
B-301, Citi Point, Andheri-Kurla Road,
Andheri (East), Mumbai - 400 059

Dear Sir/Madam,

Sub: Declaration confirming compliance with the Code of Conduct

I, Mr./Mrs./Ms. _____, (designation) do and hereby acknowledge and confirm that during the financial year, to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Non-Executive Directors of the Company or any policies or legal/ regulatory requirement of the Company, directly or indirectly applicable to my job or responsibility.

Signature:

Name:

Designation:

Place:

Date: