



Document Title	Internal Guidelines on Corporate Governance
Approved by	Board of Directors at its meeting held on 20th March 2018
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Centrum Housing Finance Limited

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1. Introduction & Purpose:

National Housing Bank (“NHB”) vide notification no. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017, has notified Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016. NHB, vide these Directions and clarification thereon vide policy circular no. NHB (ND)/DRS/Policy Circular No.79/2016-17 dated April 27, 2017, *inter-alia*, requires every non-public deposit accepting Housing Finance Company (HFC) with assets size of ₹50 crore and above, as per the last audited balance sheet, to frame “Internal Guidelines on Corporate Governance”.

Pursuant to the same, the Board of Directors (the “Board”) of Centrum Housing Finance Limited (the “Company”) at their meeting held on March 20, 2018, have approved and adopted the Internal Guidelines on Corporate Governance. These guidelines outline the current Corporate Governance practices of the Company. The Company is committed to set the highest standards of Corporate Governance right from its inception.

The Board shall review this Policy periodically so that it remains appropriate in the light of material changes in regulatory requirement with respect to the Company’s size, complexity, geographic reach, business strategy, market and best governance practices.

2. Governance Structure and constitution of various committees

2.1. Board of Directors

The Board along with its Committees shall provide leadership and guidance to the Company’s management and direct, supervise, and control the performance of the Company.

The Board shall have an optimum combination of Executive & Non-Executive directors in compliance with the Companies Act, 2013 and other regulatory guidelines, if any. All the directors shall meet the ‘fit and proper’ criteria as prescribed by the NHB.

2.2. Committees of the Board

The Board functions as a full Board and also through various Committees constituted to oversee specific areas. The Committees have oversight of operational issues assigned to them by the Board. Accordingly, as per the requirement of NHB directions, the core committees constituted by the Board in this connection are as follows:

2.2.1. Audit Committee

The Company has in place an Audit Committee constituted under the provisions of Section 177 of the Companies Act, 2013 and in terms of applicable NHB guidelines in this regard. The committee so constituted consists of not less than three members of the Board.

The Audit Committee shall have the same powers, functions and duties as laid down in Section 177 of the Companies Act, 2013, applicable SEBI Regulations, NHB guidelines and such other duties, obligations and powers as may be prescribed by the Board from time to time.

An Information System Audit (“ISA”) of the internal systems and processes shall be conducted at least once in two years through a Certified Information System Auditor (“CISA”) to assess operational risks faced by the Company.

2.2.2. Nomination & Remuneration Committee

The Company has in place a Nomination & Remuneration Committee constituted under the provisions of Section 178 of the Companies Act, 2013 and in terms of applicable NHB guidelines in this regard.

The Nomination and Remuneration Committee shall have the powers and duties conferred upon it in compliance with the provisions of Section 178 of the Act, applicable SEBI Regulations, NHB guidelines and such other duties, obligations and powers as may be prescribed by the Board of the Company from time to time.

2.2.3. Risk Management Committee

The Company has in place a Risk Management Committee constituted in accordance with the NHB guidelines in this regard. The Risk Management Committee is responsible for managing, *inter-alia*, the integrated risk which includes liquidity risk, interest rate risk, currency risk and such other functions as may be assigned to it by the Board. Further, the Risk Management Committee shall ensure that progressive risk management system and risk management policy and strategy followed by the Company are put in place.

The Risk Management Committee shall have the powers and duties conferred upon it in compliance with NHB guidelines and such other duties, obligations and powers as may be prescribed by the Board from time to time.

2.2.4. Asset Liability Management Committee

The Company has in place the Asset-Liability Management Committee (“ALCO”) constituted in accordance with NHB guidelines. The ALCO's primary goal is to evaluate, monitor and approve practices relating to risk due to imbalances in the capital structure. The Company has a Board approved Asset Liability Management Policy in place and required disclosures to the effect are made from time to time.

3. Statutory Auditors

The appointment of statutory auditors and the partner/s of the Chartered Accountants' Firm conducting the Statutory Audit of the Company, shall be in terms with the provisions of Section 139 and 141 of the Companies Act, 2013 and in accordance with the applicable NHB guidelines as amended from time to time.

4. Review

These guidelines shall be reviewed by the Board of Directors at such periodic intervals as may be deemed necessary in order to align the same with the prevalent regulatory and business requirements