

CODE OF CONDUCT

FOR

BOARD OF DIRECTORS

KEY MANAGERIAL PERSONNEL

BOARD COMMITTEES &

SENIOR MANAGEMENT

PERSONNEL

OF

TIRUPATI FINCORP LIMITED

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1. PREAMBLE TO THE CODE OF CONDUCT

This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by Tirupati Fincorp Limited (hereinafter referred to as "the Company") in compliance with the provisions of Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and deal with ethical issues and to provide mechanisms to report unethical conduct of Employees, Board of Directors and Senior Management Personnel and to develop a culture of honesty and accountability.

It was originally framed in the year 30/10/1990 and subsequently revised by Board of directors in their meeting held on 27th September 2014 and this code shall come into force with effect from 27th September, 2014. The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein.

1. DEFINITIONS & INTERPRETATION

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

“Board Members” shall mean the Directors on the Board of Directors of the Company.

“Key Managerial Personnel” shall mean the Members who are in the employment of the Company as per Section 203 of the Companies Act, 2013. (Managing Director, Company Secretary and Chief Financial Officer)

“Part time Directors” shall mean the Board Members who are not in whole time employment of the Company.

“Relative” shall mean ‘relative’ as defined in Clause 77 of Section 2 and read with Rule 4 of Chapter I Companies (Specification of Definitions Details) Rules, 2014 of the Companies Act, 2013.

“Senior Management Personnel” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise of all members of management one level below the executive directors, including viz. Company Secretary, Manager, CEO, CFO, all Functional Heads, and all other executives having similar or equivalent rank in the Company

“The Company” shall mean Tirupati Fincorp Limited.

2. APPLICABILITY

The Code applies to the following personnel:

Board Members (whether Whole Time Directors or Part Time Directors including Independent and Nominee Directors), Key Managerial Personnel, Senior Management Personnel of the Company.

3. CODE OF CONDUCT

The Board Members, Key Managerial Personnel and Senior Management Personnel shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The Board Members, Key Managerial Personnel and the Senior Management Personnel of the Company:

1. Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
2. Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
3. Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which, in his opinion, is likely to arise.
4. Shall not utilize bribery or corruption in conducting the Company's business. No Director or employee will offer or provide either directly or indirectly any undue pecuniary or other advantages for the purpose of obtaining, retaining, directing or securing any improper business advantage.
5. Shall not indulge themselves in Insider Trading and shall comply with the Insider Trading Code and Insider Trading Regulations as laid down by SEBI and the Company.
6. Shall ensure that they shall protect the Company's assets and properties including physical assets, information and intellectual rights and not use the same for their personal gain.
7. Shall not seek or accept any compensation (in any form), directly or indirectly, for services performed for the Company from any source other than the Company.
8. Shall not, without the prior approval of the Board, Key Managerial Personnel or Senior Management, as the case may be, accepts employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company.
9. Shall not receive any gift, payments or favor in whatsoever form from Company's business associates, which can be perceived as being given to gain favor or dealing with the Company and shall ensure that the Company's interests are never compromised.
10. Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage. No Board Members, Key Managerial Personnel and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized. However, that Board Members and Senior Management Personnel shall be free to disclose such information as is part of the public domain at the time of disclosure/ authorized or required to be disclosed pursuant to a decision of the Board/ required to be disclosed in accordance with applicable laws, rules, regulations or guidelines or to any authority.

11. Shall avoid conducting business with (a) a relative (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board, and shall make proper disclosure of related party transactions to the Board of Directors, the Chairman and Managing Director or the Competent Authority under the provisions of Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
12. Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy resulting in a conviction.

4. DISCLOSURE OF INFORMATION:-

Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

5. COMMUNICATION OF VIOLATIONS:-

Directors shall communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Senior Management should communicate any suspected violation of this code to the Managing Director who in turn shall communicate it to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

6. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE:-

In case of breach of this Code, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary. Any waiver of this Code may be made only by the Board of Directors and must be promptly disclosed to the Company's shareholders.

7. PLACEMENT OF THE CODE ON WEBSITE:-

Pursuant to Clause 49 of the Listing Agreement, this Code and any amendments thereto shall be posted on the website of the Company (www.tirupatifincorp.com).

8. ANNUAL COMPLIANCE REPORTING:-

In terms of Clause 49 of the Listing Agreement, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 30 days of close of every financial year. Compliance Report shall be forwarded to the Company Secretary, in such form and manner as may be prescribed from time to time.

9. ACKNOWLEDGEMENT OF RECEIPT OF THIS CODE:-

All Board Members and Senior Management Personnel shall acknowledge the receipt of this Code or any modification(s) thereto, in the acknowledgement form and forward the same to the Company Secretary.

2. BOARD FUNCTION AND ROLE OF BOARD OF DIRECTORS

a. Duties and Responsibilities of the Directors

The functions of the Company are managed under the direction of the Board within the framework set by the Companies Act, 2013, the Listing Agreement with Stock Exchanges and the Articles of Association of the Company. The Board is also governed by Internal codes / procedures prescribed within the Company from time to time.

The Board represents and is accountable to the shareholders of the Company and also SEBI, Companies Act, and other Statutory Act. The Board is primarily responsible to provide and evaluate the strategic direction of the Company, management policies and their effectiveness. The Board's responsibilities further include overseeing the functioning of the Company's top management and monitoring legal compliance and the management of risks related to the Company's operations.

Board members are expected to act in good faith and with due care so as to exercise their judgment on an informed basis in what they reasonably and honestly believe to be in the best interests of the Company and its stakeholders.

i. Statutory Obligations

The Directors are responsible for ensuring compliance with all applicable statutory requirements by the Company. For this the Board will require the management to place before itself all the relevant reports, certificates, with supporting documents as applicable to facilitate the Board or its sub-committee to achieve this objective.

In case any violation or default by the management is observed, the Board may provide necessary direction to the management for taking corrective action and effective compliance. Please refer ***Annexure – 1*** attached herewith.

ii. Fiduciary Duties and Responsibilities

Directorships are considered '**positions of trust**' not strictly defined by any statutory law. The Board as a whole and the Directors as individuals owe certain fiduciary responsibilities to the Company as an entity and to its stakeholders. **Directors are required to act in the best interests of all shareholders / stakeholders of the Company in accordance with the Memorandum and Articles of Association of the Company and also SEBI, Companies Act, etc.,** The fiduciary duties of Directors within the framework of law are as under: Duty of Loyalty to act without conflict and always put the interests of the Company before those of the individual Director.

Directors should not be influenced by any financial or personal interest in the course of their dealings on behalf of or with the Company. If avoidance is impractical in a given situation then such transactions should be approved by non-interested Directors in a manner that ensures arms length transactions including the right of the non-interested Directors to reject the transaction altogether. Independent Directors must critically review conflict-of-interest transactions.

Duty of Care carries personal responsibility and is owed to the Company. Duty of Care demands that Directors must exercise due care and diligence in overseeing the management of the business of the Company. Directors shall collectively and individually, act prudently in discharging their duties.

Directors are expected to attend all Board and Committee meetings. The duty of care requires that a Director informs himself of all material information reasonably available before

making a business decision. This duty also requires Directors to inform themselves of alternatives to a proposed business decision. The Directors may request for any information they deem necessary before taking any decisions.

Duty to act in good faith in accordance with the Company's codes and policies and the best governance practices. The duty of good faith requires that the Directors ensure that all the necessary processes are followed to arrive at decisions which are in the best interests of the Company.

iii. Application of Principals, Fiduciary Duty and Responsibilities

The Directors must follow the following principles in fulfilling their fiduciary duties and responsibilities:

- Directors should keep themselves informed of all matters related to the Company and its business affairs;
- Directors should always act collectively as a Board, or as they are specifically authorized by the Board and its Committees;
- Directors should attend and participate in meetings as far as possible;
- Directors should ask questions or voice their concerns, if any;
- Directors are responsible for their decisions on any given matter;
- Directors should not disclose confidential information unless expressly authorized to do so by the Board or its Committees or as may be required in the course of dealings on behalf of the Company;
- Directors should disclose their personal and business interest on any matter placed before the Board and abstain from voting on such matters;
- Board's decision should be reflected through its minutes and the Directors should assure that.

b. Role and Responsibilities of the Board and Management

The Board of Directors are the primary body constituted by the shareholders for overseeing the overall functioning of the operations and functioning of the Company. The Board functions under the overall direction of the Managing Director (MD) to assure that the long-term interests of the shareholders are being served. The MD is assisted by the Executive Directors, Key Managerial Personnel and senior managerial personnel in overseeing the functional matters of the Company.

