

INDIA SHELTER FINANCE CORPORATION LIMITED

Name of Policy	Code of Conduct
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Prepared By	HR Department
Proposed By	Mr.Nilay Dutt, Head HR
Approving Authority	Board of Directors
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Note: Policy can be amended by approval of HR- Head and/or MD

Code of Conduct

1. Introduction

India Shelter Finance Corporation Limited (“**India Shelter**”) is committed to a high standard of corporate behavior which should act as benchmark for the industry. India Shelter also believes in conducting its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. India Shelter also wants to develop a culture where every stakeholder behaves in a manner befitting good corporate citizen which is in line with all laws, regulations and accepted norms.

Towards this end, India Shelter has formulated a Code of Conduct (“**Code**”). The objective of this Code is to build and strengthen a culture of transparency and trust in the organization and to provide all stakeholders of India Shelter with a framework / procedure which may guide them about the behavior expected of them.

2. Applicability

This Policy applies to all Board, employees and other stakeholders of India Shelter.

3. Core Values

The Code of Conduct of India Shelter has been derived from the core values of the organization, which are

Honesty

We believe that honesty and transparency are fundamental to building an enduring business

Helping our customers make an informed buying decision

Ensure our customers have access to redressal avenues

Ensure a strict & a no compromise transaction culture

Fair and transparent compensation, reward and recognition systems.

Robust governance process

Respect

We believe in treating all our customers with utmost respect and dignity

Being accessible to our customers in their language

Non-discriminatory lending and hiring process

Delivery on promised service standards to customers, employees and all other stakeholders
Contributory decision making process Active involvement in long-term wellbeing and safety initiatives of employees and customers

Fair pricing

No third party or off roll hiring

Hard work

We believe hardwork forms the backbone of India Shelter, and is the tool through which we achieve all our goals and provide better access to housing credit for every individual in the country.

We strive to provide the highest standard of services to our employees, customers and other stakeholders

High performance standard expected from our employees

Rigorous process standards in place India Shelter supports self-development initiatives taken by employees

Stretch performance recognised and rewarded

4. Pillars of Code of Conduct

The Code of Conduct of India Shelter rests on its policy framework wherein India Shelter has addressed various areas which have a bearing on its conduct. The policies and their essence which guides the conduct of India Shelter is provided as below:

Corporate Governance Policy

Corporate governance is about an organization's commitment to values and about ethical business conduct observed by an organization. It includes its corporate and other structures, its culture, police and the manner in which it deals with various stakeholders. It is primarily the responsibility of the Board as a group. The Board performs its duties with the support of senior management team. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the India Shelter is an important part of corporate governance. The policy aims at improving public understanding of the structure, activates and policies of the organization. Consequently, it enhances the trust and confidence of the stakeholders in India Shelter.

Nomination & Remuneration Policy

In terms of the provisions of Section 178 of the Companies Act, 2013, India Shelter has formulated a Nomination & Remuneration policy ensuring that the criteria for evaluation of performance and determination of remuneration is based on the

performance of Directors, KMPs and Senior Management Personnel. The Policy strives to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits.

Grievance Redressal Policy

India Shelter has formulated a Grievance Redressal Policy with an objective to build and strengthen a culture of transparency and trust in the organization and to provide all stakeholders of India Shelter with a framework / procedure for responsible and secure reporting of grievance to the India Shelter's management. The Policy does not releases Director(s) and employees of the India Shelter from their duty to behave in a manner expected of them. Head – Human Resources has been designated as Chief Grievance Redressal Officer by the Policy.

Fair Practice Code

Fair Practice Code provides details of the practices which need to be followed by India Shelter to ensure fair and transparent dealings with its customers who approach it for obtaining a loan and for subsequent transactions with customers. This code enables employees to provide better customer service and maintain transparency and fairness in business dealings with its customers. It has been formulated keeping in mind India Shelter's ethos of "Honesty, Hardwork & Respect".

