



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

FIT & PROPER CRITERIA POLICY OF THE DIRECTORS

1. PREAMBLE

The above Policy has been adopted by the Company pursuant to approval of its Board of Directors and is in accordance with the regulations/directions framed and issued in public interest by the **"Reserve Bank of India (RBI)"** aptly disseminated as **"Para 52 to the Fit and Proper Criteria under Chapter IX on Corporate Governance forming a part of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021"** notified vide RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17/02/2021 (*hereinafter referred to as "RBI-HFC Directions, 2021"*)

The **FIT & PROPER CRITERIA POLICY OF THE DIRECTORS** outlined by RBI earmarks the significance of due diligence that must be adhered to, by HFCs in the process of appointment/reappointment of Directors primarily with respect to suitability of any person/s for the said post by way of qualifications, technical expertise, track record, integrity, etc. And in order to ensure proper existence and implementation of an internal supervisory process in this matter on continuing basis and to also streamline & bring in uniformity in the process of due diligence, RBI has defined a minimum criteria to be fulfilled prior to appointing/reappointing any person/s for the post of Director.

As of now, **SAHARA HOUSINGFINA CORPORATION LIMITED (SHCL)** had in place a *Fit & Proper Policy for Directors* that was framed and implemented in accordance with erstwhile direction of the National Housing Bank (NHB) issued under notification no.NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 09/02/2017 (*hereinafter referred to as "NHB Circular"*). In view of the said amendment, the **FIT & PROPER CRITERIA POLICY OF THE DIRECTORS**, (earlier framed in accordance with the "NHB Circular") is now being suitably replaced so as to comply with the relevant clause covered under the **"RBI-HFC Directions, 2021"**.

2. APPLICABILITY

This Policy shall be applicable on all Director/s (present and future) of the Company and the process of due diligence shall be implemented on continuity basis as earmarked under **"RBI-HFC Directions, 2021"** in respect of all appointment/reappointment of Director/s.

3. DEFINITION

"Nomination and Remuneration Committee" means the Nomination and Remuneration Committee of the Board of Directors of the Company constituted under provisions of Companies Act, 2013 and the Listing agreement.

"Directors" mean Individual Director or Directors on the Board of the Company.

"Board" means Board of Directors of the Company.

"Policy" means the FIT & PROPER CRITERIA POLICY OF THE DIRECTORS.



Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

4. POLICY

SHCL, while appointing/reappointing Director/s, shall ensure that the procedures mentioned below are duly followed;

- a. That it shall mandatorily undertake a process of due diligence in lines of the guidelines contained in **"Annex - VII" of the "RBI-HFC Directions, 2021"** for ascertaining the "fit and proper" criteria of the Director/s at the time of their appointment/reappointment so as to determine the suitability of the person for appointment/continuing to hold appointment as a Director on the Board of SHCL, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.
- b. That it will to obtain a "Declaration and Undertaking by Director" from the Director/s at the time of their appointment/reappointment seeking necessary information and declaration about themselves as per the format given in **"Annex - VIII" of the "RBI-HFC Directions"**;
- c. That the Nomination and Remuneration Committee of SHCL shall scrutinize the signed declaration and accordingly decide (based on submissions made), the acceptance or otherwise of the Director/s, where considered necessary.
- d. That it shall obtain annually i.e. as on "31 March" (every year), a simple declaration from the Director/s (as per illustrative format forming a part of this Policy) affirming that the information already provided by them has not undergone any change and where there is a change, requisite details are furnished by them forthwith.
- e. That it will obtain in public interest a "Deeds of Covenants" duly executed and signed by the nominated/elected Director/s, as per the format given in **"Annex - IX" of the "RBI-HFC Directions"**;
- f. That it shall furnish to the NHB, a quarterly statement on change of Director/s, and a Certificate from its Managing Director/CEO that "fit and proper criteria" in selection of the Director/s has/have been followed. The statement must reach NHB, New Delhi within 15 (fifteen) days of the close of the respective quarter and that the statement submitted by SHCL for the quarter ending March 31 (every year), should be certified by the Auditors.

This policy comes into immediate effect and shall supersede the erstwhile "Fit & Proper Policy for Director" approved by the Board of Directors of the Company in their meeting held on 26/09/2017.