Functions of the Board

The Board of Directors shall meet periodically to consider matters as required under law and to consider, review and discuss reports by management on the performance of the Company, its plans and prospects as well as immediate issues facing the company. In addition to its general oversight of management, the Board, through itself or through its Committees shall perform a number of specific functions, including:

- Selecting, advising, evaluating and compensating the MD and overseeing top management succession planning;
- Providing counsel and oversight on the selection, evaluation, development and compensation of senior management;
- Reviewing, monitoring and where appropriate, approving financial and business strategies and major corporate actions;
- Monitoring corporate performance against strategic business plans, including overseeing operating results on a regular basis to evaluate whether the business is being properly managed;
- Assessing major risks facing the Company and reviewing options for their mitigation / avoidance;

- Reviewing and approving material transactions not in the ordinary course of business;
- Ensuring processes are in place for maintaining the integrity of the Company by way of integrity of the financial statements, compliance with law and ethics, and integrity of relationships with customers, suppliers and other stakeholders;
- Ensuring that the Company is in compliance with all applicable statutory and legal requirements;
- Protection and enhancement of Shareholders' value.

c. Role and Responsibilities of the Independent Directors

Principles of corporate governance require Independent Directors to review the overall strategy, oversee the performance of management and participate and arrive at an independent judgment. Their key role is to provide an unbiased, independent, varied and experienced perspective to the Board.

The duties and responsibilities of Independent Directors collectively or through their Committees include the following:

a. Audit Committee
b. Shareholders' and Investors' Grievance Committee
c. Nomination and Remuneration Committee
d. Industrial Relation and Employee Grievance Committee
e. Risk Management Committee
f. Corporate Governance and Stakeholders' Interface Committee
g. Finance Committee
h. Health, Safety and Environment Committee

i. The Independent Directors are expected to be well informed about the Company and have an adequate understanding of the business environment in which the Company operates.

ii. The Independent Directors are required to contribute to Board matters in a varied and informed manner and to act as a constructive critic in looking at the objectives and plans of the executive management.

iii. The Independent Directors are responsible for monitoring the performance of senior management with regard to ensuring that the determined strategies and objectives of the Company are achieved.

iv. It is the responsibility of the Independent Directors to ensure that the Company's accounts present a true and fair picture of its business and financial performance. This includes selection of the statutory and internal auditors, review of the annual audit plan, audit reports, the accuracy of internal controls and compliance with applicable legal requirements and other codes adopted by the Company. This role is performed through the Audit Committee comprising a team of Independent Directors.

Review the remuneration package for the Executive and Non-Executive Directors:

- i. Remuneration Committee reviews the remuneration for the Executive Directors on a periodic basis. The Board has entrusted the Corporate Governance & Stakeholders' Interface Committee with review of the compensation of Non-Executive Directors.
- ii. Recommend the appointment of new members on the Board and on the Company's senior positions:
- iii. This role is entrusted to the Corporate Governance & Stakeholders' Interface Committee as detailed later in this Manual.
- iv. Independent Directors should ensure that decisions are taken in the best interests of the Company and all its stakeholders.
- v. To uphold the highest standards of integrity and probity in the interests of the Company.

Appointment of Lead Independent Director

The Independent Directors of the Company is more than one. Hence, there will be a leading Independent Director as designated one among them. The executive directors will not participate in the selection of Lead Independent Director.

The Lead Independent Director has the responsibility:

- To preside over all meetings of Independent Directors;
- To ensure that there is adequate and timely flow of information to Independent Directors;
 - To liaise between the MD, the management and the Independent Directors;
 - To advise on the necessity of retention or otherwise of consultants who report directly to the Board or the Independent Directors;
 - To preside in meetings of the Board and shareholders when MD is not present or where MD is the interested party;
 - To perform such other duties as may be delegated to the Lead Independent Director by the Board / Independent Directors.

3. PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

a. Membership Criteria for Board

The Corporate Governance and Stakeholders' Interface Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the Corporate Governance & Stakeholders' Interface Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing a global conglomerate.

Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interests and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Corporate Governance & Stakeholders' Interface Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

b. Selection of the Board Members

One of the role of the Corporate Governance & Stakeholders' Interface Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Corporate Governance & Stakeholders' Interface Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Corporate Governance & Stakeholders' Interface Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board, through the MD, Corporate Governance & Stakeholders' Interface Committee then makes an invitation therein (verbal or written communication) to the new member to join the Board of the Company ie. TIRUPATI FINCORP LIMITED as a Director.

On acceptance of the same, the new Director is appointed by the Board.

The Corporate Governance & Stakeholders' Interface Committee also considers candidates recommended by shareholders, if any. Shareholders desiring to suggest candidates for appointment as Directors should submit their suggestions in writing to the attention of the Company Secretary. This request should include the candidate's name and qualifications for service as a Board member, along with a document signed by the candidate indicating his willingness to serve, if elected. The Corporate Governance & Stakeholders' Interface Committee may seek further information or supporting documents for consideration of the candidate.

Any such appointment of Directors by the Board is recommended to the shareholders for their approval.

c. Board Induction and Orientation including Procedure

New directors appointed by the Board shall be given formal induction and orientation with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters, and business operations. The management shall facilitate the new appointee to visit the Company's key manufacturing facilities to get familiar with the Company's operations.

The management will also provide all the necessary documents / brochures, reports and internal policies including this Corporate Governance Manual to the new members so that they get acquainted with various procedures and practices in the Company.

The Board also recognizes the importance of continuous education to its Directors. The Board is committed to provide training avenues to its members on matters, which are current and relevant for the Board's effective performance. These include training on technical aspects like industry developments, new accounting standards, financial policies, corporate governance developments and compliance thereof, business-specific opportunities, associated risks and mitigation strategies. These training programs may be conducted in-house by the Company's internal experts in the relevant field or by external agencies.

Apart from the above, TIRUPATI FINCORP LIMITED's management team makes periodic presentations on business and performance updates of the Company at Board and Committee meetings.

The Board lays particular emphasis on improving its governance standards on an ongoing basis keeping in mind the new regulations introduced by relevant authorities from time to time and global best governance practices.

In furtherance of this goal, Board members will be encouraged to periodically attend training programs / seminars / discussion forums to understand leading-edge corporate governance issues and make suggestions for improving the prevalent governance practices.

4. BOARD STRUCTURE AND PERFORMANCE

a. Size of the Board

The Corporate Governance & Stakeholders' Interface Committee assists the Board in determining the optimum Board size at any point of time within the legal framework. The Board believes that its present size is adequate, given the Company's current scale of operations and desired competencies of the Board members. The present size of the Board consists of 4 members.

Current Requirements of the Board

- Section 149 (a) of the Companies Act, 2013 prescribes that every public limited company shall have at least 3 Directors
- Section 149 (b) of the Companies Act, 2013 provides for appointment of up to 15 Directors without passing Special Resolution.
- Section 203 of the Companies Act, 2013 provides for appointment of Key Managerial Persons.
 - The Listing Agreement does not specify any minimum or maximum size of the Board.
 - The Articles of Association (Article No.84) of the Company prescribes that the Company can appoint up to 12 Directors.

As per the above prescribed requirements, the Board perfectly satisfies all the above.

b. Board Composition

The composition of the Board shall include such minimum number of Independent Directors as mandated in law.

Current Requirements of Independent Directors

Section 149 of the Companies Act, 2013 prescribes that every listed public company shall have at least one-third of the total number of directors as independent directors.

Clause 49.I (A) of the Listing Agreement provides that the number of Independent Directors would depend on whether the Chairman is Executive or Non-Executive. In case of a Non-Executive Chairman, at least one-third of the Board should comprise of Independent Directors and in case of an Executive Chairman, at least half of the Board should comprise of Independent Directors.

As per the above norms keep in mind the Board consists of required independent Directors.

c. Board definition of what constitutes Independence for Directors

For a Director to be considered Independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines to determine independence, which are in line with the applicable legal requirements as stated below. The Company also obtains an undertaking from every Independent Director confirming that they meet the requirements of an Independent Director as per the Listing Agreement.

Apart from the provisions laid out under the Listing Agreement, the Board also considers all relevant facts and circumstances, not merely from the standpoint of the Director but also from that of persons or organizations with which the Director has an affiliation, in forming an opinion on the independence of the concerned Director(s).

In order to avoid any conflict of interest, the Board discourages any kind of transaction, material or not, with its independent members. In case the Company is required to enter into such a transaction with a Director or any person associated with him, the Board follows a strict procedure as laid down in its policy for “Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management” of the Company to ensure that the transaction is at arms length and in the best interest of the Company.