Prevention of Sexual Harassment Policy

India Shelter is committed to provide a work environment that ensures every woman is treated with dignity and respect and afforded equitable treatment. The India Shelter is also committed to promote a work environment that is conducive to the professional growth of its women employees and encourages equality in opportunity. India Shelter will not tolerate any form / manner of sexual harassment and is committed to take all necessary steps to ensure that no woman subjected to any form of harassment.

Investor Relations Policy

Investors of various hues have reposed trust in India Shelter and have invested in it with an aim to maximize their value and become a partner in its growth story which aims at providing housing finance solutions to poor households with undocumented income. The policy provides for protection, engagement and communication with of India Shelter with its investors.

5. The Guiding Principles

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, India Shelter has enshrined following guiding principles:

Legal Compliance

Employees of the India Shelter, in their business conduct, shall comply with all applicable laws and regulations, in letter and spirit, in all the places in which they operate. India Shelter shall comply with applicable laws and regulations of all the relevant regulatory and other authorities. India Shelter will not accept practices which are unlawful, which may be damaging to its reputation or jeopardize the interest of India Shelter in whatever manner whatsoever. India Shelter and its employees:

- ✓ Will be provided with the safe and healthy workplace
- ✓ Will treat people with respect and dignity, supporting and complying with applicable human rights and employment equity laws,
- ✓ Will act in a responsible manner,
- ✓ Will ensure that assets are used in lawful and responsible manner,
- ✓ Will not engage in illegal and unfair competitive practices,
- ✓ Will not employ the services of other parties to take actions and they are prohibited from taking, and
- ✓ Will be accountable for all actions

All directors, senior management and employees have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of the India Shelter at all times. They are expected to demonstrate exemplary personal conduct through adherence to the following:

Conflict of interest

All employees and directors of the India Shelter shall always act in the interest of the India Shelter, and ensure that any business or personal association which he / she may have does not result into any conflict with the interests of India Shelter and his / her role therein. An employee, including the Executive Directors of India Shelter, shall not accept a position of responsibility in any other organization without specific sanction.

Competent authority, in the case of all employees, shall be the CEO and in his absence the CFO, who in turn shall report such exceptional cases, on occurrence, to the board of directors on a quarterly basis. An employee or a director of the India Shelter shall not engage in any business, relationship or activity which might conflict with the interest of his / her India Shelter. A conflict of interest, actual or potential, may arise

where, directly or indirectly.

- An employee of the India Shelter engages in a business, relationship or activity with anyone who is party to a transaction with his /her India Shelter.
- Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee of the India Shelter, where such an individual is in position to influence decisions with regard to such benefits.
- Purchase of any property which has been re-possessed through legal means due to default in repayment
- The interest of the India Shelter or the group can be compromised or defeated.

The above shall not apply to (whether for remuneration or otherwise):

- Memberships / positions of responsibility in educational / professional bodies, wherein such association will benefit the employee / India Shelter
- Nominations / memberships in government committees / bodies or organizations
- Exceptional circumstances, as determined by the competent authority

Notwithstanding such or any other instance of conflict of interest that exist due to historical reasons, adequate and full disclosure by interested employees shall be made to the India Shelter's management. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family, including parents, spouse and children, may have in a family business or a India Shelter or firm that is a competitor, supplier, customer or distributor of or has other business dealings with his / her India Shelter.

If an employee fails to make the required disclosure and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management shall take a serious view of the matter and consider suitable disciplinary action against the employee.

Transparency and Audit ability

All directors, senior management and employees shall ensure that their actions in the conduct of business are totally transparent except where the need of business security dictates otherwise. Such transparency shall be brought about through appropriate policies, systems and processes, including as appropriate, segregation of duties, tiered approval mechanism and involvement of more than one manager in key decisions and maintaining supporting records. It shall be necessary to voluntarily ensure that areas of operation are open to audit and the conduct of activities is totally auditable.