(D J Bagchi)
CEO

Place : Kolkata
Date : August 16, 2021



Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

Annexure - VIII of the "RBI-HFC Directions"

Declaration and Undertaking by Director

Name of HFC: **Sahara Housingfina Corporation Limited**

Declaration and Undertaking by Director (with enclosures as appropriate as on <<DATE>>)

I.	Personal Details of Director	
a.	Full Name	
b.	Date of Birth	
c.	Education Qualifications	
d.	Relevant Background & Experience	
e.	Permanent Address	
f.	Present Address	
g.	Email Address / Telephone Number	
h.	Director Identification Number	
i.	Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle	
j.	Relevant Knowledge and Experience	
k.	Any other information relevant to Directorship of the SHCL	
II.	Relevant Relationship of Director	
a.	List of Relatives if any who are connected with the SHCL (Refer Section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)	
b.	List of entities if any in which he / she is considered as being interested (Refer Section 299(3)(a) and Section 300 of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)	
c.	List of entities in which he/she is considered as holding substantial interest as defined in Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021	
d.	Name of SHCL in which he/she is or has been a member of the board (giving details of period during which such office was held)	



Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

e.	Fund and non-fund facilities, if any, presently availed of by him/her and / or by entities listed in II (b) and (c) above from the SHCL	
f.	Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the SHCL or any other HFC / bank.	
III.	Records of professional achievements	
a.	Relevant professional achievements	
IV.	Proceedings, if any, against the Director	
a.	If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he / she has been banned from entry into any profession/ occupation at any time.	
b.	Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and / or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations.	
c.	Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director	
d.	Whether the director attracts any of the disqualifications envisaged under Section 274 of the Companies Act 1956 and corresponding provisions of New Companies Act, 2013?	
e.	Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?	
f.	Has the director at any time been found guilty of violation of rules/regulations / legislative requirements by customs / excise /income tax/foreign exchange / other revenue authorities, if so give particulars	



Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

g.	Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA, RBI, etc.	
(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in toto, it would be necessary to take a mention of the same, in case the reversal / setting aside is on technical reasons like limitation or lack of jurisdiction, etc. and not on merit, If the order of the regulator is temporarily stayed and the appellate / court proceedings are pending, the same also should be mentioned.)		
v.	Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper	

Undertaking

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

I also undertake to execute the deed of covenant required to be executed by all Directors of the SHCL.

Signature

Place:

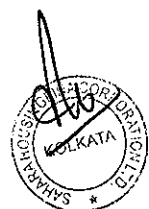
Date:

VI.	Remarks of Chairman of Nomination Committee / Board of Directors of SHCL	
-----	---	--

Signature

Place:

Date:



Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

Annexure - XI of the "RBI-HFC Directions"

Form of Deed of Covenants with a Director

THIS DEED OF COVENANTS is made this day of Two Thousand.....thBETWEEN..... having its registered office at (hereinafter called the "SAHARA HOUSINGFINA CORPORATION LIMITED") of the one part and Mr. / Ms. of (hereinafter called the "Director") of the other part.

WHEREAS

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

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

1. The Director acknowledges that his / her appointment as director on the Board of the SHCL is subject to applicable laws and regulations including the Memorandum and Articles of Association of the SHCL and the provisions of this Deed of Covenants.
2. The Director covenants with the SHCL that;
 - i. The director shall disclose to the Board the nature of his / her interest, direct or indirect, if he / she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the SHCL and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he / she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.
 - ii. The director shall disclose by general notice to the Board his / her other directorships, his / her memberships of bodies corporate, his / her interest in other entities and his / her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.
 - iii. The director shall provide to the SHCL a list of his / her relatives as defined in the Companies Act, 1956 or the Companies Act, 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies' corporate, firms and other entities.



Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

- iv. The Director shall in carrying on his / her duties as director of the SHCL;
- a) use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience;
 - b) in the performance of his / her duties take such care as he / she might be reasonably expected to take on his / her own behalf and exercise any power vested in him / her in good faith and in the interests of the SHCL;
 - c) shall keep himself / herself informed about the business, activities and financial status of the SHCL to the extent disclosed to him / her;
 - d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his / her obligations as director of the SHCL;
 - e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the SHCL;
 - f) shall bring independent judgment to bear on all matters affecting the SHCL brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;
 - g) shall in exercise of his / her judgement in matters brought before the Board or entrusted to him / her by the Board be free from any business or other relationship which could materially interfere with the exercise of his / her independent judgement; and
 - h) shall express his / her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his / her independent judgement;
- v. The Director shall have;
- a) fiduciary duty to act in good faith and in the interests of the SHCL and not for any collateral purpose;
 - b) duty to act only within the powers as laid down by the SHCL Memorandum and Articles of Association and by applicable laws and regulations; and
 - c) duty to acquire proper understanding of the business of the SHCL.
- vi. The Director shall;
- a) not evade responsibility in regard to matters entrusted to him / her by the Board;
 - b) not interfere in the performance of their duties by the whole-time Directors and other officers of the SHCL and wherever the director has reasons to believe otherwise, he / she shall forthwith disclose his / her concerns to the Board; and
 - c) not make improper use of information disclosed to him / her as a member of the Board for his / her or someone else's advantage or benefit and shall use the information disclosed to him / her by the SHCL in his / her capacity as director of the SHCL only for the purposes of performance of his / her duties as a director and not for any other purpose.
 - d) make declaration to the effect that;
 - i. he/she has not been associated with any unincorporated body that is accepting deposits;





SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

- ii. he/she has not been associated with any company, the application for Certificate of Registration (CoR) of which has been rejected by the National Housing Bank / Reserve Bank of India;
- iii. there is no criminal case, including for offence under section 138 of the Negotiable Instruments Act; against him/her.

3. The SHCL covenants with the director that;

- i. the SHCL shall apprise the director about:
 - a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
 - b) Control systems and procedures;
 - c) Voting rights at Board meetings including matters in which Director should not participate because of his / her interest, direct or indirect therein;
 - d) Qualification requirements and provide copies of Memorandum and Articles of Association;
 - e) Corporate policies and procedures;
 - f) Insider dealing restrictions;
 - g) Constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
 - h) Appointments of Senior Executives and their authority;
 - i) Remuneration Policy;
 - j) Deliberations of committees of the Board, and
 - k) Communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the SHCL, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.
- ii. The SHCL shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the SHCL and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof.
- iii. The disclosures to be made by the SHCL to the Directors shall include but not be limited to the following:
 - a) all relevant information for taking informed decisions in respect of matters brought before the Board;
 - b) SHCL strategic and business plans and forecasts;
 - c) Organisational structure of the SHCL and delegation of authority;
 - d) Corporate and management controls and systems including procedures;
 - e) Economic features and marketing environment;
 - f) Information and updates as appropriate on SHCL products;
 - g) Information and updates on major expenditure;
 - h) Periodic reviews of performance of the SHCL; and
 - i) Report periodically about implementation of strategic initiatives and plans.



Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

- iv. The SHCL shall communicate outcome of Board deliberations to Directors and concerned personnel and prepare and circulate minutes of the meeting of Board to Directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and

Note: It is clarified that circulation of minutes within two business days is not mandatory and provisions in the Companies Act, 2013 in this regard shall apply.

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

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

For SHCL Director
By.....

Name: Name:

In the presence of;

1.

2.

Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021



SAHARA HOUSINGFINA CORPORATION LIMITED
(CIN No.L18100WB1991PLC099782)

Annual Declaration on "Fit & Proper" Criteria applicable to Directors of Housing Finance Companies as per Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 notified vide RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17/02/2021" (hereinafter referred to as "RBI-HFC Directions, 2021.")

To,
The CEO & Company Secretary,
Sahara Housingfina Corporation Limited,
46 Dr. Sundari Mohan Avenue,
Kolkata - 700 014

I, <<**Director Name and DIN**>>, s/o <Father's Name>, resident of <Address>, do hereby certify that I am associated with your Company i.e. Sahara Housingfina Corporation Limited (PAN: AAACL4104H) as an <Director Category> and that there is **NO CHANGE** to the information already furnished by me in my "Declaration cum Undertaking under the Fit & Proper Criteria" dated <DD-MM-YEAR> prescribed as per the guidelines of the National Housing Bank.

Further, I state that to the best of my knowledge and belief, I have not violated any provisions of the Code of Conduct as applicable to the Non-Executive Non Independent Director or any policies or legal/regulatory requirement of the Company, directly or indirectly applicable to me as a Non Executive Non Independent Director.

I further confirm that any change concerning myself that may occur in future and may be necessary to be disclosed under the "Fit & Proper Criteria" of the National Housing Bank, shall be furnished with requisite details.

I request that this declaration may please be considered as my compliance to the above mentioned notification of the National Housing Bank.

Thanking you,

(Director Name)
<DIN>

Dated: DD/MM/YEAR
Place: _____



Approved for implementation pursuant to review in the meeting of the Board of Directors of the Company held on August 13, 2021