Current Requirements

Clause 49 I (A) (iii) of the BSE Listing Agreement lays down the following test for ‘independence’ of the Directors

a) Apart from receiving Director’s remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director;

b) Is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;

c) Has not been an executive of the company in the immediately preceding three financial years;

d) Is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the following:

♦ The statutory audit firm or the internal audit firm that is associated with the company, and

♦ The legal firm(s) and consulting firm(s) that have a material association with the company.

e) Is not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect independence of the Director; and

f) Is not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares.

d. Limits on outside Board Memberships

The Board expects its members to have adequate time and resources to contribute to effective Board performance. Accordingly its members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with his role as a director of the Company. The Corporate Governance & Stakeholders' Interface Committee takes into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of individual Directors and making its recommendations to the Board. No Board member should be a member of more than 10 Committees or act as Chairman of more than five Committees across all companies in which he holds directorships.

The Board shall encourage active participation by all its members in meetings. To achieve that objective, a tentative schedule of the Board and Committees' meetings in a particular financial year is planned at the beginning of the year, in consultation with the Board members, to facilitate their availability for the same. In addition to mandatory disclosures all Non-Executive and Independent Directors shall disclose their association with any other company which, in their judgment, may lead to conflict of interest with the Company. All other Directors / Senior Management are required to obtain approval from the Board before accepting any other directorship / assignment in any Company other than Tirupati Fincorp Limited.

Current Requirements

- Section 165 of the Companies Act, 2013 provides for a person to hold directorships in not more than 20 companies.
- In terms of Section 184 of the Companies Act, 2013, Directors are required to furnish annual disclosure of interest they or their relatives hold in other companies and firms.

e. Term Limits

The Board does not believe that it should limit the number of terms for which an individual may serve as a Director. Directors who have served on the Board for an extended period of time may be able to provide valuable insights into the operations and future of the Company based on their experience with and understanding of the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through Independent Directors Specific Resolution the nomination process described earlier in this Manual. At the same time, subject to the Articles of Association of the Company, all Directors other than the MD are Directors retiring by rotation.

Current Requirements

- Section 196 of the Companies Act, 2013 provides for a term of five years at a time for Managing Directors. He may be re-appointed by further periods not exceeding five years on each occasion.
- Sections 152 of the Companies Act, 2013 provide for a method for appointment of Directors who shall be liable to retire by rotation. Section 152 provides that 2/3rd of the Board of Directors is considered to be Directors liable to retire by rotation

[at every annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office as per the Articles of Association of the Company]

f. Retirement Policy

The Board believes in having a healthy mix of age and experience and therefore does not prescribe a minimum or maximum age limit for its Board members apart from what is laid down under the Companies Act, 2013.

However, the Board does induct new members as and when desired, within available limits in line with the dynamic nature of the business. Consequent to Company's adoption of the revised Clause 49 with effect from April 17, 2014, the Independent Directors shall hold office for a period 5 consecutive years and eligible for reappointment of upto another 5 years on passing of special resolution by the Company.

Current Requirements

- The Companies Act, 2013 does not prescribe any age limit for a non-executive Director. An Executive Director cannot be below the age of 21 years and can be of more than 70 years of age by passing Special Resolution.

- The revised Clause 49 recommends Independent Directors shall hold office for a period 5 consecutive years and eligible for reappointment of upto another 5 years on passing of special resolution by the Company

g. Succession planning

A planned programme of recruitment and retirement amongst board members and senior management is of significant importance.

It is an important part of the Board's work to ensure that there is adequate management development and succession planning particularly at the top levels. Succession planning also involves an assessment of the challenges and opportunities facing the company, and an evaluation of the skills and expertise that will be needed in the future.

The nomination committee is to provide support on this. Both executive and non-executive requirements shall be considered. The committee shall satisfy itself that processes and plans are in place for orderly succession for appointments to the board and to senior management to maintain an appropriate balance of skills on the board.

In addition, the annual appraisal assessment process for all the employees including the senior management personnel has succession planning and employee progression as one of the key attributes.

The process is institutionalized in the Company's HR framework and by design, it is the responsibility of the superiors to identify the succession path and suggest the training and development of skill necessary for the Company executives or suggest new recruitment wherever gaps exist.

h. Compensation to Directors

The Board has constituted a 'Nomination and Remuneration Committee' comprising Independent Directors to recommend / review remuneration of Managing Directors and Whole time Directors based on their performance and defined assessment criteria. The Executive Directors of the Company are remunerated by way of salary, perquisites, commission, contribution to Company's Provident Fund, Superannuation or Annuity Fund, to the extent not taxable and Gratuity and encashment of leave at the end of tenure, as per the rules of the Company and to the extent not taxable.

The Non-Executive Directors are entitled to sitting fees at the rate of Rs 250/- for attending each Board or Committee meeting as per Article 88 of the Articles of Association of the Company. The Non-Executive Directors are also entitled to a commission up to a certain percentage of net profits in such proportion as may be decided by the Board, as approved by the shareholders. Members may also be paid / reimbursed such sums either as fixed allowance and/or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board / Committee meetings. The Corporate Governance & Stakeholders' Interface Committee is entrusted with the role of reviewing the compensation of Non-Executive Directors.

The Company has not granted stock options to its Directors. Changes in Board compensation, if any, arise out of the recommendation of the Remuneration Committee with necessary approvals by the Board and shareholders.

Current Requirements

- As per the notified rules of Section 197 of the Companies Act, 2013 a Company may pay sitting fee to a director for attending meetings of the board or committees thereof. Such sum as may be decided by the board of directors thereof which shall not exceed Rs. 1 lakh per meeting of the board or committee thereof. For Independent directors and women directors, the sitting fee shall not be less than the sitting fee payable to other directors.

- Section 197 of the Companies Act, 2013 set out the limits of overall maximum managerial remuneration.

- Section 197 of the Companies Act, 2013 sets out the limits of remuneration to be paid to the Executive and Non-Executive Directors of the Company.

i. Loans to Directors and Executive Officers

The Company shall not make any personal loans or extend any credit to Directors or executive officers except as laid out in the Company's employment rules for executive officers.

Current Requirements

- Section 185 of the Companies Act, 2013 prescribes restrictions on loans as well as guarantees and securities to be given to Directors and their relatives and associates.

j. Disclosure of shareholding by Directors

The Company periodically receives disclosures from its Directors on the details of shares / debentures of the Company / its subsidiaries / its holding Company / its fellow subsidiary Company(ies), held / acquired / sold, by them or by any other person on their behalf. The position of Directors' holdings as at the end of a financial year is incorporated in the Annual Report.

Current Requirements

- The Directors of the Company are required to give disclosures in terms of the Companies Act, 2013 and the Company's Code of Conduct for Prohibition of Insider Trading.

- Section 184 of the Companies Act, 2013 requires Directors to disclose the details of shares / debentures of the Company / its subsidiary / its holding Company / its fellow subsidiary Company(ies), held / acquired / sold, by himself or by any other person on his behalf.

k. Meetings of Independent Directors

The Independent Directors of the Company shall meet from time to time as they may deem appropriate. These meetings will be conducted without the presence of Executive Directors or management personnel. These meetings would be conducted in an informal, flexible manner to enable the Independent Directors to discuss various matters pertaining to the affairs of the Company and put forth their views to the Lead Independent Director, if appointed.

The Lead Independent Director, if appointed shall take appropriate steps to present such views before the MD or the Board. These meetings could be held prior to or after Board meetings. The Independent Directors are free to call for such meetings at any point of time, as desired, in the absence of the Lead Independent Director.

These discussions may include such other topics as the Independent Directors deem fit. The proceedings of such meetings may not form part of Company records.

The Board believes that these meetings are critical to ensure highest degree of involvement and contribution from Independent Directors in the decision making process of the Company.

1. Access to outside Advisors / Auditors

The Board and its Committees have the right to appoint any external agency, advisors / experts to assist in the decision making process. The Board can appoint such persons / agencies based on its own experience or as per the recommendations of the senior management. These advisors directly report to the Board and present their findings / suggestions directly, as per their terms of reference given by the Board. In case the Board so desires it can delegate the power of appointing an external agency or deciding its terms of reference to the senior management. The fees and expenses of any such advisors will be borne by the Company.

The objective of the above is to provide Board members with requisite information to assist in their decision making process. The objective is also to provide the Board members with an opinion, independent from the management, on the alternative decision points available to the Board and the pros and cons of the same.