Protection of Confidential Information

No director, senior management or employee shall disclose or use any confidential information gained in the course of employment/ association with the India Shelter for personal gain or for the advantage of any other person. No information either formally or informally shall be provided to the press / regulator, other publicity media or any other external agency except by authorized officials within approved policies. If required, India Shelter can ask for signing of specific Non-Disclosure Agreement with the employee.

Protecting India Shelter assets

The assets of the India Shelter shall not be misused. They shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and suppliers. . While utilizing India Shelter facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

Integrity of data furnished

Every employee of the India Shelter shall ensure, at all times, the integrity of data or information furnished by him/her to the India Shelter. He/she shall be entirely responsible in ensuring that the confidentiality of all data is retained and in no circumstance transferred to any outside person/party in the course of normal operations without express guidelines from or, the approval of the management.

Gifts and donations

The India Shelter and its employees shall neither receive nor offer or make, directly or in-directly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business.

Bribery or Corruption

Every employee of the India Shelter, including full-time directors and the CEO, shall not take any monetary or non-monetary benefit from any customer, vendor, employee or any person associated with India Shelter. Acceptance of money and late deposit with India Shelter, or taking higher charges from the customer will be treated as bribery. India Shelter reserves the right to terminate / Ask to Leave an employee who is found to have been guilty of mis-conduct of bribery / corruption.

Ethical Conduct

Every employee of the India Shelter, including full-time directors and the CEO, shall exhibit culturally appropriate deportment in the city/state they operate in. They shall deal on behalf of the India Shelter with professionalism, honesty and integrity, while conforming to high moral and ethical standards. Such conduct shall be fair and transparent and should be perceived to be so by third parties.

Every employee shall be responsible for the implementation of and compliance with the Code in his / her environment. Failure to adhere to the Code could attract severe consequences, including termination of employment.

6. Non-adherence to the Code of Conduct

Any instance of non-adherence to the Code of Conduct / any other observed unethical behaviour on the part of those covered under this Code should be brought to the attention of the immediate reporting authority / department head, who shall in turn report the same to the Head of Human Resources.

7. Notifications

All departmental heads are required to notify and communicate the existence and contents of this Policy to the Employees of their department. Every departmental head shall confirm to Head – Compliance in writing that this Policy has been notified to each Employee of his / her department.

In case of new Employee, human resource department shall be responsible to notify this Policy to such new Employee and shall confirm to the Compliance Officer in writing that this Policy has been notified to such new Employee at the time of his / her joining.

This policy as amended from time to time shall be made available at the Web Site of the India Shelter.

8. SELF-DECLARATION AND DUTIES OF INDEPENDENT DIRECTORS

An Independent Director should make a self-declaration in a prescribed format to the Board that he/she satisfies the legal conditions for being an independent director. Such declaration should be given at the time of appointment of the independent director and at the time of change in status. He/she should also abide by the duties and responsibilities as mentioned in the law, this Code, and other Company policies. Duties as prescribed under the provisions of the Companies Act, 2013 are attached as Annexure-I.

9. Placement of the Code on the Website

This Code and any amendment thereto shall be posted on the website of the Company.

10. Amendment / Modifications

India Shelter with the approval of the Board of Directors, can at any time modify or amend, either the whole or any part of this Policy. Any subsequent amendment/modification in the Companies Act, 2013 or the rules framed thereunder or any other laws in this regard shall automatically apply to this policy. In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

Annexure I

DUTIES OF DIRECTORS AS PER SECTION 166 OF THE COMPANIES ACT, 2013

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community, and for the protection of the environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill, and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with a fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

DUTIES OF INDEPENDENT DIRECTORS AS PER SCHEDULE IV OF THE COMPANIES ACT, 2013

In addition to Duties mentioned under Section 166 of the Companies Act 2013. Independent directors shall also :

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

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