Current Requirements

- Clause 49 II C (3) of the Listing Agreement empowers the Audit Committee to seek outside legal or other professional advice to aid effective discharge of its duties.

m. Ethics and Conflicts of Interest

The Board has formed the “Code of Business Conduct and Ethics for Directors and Senior Management” of the Company and “Code of Conduct for Prohibition of Insider Trading”. The Company has also separately adopted the Code of Ethics to effectively aid the employees of the Company to perform their duties.

All the Directors, officers and employees are required to adhere to the Code of Conduct as approved by the Company. No Non-Executive Director will provide any personal services to the Company for any compensation, other than in connection with serving as Director, without prior approval of the Board. If an actual or potential conflict of interest arises for a Director, the Director shall promptly inform the MD and the Lead Independent Director or Independent

Directors as the case may be and the Corporate Governance & Stakeholders' Interface Committee shall Endeavour to resolve the same. Directors shall not participate in any discussion or decision affecting their personal, business or professional interests.

Current Requirements

• Clause 49 I (D) of the Listing Agreement provides that every Company shall have a Code of Conduct for Directors and Senior Management, the code shall interalia encompass the ethics and fair dealing policies of the Company and all Board members and senior management personnel are required to annually confirm compliance with the Code. A declaration to this effect shall be made by the CEO in the Annual Report of the Company.

n. Board's interaction with Institutional Investors, Press, Customers, etc.

All communications to the media, investors or any public interaction in any form shall be as authorized by the Board, the MD or the Corporate Governance & Stakeholders' Interface Committee.

All written communications to the media shall be as per the Company's policies and through the prescribed channels. Only such persons as authorized from time to time shall be entitled to interact on behalf of the Company with these agencies. Information on the Company disseminated in any other manner shall be considered as a breach of the Company's code of conduct and appropriate action shall be taken to avoid recurrence.

If comments from the Board are required, none of the Directors or employees shall voluntarily respond unless previously authorized. Any third party desiring to communicate with the Lead Independent Director or with the Independent Directors as a group, may send a letter addressed to the Company Secretary.

There is no specific policy issued by the Central Government or SEBI in this regard, however, the Company's Code of Business Conduct and Ethics for Directors, Key Managerial Personnel and Senior Management of the Company provides the following:

- i. All statements made to the media on behalf of the Company should be true and fair.
- ii. Only persons duly authorized by management are allowed to interact with media on specified subjects.
- iii. Disclosure of any information other than statutory disclosures or those specifically authorized by the Management is prohibited.
- iv. Disclosure of information on proceedings of Board meetings / Committee meetings / internal meetings, and disclosure of forward-looking statements is prohibited.
- v. Directors / Senior Management shall not disclose non public information selectively to a particular group as it may lead to unfair advantage / discrimination.

For any outside publication of documents which relate specifically to the Company's business, policies and processes, Directors / Senior Management should take the approval of the Management prior to its release.

5. BOARD LEADERSHIP

a. Selection of Chairman and Managing Director or Chief Executive Officer

The Board is free to decide who will be the Chairman in the best interests of the Company.

Presently, Mr.T.D. Senthil Kumar, is the Managing Director of the Company. He has been appointed with the approval of the Shareholders for a period of One Year.

Current Requirements

Clause 112 of the Articles of Association of the Company provides the Chairman of the Board of Directors shall be the Chairman of the meetings of Directors provided that if the Chairman of the Board is not present within five minutes after the appointed time for holding the same, the Directors present shall choose any one of their member to be Chairman of such meeting.

As per Clause 125 of the Articles of Association of the Company, the Board may from time to time appoint one or more Directors to be Managing Director or Managing Directors of the Company and may time to time remove or dismiss him or them from office and appoint another or others in his place or their places.

b. Selection of Lead Independent Director

The Independent Directors of the Company shall freely appointment one Lead Independent Director among themselves, according to the financial expertise and on such criteria as may be decided by the meeting of the Independent Directors.

6. BOARD INTERACTION WITH SENIOR MANAGEMENT

In addition to the Executive Directors, senior management of the Company, like, the heads of finance, accounts, different businesses, members of the audit cell, and such other persons may be invited to attend Board meetings in which matters related to their function is to be discussed. This enables the Board members to have complete information and seek clarifications to any queries that they may have. The business heads may be requested to make presentations to the Board on key developments in their specific areas and project-based information. Independent Director may also request for other executives to be called upon to provide necessary clarifications if required.

Directors are also entitled to call upon any executive to have a one to one discussion on any matter. Directors may request the Company Secretary to arrange for such meeting or directly approach the concerned executive.

In the event of non-availability of an executive, the presence of whom is considered essential by the Board members for decision-making, the Board may defer the decision, till such availability unless they are provided with the necessary information otherwise.

Current Requirements

- Clause 49 II (A) (v) provides that the Audit Committee may invite such executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee.

7. MEETING PROCEDURES

a. Board Meetings

i) Pre-scheduled Board meetings

The Board meets at least 4 times every year based upon a schedule established at the last meeting of the previous year. At the Board meeting held in the month of March every year, the Board approves key issues of strategy, risk and business plan for the next year. The Board also approves the schedule of meetings for the next financial year and major items to be discussed at such meetings.

ii) Urgent Board meetings

Apart from the pre-scheduled Board Meetings, the Company may for the purpose of urgent matters, convene additional Board Meetings at any time during the year. However, such meetings shall be convened only upon justification of the urgency of the subject matter and with the prior approval of the MD and in consultation with other Directors.

b. Selection of Agenda Items for Board Meetings

The Agenda for the Board meeting is decided keeping in mind that the meetings focus primary on the matters requiring legal / statutory compliance, policy decisions and on items that are truly the Board's responsibility. The following procedure is followed for the selection and finalization of Agenda for Board meetings:

Reminder by Secretarial Division:

The Secretarial Division sends an advance intimation / reminder of the meeting (at least 20 days in advance) to all the other divisions requesting for submission of items to be considered in the next Board meeting.

Submission of Details by respective divisions:

The respective divisions send the details, in writing, with respect to the items required to be placed at the next Board meeting along with supporting documents to facilitate meaningful discussion and deliberations at the Board meetings. These details are received at least 15 days before the Board meeting. The following minimum details are required to be furnished:

- Brief introduction on the proposal to be placed before the Board;
- Need and justification of the proposal;
- Relevant legal and statutory provisions applicable to the matter;
- Advantages / implications of the proposal;
- Proposed execution timings;
- Cost –benefit analysis;
- Need for frequent / supplemental/ interim approval / sanctions, if any, and whether a Committee needs to be constituted;
- Delegation of authority, if any, proposed and the particulars of the executives in whose favour authorization is sought.

Matters received after the designated date, may be, at the discretion of the senior management deferred to the next Board meeting. Even if there is no proposal to be placed before the Board, a written confirmation to that effect is sent to the Secretarial division by the respective Division heads.

Preparation of draft Agenda:

Based on the proposals received from the various departments, the Secretarial division prepares the draft Agenda (5 days before the meeting), which includes the following:

- Draft notice and Agenda of the Meeting;
- Draft notes on Agenda;
- Supporting documents to the Agenda;
- Draft resolutions to be passed by the Board for each item of the Agenda;
- Draft intimation to the outside agencies (eg: stock exchanges).

Clearance of Agenda by the MD or Chairman:

After preparation of the draft Agenda, the Company Secretary, shall at least 4 days before the Board meeting, discuss with the MD or Chairman, the specific Agenda items for the meeting. The MD or Chairman has the overall authority to approve the Agenda for the meeting. The MD or Chairman shall determine the nature and the format in which information shall be provided regularly to the Directors before each scheduled Board meeting. Directors are encouraged to make suggestions for Agenda items, or additional pre-meeting materials.

c. Board Materials distributed in advance

Post internal clearance, the Notice and Agenda papers are circulated to the Directors, at least 7 days in advance. All material information will be incorporated in the Agenda to facilitate meaningful discussion at the meeting. Where details with respect to an item on the Agenda cannot be sent in advance due to confidentiality reasons, the same shall be placed on the table at the Board meeting with the prior approval of the MD or Chairman. Reference to tabling of details at the meeting will be made in the corresponding Agenda item.

Any Board member including Independent Directors may request for inclusion of any matter in the Agenda for a particular Board meeting if he so desires. In the event such a suggestion is made, the particular item will be necessary included in the Agenda. The Board members can send such requests 2 weeks in advance of the Board meeting. In the event of an urgency, the items could be considered, even if sent later, with the approval of the MD.

d. Board Presentations

Materials on presentations proposed to be made at the meetings are sent to the Board members in advance to enable focused discussion on key issues.

In case where the subject matter is price sensitive or otherwise confidential, the presentation is directly made at the meeting.

e. Guidelines for tabling of items at Board meetings

Tabling of items at Board meetings is generally discouraged. Only in rare circumstances or for items of extreme confidential nature and where immediate decision is required, the senior management may table additional items for discussion with the permission of the MD or Chairman.

f. Quorum, voting rights, manner of attendance and other procedures

It is expected that each Director will make every effort to attend each Board meeting. Attendance in person is preferred but attendance by telephone or video conference is permitted, if necessary.

As per Section 167 of the Companies Act, 2013, the Office of the Director shall become vacant if he / she absents himself / herself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board.

Each Director is expected to have carefully reviewed all materials distributed in advance of the meeting, be prepared to participate meaningfully in the meeting, and to discuss all scheduled items of business at the meeting.

The proceedings and deliberations of the Board are confidential. Each Director will maintain the confidentiality of information received in connection with his or her service as a Director.

g. Recording of Dissent at Board Meetings

The Directors are expected to actively participate in the discussions of the Board and express their free and frank opinion. If any Director expresses his dissent, he should be able to present his views at the Board and after discussions, the view of all the Directors including dissent, if any, should be recorded in the minutes.

h. Preparation of minutes, circulation and ratification

Within 7 days after the Board meeting, the Secretarial department shall prepare draft minutes of the proceedings of the Board meeting and submit to the Chairman of the meeting for his approval.

The draft minutes shall then be circulated to all the Directors within 15 days of the meeting for their comments. Comments / suggestions received from the Directors will be appropriately incorporated. The final minutes shall thereafter be recorded in the minutes book within 30 days of the meeting.

The minutes shall be placed before the Board in the next meeting for noting and shall be duly signed.

i. Issuing certified copies of resolutions / minutes

The Secretarial department shall issue certified copies of the resolutions passed or extracts of the minutes of Board meetings, as and when required by any other division to enable them to take appropriate steps in the matter

8. BOARD COMMITTEES

The Board has established the following Committees to assist the Board in discharging its responsibilities:

- a. Audit Committee
- b. Shareholders' and Investors' Grievance Committee
- c. Nomination and Remuneration Committee
- d. Industrial Relation and Employee Grievance Committee
- e. Risk Management Committee
- f. Corporate Social Responsibility and Corporate Governance and Committee
- g. Finance Committee
- h. Health, Safety and Environment Committee

The Board has adopted Committees setting forth the roles and responsibilities of each of the above Committees as well as qualifications for Committee membership, procedures for Committee member appointment and removal, Committee structure and operations and reporting to the Board. The Board may constitute new Committees or dissolve any existing Committee, as it deems necessary for the discharge of its responsibilities.

a. AUDIT COMMITTEE

i) Constitution

The Audit Committee shall function in accordance with the terms of reference covered under this Committee, such additional provisions as may be stipulated under Listing Agreement with Stock Exchanges, the Companies Act, 2013 (the Act) and other statutes or any modification or re-enactment thereof and as may be specified by the Board from time to time.

ii) Role of the Audit Committee

The Audit Committee assists the Board with its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting processes of the Company, the audits of the Company's financial statements, the qualifications, independence and performance of the statutory auditors, the performance of internal auditors and the Company's risk management policies.

iii) Composition

Members:

The Committee shall consist of such number of members as the Board may determine from time to time, but in any event not less than 3 (three). Two third of the members shall be Independent Director. All members of the Committee shall be 'financially literate' and the Committee will have at least one member who shall have financial and accounting expertise. The Company Secretary shall act as the Secretary to the Committee.

Chairman:

The Chairman of the Audit Committee will be appointed by the Board at the time of constitution / reconstitution of the Audit Committee. The Chairman of the meeting should be an independent Director. The members of the Committee may also elect the Chairman amongst themselves.

Induction and Training: The Committee members shall keep themselves updated of the new developments in accounting practices and procedures.

The members shall ensure that they are appropriately informed of the implication of such new developments by the management and / or auditors of the Company.

Reconstitution:

The Board may at its discretion or as may be recommended by the Corporate Governance and Stakeholders' Interface Committee, reconstitute the Audit Committee at any time.

iv) Procedures

Meetings:

The Chairman of the Committee, in consultation with the Committee members, finalizes the schedule and frequency of the Committee meetings.

The Committee shall meet at least 4 times every financial year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Usually, the Audit Committee meeting is held before holding a Board meeting. Additional meetings may be held, as the Committee deems fit. The Committee may request Head of Finance, representatives of the Internal Auditors, Statutory Auditors, or any other personnel to attend the Audit Committee meetings. At least twice a year the Committee shall meet the Statutory Auditor and internal auditors without the executive management being present.

Agenda:

The Chairman of the Committee shall approve the Agenda for every meeting, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 4 days in advance of each meeting to facilitate meaningful overview.

Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and reports on its actions and activities are placed at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, or as may be specifically referred to them by the Board or any other Committee of the Board, beyond the provisions of this Committee.

Quorum:

The quorum for the purpose of the Committee meetings shall be either two members or one third of the members of the Committee, personally present, whichever is higher, provided minimum there should be 2 Independent Directors present.

v) Authority

The Committee is authorized:

- To investigate any activity covered under this Committee;
- To seek any specific information, as may be required, from any employee(s) of the Company and the concerned employee(s) shall co-operate with the request of the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

vi) Responsibilities

The Audit Committee's specific responsibilities in carrying out its oversight role are provided by the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Briefly, the Committee's duties are classified under V categories:

I. Financial Statements and Related Disclosures

- Review and discuss with management and external auditor(s), the financial results including Management Discussion and Analysis of Financial Condition and Results of Operations, prior to placing the same for approval by the Board.
- Review the financial information provided to media and analysts.
- Review critical accounting policies, financial reporting and accounting standards and principles (including significant changes to those principles or their application) and key accounting decisions and judgments affecting the Company's financial statements and disclosures. This shall include rationale for such choices and possible alternative treatments.
- Review the risk management policies periodically and make recommendations to the Board
- Review with the external auditors any audit problems or difficulties and management's response to the same.

II. Statutory Auditors' Qualifications, Independence, Remuneration and Performance

- Select, evaluate, and if necessary, recommend change in the statutory auditors. The Committee's recommendation is annually submitted to the Board for placing before the shareholders for approval.
- Approve the audit engagement fees and any non-audit services to be provided by the statutory auditors.
- Oversight / overview of the statutory auditor including resolution of disagreements between management and the statutory auditor.
- Review with the management and the statutory auditor, the scope, planning and staffing of the proposed audit on an annual basis.
- Obtain and review with the lead audit partner, annually or more frequently as the Committee considers appropriate, a written report by the Statutory Auditors describing, the Auditors' internal quality control of processes and procedures, any issues raised in any inquiry, review or investigation by governmental, professional or other regulatory authorities with respect to independent audits carried out by the Statutory Auditor and any steps taken to deal with these issues; and all relationships between the Statutory Auditor and the Company. The Committee shall annually confirm the independence of the Statutory Auditors on the basis of the above report and review with the lead audit partner.
- Pre-approve the hiring of any employee or former employee of the Statutory Auditor for senior positions within the Company.

III. Internal Audit

- Appointment of Internal Auditors - The Internal Audit Cell of the Company shortlists several firms based on their size, experience and ability to function as Internal Auditors of the company for various activities / functions. Based on the recommendation of the Internal Audit Cell, the Audit Committee shall approve the panel of internal audit firms on an annual basis.
- The Committee shall be kept informed of the scope of audit given to such firms from time to time.
- The Committee shall review the performance of the internal audit department

including the objectivity and authority of its reporting obligations, the proposed audit plans for the coming year and the results of internal audits.

- The Committee shall review with management and the statutory auditors, the quality, adequacy and effectiveness of the Company's internal control systems and risk management tools and any significant deficiencies or material weaknesses in the internal controls.

IV. Compliance with Legal and Regulatory Requirements

The Committee shall receive reports from the management on any legal matters as may be statutorily required and any material reports or inquiries from regulatory or governmental agencies on the financial statements of the Company. The Committee shall review such matters with the management, and any internal or external counsel, as the Committee considers appropriate.

V. Other Duties

The Committee may perform such other functions, as may be necessary or appropriate for the performance of its oversight function. It is the responsibility of the Company's management to prepare the financial statements in accordance with applicable laws and regulations, and of the Statutory Auditors to audit those financial statements. Therefore, each member of the Committee shall be entitled to rely on the integrity of such persons and organizations from whom information is received, for the accuracy of the financial and other information provided to the Committee.

Confidentiality

The members of the Audit Committee and all other individuals attending the meetings of the Audit Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

Current Requirements on authority and responsibilities of the Audit Committee

In terms of the revised Clause 49 of the Listing Agreement, the terms of reference / powers of the Audit Committee have been specified as follows: A. The Audit Committee shall have the following powers: -

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee shall include the following:

- i. 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.
- ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory auditor and fixation of audit fees.

iii. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

iv. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to: -

Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (3(c)) of Section 134 of the Companies Act, 2013.

- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the financial statement arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of related party transactions.
- Qualifications in draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

vi. Reviewing, with the management the performance of statutory and internal auditors, adequacy of internal control systems.

vii. 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.

viii. Discussion with internal auditors any significant findings and follow up there on.

ix. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

x. Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

xi. 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.

xii. To review the functioning of the Whistleblower Mechanism.

xiii. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

To review the following information:

- The Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor.

Reviewing the financial statements and in particular the investments made by the Unlisted Subsidiaries of the Company.

b. SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE

i) Constitution

The Shareholders' / Investors' Grievance Committee shall function in accordance with the terms of reference covered under this Committee, such additional provisions as may be stipulated under Listing Agreement with Stock Exchanges, the Companies Act, 2013 (the Act) and other statutes or any modification or re-enactment thereof and as may be specified by the Board from time to time.

ii) Role of the Shareholders' / Investors' Grievance Committee

The primary purpose of the Shareholders' / Investors' Grievance Committee is to oversee all matters pertaining to investors of the Company.

iii) Composition

Members:

The Committee shall consist of such number of members as the Board may determine from time to time, but in any event not less than 2. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee.

Chairman:

The Chairman of the Shareholders' / Investors' Grievance Committee shall be appointed by the Board at the time of constitution or reconstitution of the Committee. The members of the Committee may also elect the Chairman amongst themselves. The Chairman of the meeting shall be non executive director.

Induction and Training:

The Committee members shall keep themselves updated of the new developments in securities related laws. The members shall ensure that they are appropriately informed of the implications of such new developments by the Company Secretary and / or Registrars and Transfer agents of the Company.

Reconstitution:

The Board may at its discretion reconstitute the Shareholders' and Investors' Grievance Committee at any time.

iv) Procedures

1. Meetings:

The Committee shall meet at least 2 times a year based upon a schedule established at the first meeting of the year. Additional meetings may be held, as the Committee deems fit. Apart from the Committee members, Company executives and the Registrars and Transfer Agents and the Securities Auditors may be invited to attend the Committee meetings, as desired by the members.

2. Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the Company Secretary. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful overview.

3. Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meetings, which is then reviewed and approved by the Chairman of the meeting for circulation to the other members for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into any other matter as it deems fit to ensure better servicing and protection of investor interests, beyond the provisions of this Committee.

4. Quorum:

The quorum for the purpose of the Committee meetings shall be any two members, personally present.

v) Authority

The Committee is authorized:

- To investigate any activity covered under this Committee;
- To seek any specific information, as may be required, from any employee(s) of the Company and/or Registrars & Transfer Agents, who shall co-operate with any request of the Committee;
- To obtain legal or other independent professional advice;
 - To secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

vi) Responsibilities

The principal responsibilities and functions of the Shareholders' / Investors' Grievance Committee are as follows:

- Oversight and review, all matters connected with the transfer of securities of the Company.
- Approve issue of duplicate certificates of the Company.
- Monitor redressal of investors / shareholder grievances related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc., if any.
- Oversight of the performance of Registrars and Transfer Agents of the Company.
- Recommend methods to upgrade the standard of services to the investors.
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Confidentiality

The members of the Shareholders' / Investors' Grievance Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

c. NOMINATION AND REMUNERATION COMMITTEE

i) Constitution

The Nomination and Remuneration Committee shall function in accordance with the terms of reference covered under this Committee, such additional provisions as may be stipulated under Listing Agreement with Stock Exchanges, the Companies Act, 2013 (the Act) and other statutes or any modification or re-enactment thereof and as may be specified by the Board from time to time.

ii) Role of the Remuneration Committee

The role of the Remuneration Committee is to recommend /review remuneration of the Managing Directors and Whole-time Directors based on their performance and defined assessment criteria.

iii) Composition

Members:

The Committee shall consist of such number of members as the Board may determine from time to time, but in any event not less than 3 members. All the members of the Remuneration Committee shall be Non Executive Directors. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee Chairman.

The Chairman of the Remuneration Committee shall be appointed by the Board at the time of constitution or reconstitution of the Committee. The Chairman of the Committee shall be as an Independent Director.

Induction and Training:

The Committee members shall keep themselves updated of the new developments in managerial compensation. The members shall ensure that they are appropriately informed of the implications of such new developments by the Company.

Reconstitution:

The Board may at its discretion reconstitute the Committee at any time.

iv) Operations

Meetings:

The Chairman of the Committee, in consultation with the Committee members, finalizes the schedule and frequency of the Committee meetings.

The Committee shall meet at least once every year based upon a schedule established at the first meeting of the year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Additional meetings may be held, as the Committee deems advisable. Apart from the Committee members, Company executives may be invited to attend the Remuneration Committee meeting, if desired by the members.

Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Committee.

Quorum:

The quorum for the purpose of the Committee meetings shall be either two members or one third of the members of the Committee, personally present, whichever is higher.

v) Authority

The Committee is authorized:

- To investigate any activity covered under this Committee;
- To seek any information, as may be required, from any employee(s) of the Company and the concerned employee(s) shall co-operate with the request of the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

vi) Responsibilities

The principal responsibilities and functions of the Remuneration Committee are as follows:

- Recommending / reviewing remuneration of the Managing Directors and Whole-time Directors, based on their performance and defined assessment criteria.
- Approving appointment, if any, of a relative of a Director for holding office of profit in the Company as per the provisions of the Act and Rules issued thereunder.

- Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

The above list is not exhaustive and the Committee may in addition perform such other functions as may be necessary or appropriate for the performance of its duties.

vii) Confidentiality

The members of the Nomination and Remuneration Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company, which has become known to them in such meetings to any other person other than in course of conducting their normal duties.

d. INDUSTRIAL RELATION AND EMPLOYEE GRIEVANCE COMMITTEE

i) Constitution

The Industrial Relation and Employee Grievance Committee shall function in accordance with the terms of reference covered under this Committee, such additional provisions as may be stipulated under the applicable statutes or any amendment, modification or re-enactment thereof and as may be specified by the Board from time to time.

ii) Role of the Committee

The Committee recognizes the rights of the employees and provides forums, support groups and policies to hear and address their concerns and resolve issues and conflicts in a fair and transparent manner.

The woman safety and security in the workplace is the foremost objective of the Committee especially preventing the sexual harassment of women at work place.

This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism.

iii) Composition

Members:

The Committee shall consist of such number of members, as the Board may determine from time to time, but in any event not less than 3. Out of which, 1 Member should be of Woman Member. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

Chairman:

The Chairman of the Committee will be appointed by the Board at the time of constitution or reconstitution of the Committee.

Induction and Training:

The Committee members shall keep themselves updated of industrial relation and employee's grievance aspects. The members shall ensure that they are appropriately informed of the implications of related new developments to the Company.

Reconstitution:

The Board may at its discretion reconstitute the Industrial Relation and Employee Grievance Committee at any time.

iv) Operations

Meetings:

The Chairman of the Committee, in consultation with the Committee members, finalizes the schedule and frequency of the Committee meetings.

The Committee shall meet at least once in every year based upon a schedule established at the first meeting of the year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Additional meetings may be held, as the Committee deems advisable. Apart from the Committee members, Company executives may be invited to attend the meeting, as desired by the members.

Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Committee.

Quorum:

The quorum for the purpose of the Committee meetings shall be any two members, personally present provided there should be a Woman member.

v) Authority

The Committee is authorized:

- To investigate any activity covered under this Committee;
- To seek any required information from any employee(s) of the Company and the concerned employee(s) shall co-operate with any request made by the Committee;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the

Committee.

vi) Responsibilities

The principal responsibilities and functions of the Industrial Relation and Employee's Grievance Committee are as follows:

- To provide a safe working environment
- display conspicuously at the workplace, the penal consequences of indulging in acts that may constitute sexual harassment and the composition of the internal complaints committee.
- Regularly review and make recommendations about changes to the Committee of the Committee;
- treat sexual harassment as a misconduct under the service rules and initiate action for misconduct.

vii) Confidentiality

The members of the Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

e. RISK MANAGEMENT COMMITTEE

i) Constitution

The Risk Management Committee shall function in accordance with the terms of SEBI Circular CIR/CFD/Policy Cell/7/2014 dated 15th September 2014, and or such additional provisions as may be stipulated under the applicable statutes or any amendment, modification or re-enactment thereof and as may be specified from time to time.

ii) Role of the Committee

The primary responsibilities are to:

- Ensure it is apprised of the most significant risks along with the action management is taking and how it is ensuring effective Risk Management Functions;
- Reviewing risk involving in Interest Receipts and Repayment process.

iii) Composition

Members:

The Committee shall consist of such number of members, as the Board may determine from time to time, but in any event not less than 2. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

Chairman:

The Chairman of the Committee will be appointed by the Board at the time of constitution or reconstitution of the Committee.

Induction and Training:

The Committee members shall keep themselves updated of industrial Risk Management aspects. The members shall ensure that they are appropriately informed of the implications of related new developments to the Company.

Reconstitution:

The Board may at its discretion reconstitute the Risk Management Committee at any time.

iv) Operations

Meetings:

The Chairman of the Committee, in consultation with the Committee members, finalizes the schedule and frequency of the Committee meetings.

The Committee shall meet at least once in every year based upon a schedule established at the first meeting of the year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Additional meetings may be held, as the Committee deems advisable. Apart from the Committee members, Company executives may be invited to attend the meeting, as desired by the members.

Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Committee.

Quorum:

The quorum for the purpose of the Committee meetings shall be any two members, personally present.

v) Authority

The Committee is authorized:

- To investigate any activity covered under this Committee;

- To seek any required information from any employee(s) of the Company for taking strategic actions to mitigate the risk associated with the nature of business.

- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

vi) Responsibilities

The principal responsibilities and functions of the Risk Management Committee are as follows:

- Review and recommend changes to the Risk Management Policy and / or associated frameworks, processes and practices of the Company.
- Be aware and concur with the Company's Risk levels, if any, set for financial and operational risks.
- Ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them.
- Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities. For example, internal or external audit issue relating to risk management policy or practice.
- Obtain or perform an annual evaluation of the Committee's performance and make appropriate recommendations;

vii) Confidentiality

The members of the Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

f. CORPORATE GOVERNANCE AND STAKEHOLDERS' INTERFACE COMMITTEE

i) Constitution

The Corporate Social Responsibility and Corporate Governance Committee shall function in accordance with the terms of reference covered under this Committee, such additional provisions as may be stipulated under Listing Agreement with Stock Exchanges, the Companies Act, 2013 (the Act) and other statutes or any modification or re-enactment thereof and as may be specified by the Board from time to time.

ii) Role of the Committee

The Committee takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board, the Corporate Governance Guidelines applicable to the Company and monitoring compliance with the said policies and guidelines.

iii) Composition

Members:

The Committee consists of such number of members, as the Board may determine from time to time, but in any event not less than 2. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

Chairman:

The Chairman of the Committee will be appointed by the Board at the time of constitution or reconstitution of the Committee.

Induction and Training:

The Committee members shall keep themselves updated of the new developments and practices in corporate governance. The members shall ensure that they are appropriately informed of the implications of such new developments to the Company.

Reconstitution:

The Board may at its discretion reconstitute the Corporate Governance & Stakeholders' Interface Committee at any time.

iv) Operations

Meetings:

The Chairman of the Committee, in consultation with the other Committee members, finalizes the schedule and frequency of the Committee meetings.

The Committee shall meet at least once in every year based upon a schedule established at the first meeting of the year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Additional meetings may be held, as the Committee deems advisable. Apart from the Committee members, Company executives may be invited to attend the Corporate Governance & Stakeholders' Interface Committee meeting, if desired by the members.

Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Committee.

Quorum:

The quorum for the purpose of the Committee meetings shall be any two members, personally present.

v) Authority

The Committee is authorized:

- To investigate any activity covered under this Committee;
- To seek any required information from any employee(s) and the concerned employee(s) shall co-operate fully with any request made by the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary.
- To form and delegate authority to its sub-committees or to one or more members of the Committees

The Company shall bear all such expenses to support the requirements of the Committee.

vi) Responsibilities

The principal responsibilities and functions of the Corporate Governance and Stakeholders' Interface Committee are as follows:

- Observance of practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.
- Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.
- Dissemination of factually correct information to investors, institutions and the public at large.
- Interaction with the existing and prospective FII's and rating agencies etc.
- Establishing oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary.
- Ensuring institution of standardized channels of internal communications across the Company to facilitate a high level of disciplines participation.
- Ensuring compliance with the corporate governance norms prescribed under Listing Agreement with Stock Exchanges, the Companies Act and other statutes or any modification or re-enactment thereof.
- Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.
- Periodically identify and recommend to the Board, individuals for nomination based on qualifications, capability, availability to serve, conflicts of interest, and other relevant factors.
- Periodically review the compensation paid to Non-Executive Directors and sitting fees, if any, and make recommendations to the Board for any adjustments.
- Advise the Board periodically with respect to significant developments in the law and practice of corporate governance and make recommendations to the Board for appropriate revisions to the Company's Corporate Governance Guidelines.
- Monitor Company's compliance with the Corporate Governance Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters and on any corrective action to be taken, as the Committee may deem appropriate.
- Review and assess the adequacy of the Company's Code of Conduct for Directors and Senior Management, the Code of Ethics and other internal policies and guidelines and monitor that the principles described therein are being incorporated into the Company's

culture and business practices.

- Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations.
- Establish criteria and processes for, and assist the Board and each of its Committees in their annual performance evaluations.

The above list is not exhaustive and the Committee may in addition perform such other functions as may be necessary or appropriate for the performance of its duties.

vii) Confidentiality

The members of the Corporate Governance & Stakeholders' Interface Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in the course of conducting their normal duties.

g. FINANCE COMMITTEE

i) Constitution

The Finance Committee shall function in accordance with the terms of reference covered under this Committee, such additional provisions as may be stipulated under the applicable statutes or any amendment, modification or re-enactment thereof and as may be specified by the Board from time to time.

ii) Role of the Finance Committee

The primary purpose of the Finance Committee is to review the Company's financial policies, strategies and capital structure and take such action and make such reports and recommendations to the Board, as it deems advisable.

iii) Composition

Members:

The Committee shall consist of such number of members as the Board may determine from time to time, but in any event not less than 2. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

Chairman:

The Chairman of the Finance Committee will be appointed by the Board at the time of constitution or reconstitution of the Committee.

Induction and Training:

The Committee members shall keep themselves updated of the new developments in financial markets, new financial instruments as well as the business requirements. The members shall ensure that they are appropriately informed of the implications of new developments to the Company.

Reconstitution:

The Board may at its discretion reconstitute the Finance Committee at any time.

iv) Operations

Meetings:

The Committee meetings are held depending on the requirement of the business. Apart from the Committee members, Company executives may be invited to attend the Finance Committee meeting, as desired by the members.

Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

Meeting proceedings:

The Committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous written consent. The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Committee.

Quorum:

The quorum for the purpose of the Committee meetings shall be any two members, personally present.

v) Authority

The Committee is authorized:

- To investigate any activity covered under this Committee;
- To seek any required information from any employee(s) of the Company and the concerned employee(s) shall co-operate with any request made by the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary.
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

vi) Responsibilities

The principal responsibilities and functions of the Finance Committee are as follows:

- Review, as the Committee deems appropriate, the Company's financial policies, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.
- Reviewing banking arrangements and cash management
- Exercising all powers to borrow moneys (otherwise than by issue of debentures), from time to time.
- Approval to open and operate Investment Management Accounts with Foreign Banks and appoint them as Agents, establishment of representative / sales offices in or outside India etc.
- Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.
- Other transactions or financial issues that the Board desires to have reviewed by the Finance Committee.
- Regularly review and make recommendations about changes to the Committee of the Committee
- Obtain or perform an annual evaluation of the Committee's performance and make appropriate recommendations

vii) Confidentiality

The members of the Finance Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

h. HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

i) Constitution

The Health, Safety and Environment Committee shall function in accordance with the terms of reference covered under this Committee, such additional provisions as may be stipulated under the applicable statutes or any amendment, modification or re-enactment thereof and as may be specified by the Board from time to time.

ii) Role of the Health, Safety and Environment Committee

The primary purpose of the Health Safety and Environment Committee is to monitor and ensure maintaining highest standards of environmental, health and safety norms and compliance with applicable pollution and environmental laws at all works / factories / locations of the Company and to recommend measures, if any, for improvement in this regard.

iii) Composition

Members:

The Committee shall consist of such number of members, as the Board may determine from time to time, but in any event not less than 2. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

Chairman:

The Chairman of the Health Safety and Environment Committee will be appointed by the Board at the time of constitution or reconstitution of the Committee.

Induction and Training:

The Committee members shall keep themselves updated of environment and safety aspects. The members shall ensure that they are appropriately informed of the implications of related new developments to the Company.

Reconstitution:

The Board may at its discretion reconstitute the Health Safety and Environment Committee at any time.

iv) Operations

Meetings:

The Chairman of the Committee, in consultation with the Committee members, finalizes the schedule and frequency of the Committee meetings.

The Committee shall meet at least once in every year based upon a schedule established at the first meeting of the year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Additional meetings may be held, as the Committee deems advisable. Apart from the Committee members, Company executives may be invited to attend the Health Safety and Environment Committee meeting, as desired by the members.

Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Committee.

Quorum:

The quorum for the purpose of the Committee meetings shall be any two members, personally present.

v) Authority

The Committee is authorized:

- To investigate any activity covered under this Committee;
- To seek any required information from any employee(s) of the Company and the concerned employee(s) shall co-operate with any request made by the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

vi) Responsibilities

The principal responsibilities and functions of the Health Safety and Environment Committee are as follows:

- Monitoring and ensuring the highest standards of environmental health and safety norms;
- Ensuring compliance with applicable pollution and environmental laws at all works / factories / locations of the Company by putting in place effective systems in this regards and reviewing the same periodically;
- Review, as the Committee deems appropriate, the Company's health, safety and environment related policy and make recommendations as necessary;
- Review the performance of the Company on health, safety and environment related matters and suggest improvements as the Committee may deem necessary;
- Review the procedures and controls being followed at the Company's various manufacturing facilities and plants for compliance with the relevant statutory provisions;
- Regularly review and make recommendations about changes to the Committee of the Committee;
- Obtain or perform an annual evaluation of the Committee's performance and make appropriate recommendations;

vii) Confidentiality

The members of the Health Safety and Environment Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

9. PERFORMANCE EVALUATION OF BOARD

The performance of the Board as a whole, of its committees, and of its members shall be evaluated at least once a year keeping in view the objectives of the Company.

It is the responsibility of the Chairman who shall be supported by the Company Secretary to organize the evaluation process and act on its outcome.

The results of board evaluation shall remain confidential between the Chairman, Directors concerned & the Company Secretary.

The evaluation process will be used constructively as a mechanism to improve board effectiveness, maximize strengths and tackle weaknesses.

10. ANNEXURE – 1 TO THE CODE OF CONDUCT

STATUTORY OBLIGATIONS

The Companies Act 2013 has increased monetary penalties and imprisonment. The civil and criminal liabilities are not just on directors but includes “Officers in Default”.

“**Officer in default**” would broadly cover whole-time directors, Key Managerial Personnel (KMP) and such other directors as specified by the Board in the absence of KMP and every director who is aware of contravention of law by virtue of receipt of board proceedings or participation therein without raising any objection or where non-compliance has taken place with his consent or connivance.

Below table is indicative of some of the sections which deal with imprisonment.

Section	Who is liable and the Civil/Criminal liability involved
53- Prohibition on issue of shares at discount	<ul style="list-style-type: none">• Company-Fine- Not less than Rs. 1 lakh and may extend to Rs. 5 lakhs• Officer in default- Maximum imprisonment of 6 months or Fine- Not less than Rs. 1 lakh and may extend to Rs. 5 lakhs or with both.
68(11)- Power of Company to purchase its own securities	<ul style="list-style-type: none">• Company-Fine- Not less than Rs. 1 lakh and may extend to Rs. 3 lakhs• Officer in default- Maximum imprisonment of 3 years or Fine- Not less than Rs. 1 lakh and may extend to Rs. 3 lakhs or with both.
71(11)- Debentures	<ul style="list-style-type: none">• Officer in default- Maximum imprisonment of 3 years or Fine- Not less than Rs. 2 lakh and may extend to Rs. 5 lakhs or with both.
92(5)- Annual return	<ul style="list-style-type: none">• Company-Fine- Not less than Rs. 50,000 Thousand and may extend to Rs. 5 lakhs• Officer in default- Maximum imprisonment of six months or Fine- Not less than Rs. 50,000 Thousand and may extend to Rs. 5 lakhs or with both.
118(12)- Minutes of proceedings of general meeting, meeting of Board of Directors and other meeting and resolutions passed by postal ballot.	<ul style="list-style-type: none">• Any person found guilty of tampering with the minutes- Maximum imprisonment for 2 years and Fine- Not less than Rs. 25,000 but which may extend to Rs. 1 lakh
128(6)- Books of account, etc., to be kept	<ul style="list-style-type: none">• Officer in default- Maximum imprisonment of 1 year or

by Company		Fine- Not less than Rs. 50,000 and may extend to Rs. 5 lakhs or with both.
129(7)- statement	Financial	<ul style="list-style-type: none"> • Officer in default- Maximum imprisonment of 1 year or Fine- Not less than Rs. 50,000 and may extend to Rs. 5 lakhs or with both.
134- statement, report, etc	Financial Board's	<ul style="list-style-type: none"> • Company-Fine- Not less than Rs. 50,000 and may extend to Rs.25lakhs • Officer in default- Maximum imprisonment of 3 years or Fine- Not less than Rs. 50,000 and may extend to Rs. 5 lakhs or with both.
167- Vacation of office of director		<ul style="list-style-type: none"> • Director – Maximum imprisonment for 1 year or Fine- Not be less than Rs. 1 lakh and may extend to Rs. 5 lakhs or with both.
185(2)- Loan to directors, etc.		<ul style="list-style-type: none"> • Company-Fine- Not less than Rs. 5 lakhs and may extend to Rs.25lakhs • Officer in default- Maximum imprisonment of 6 months or Fine- Not less than Rs. 5 lakhs and may extend to Rs. 25 lakhs or with both.
186(13) Loan and investment by Company		<ul style="list-style-type: none"> • Company-Fine- Not less than Rs.25,000 and may extend to Rs. 5 lakhs • Officer in default- Maximum imprisonment of 2 years or Fine- Not less than Rs. 25,000 and may extend to Rs. 1 lakh or with both.
188(5)- Related party transactions		<ul style="list-style-type: none"> • In case of unlisted Company, be punishable with fine which shall not be less than 25,000 rupees but which may extend to 5 lakh rupees
57- Punishment for personation of shareholder		<ul style="list-style-type: none"> • Such person in default- Minimum 1 year to Maximum 3 years imprisonment or Fine- Not less than Rs. 1 lakh and may extend to Rs. 5 lakhs.
58(6)- Refusal of registration and appeal against refusal		<ul style="list-style-type: none"> • Such person in default- Minimum 1 year to Maximum 3 years imprisonment or Fine- Not less than Rs. 1 lakh and may extend to Rs. 5 lakhs.
59(5)- Rectification of register of members		<ul style="list-style-type: none"> • Company-Fine- Not less than Rs.1 lakh and may extend to Rs.5 lakhs • Officer in default- Maximum imprisonment of 1 years or Fine- Not less than Rs. 1 lakh and may extend to Rs. 3 lakhs or with both.

Chapter-IV- Registration of Charges	<ul style="list-style-type: none"> • Company-Fine- Not less than Rs.1 lakh and may extend to Rs.10lakhs • Officer in default- Maximum imprisonment of six months or Fine- Not less than Rs. 25,000 and may extend to Rs. 1 lakh or with both.
137(3)- Copy of financial statement to be filed with Registrar	<ul style="list-style-type: none"> • Company-Fine- Not less than Rs.1000 for every day in default but not more than 10 lakhs • Officer in default- Maximum imprisonment of 6 months or Fine- Not less than Rs. 1 lakh and may extend to Rs. 5 lakhs or with both.
182(4)- Prohibitions and restrictions regarding political contributions.	<ul style="list-style-type: none"> • Company-Fine- 5 times of the amount of contribution in contravention • Officer in default- Maximum imprisonment of 6 months and Fine- 5 times of the amount of contribution in contravention
184(4)- Disclosure of interest by director	<ul style="list-style-type: none"> • Such person in default- Minimum 1 year imprisonment or Fine- Not less than Rs. 50,000 and may extend to Rs. 1 lakh or both.
187(4)- Investments of Company to be held in its own name	<ul style="list-style-type: none"> • Company-Fine- Not less than Rs.25,000 and may extend to Rs.25lakhs • Officer in default- Maximum imprisonment of 6 months or Fine- Not less than Rs. 25,000 and may extend to Rs. 1 lakh or with both
447- Punishment for fraud	<ul style="list-style-type: none"> • Any person who is found to be guilty of fraud- Maximum imprisonment of 6 months may extend to 10 years • Such person also liable to fine which may extent to 3 times the amount involved.