

Ind Bank Housing Limited

Compliance Policy

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1 Introduction

- 1.1 Compliance function is one of the key elements in the company's corporate governance structure and is an integral part of governance along with the internal control and risk management process.
- 1.2 Ind Bank Housing Limited (IBHL) is engaged in housing finance business which includes extending loans for purchase/construction of residential houses to individuals/corporate bodies and real estate developers.
- 1.3 For the business activities carried on by IBHL, IBHL has to comply with the guidelines/directions issued by National Housing Bank, RBI the regulators for housing finance companies, from time to time, relating to lending and acceptance of deposits and also the fair practices code of NHB
- 1.4 Additionally IBHL being a listed company incorporated under the Companies Act, is governed by various statutes and guidelines issued by Stock Exchanges and Securities Exchange Board of India, from time to time.
- 1.5 This compliance policy aims at establishing a comprehensive compliance system in the company.

2. Compliance Risk and significance of Compliance Function

Compliance Risk is the risk of legal, statutory or regulatory sanctions, material financial loss or loss of reputation a company may suffer as a result of its failure to comply with the laws, regulations, rules related self regulatory organizational standards and codes of conduct applicable to its various operations from time to time. The compliance area is critically important in identifying, evaluating, and addressing legal and reputational risks

3. Objectives of the Compliance Function

3.1 The compliance function is;

- 3.1.1 Identifying, evaluating and addressing legal and reputational risks.
- 3.1.2 Monitoring strict observance of all statutory provisions contained in various legislations applicable to the company.
- 3.1.3 To monitor observance of other regulatory guidelines from time to time.
- 3.1.4 To monitor the observance of standards and codes prescribed by SEBI, BSE, NHB etc.
- 3.1.5 To monitor the observance of company's internal policies and code of conduct.
- 3.1.6 Observance of proper standards of market conduct, managing conflicts of interest, treating customers fairly and may extend to tax laws that are relevant to the company vis-à-vis the customer.

3.2 The compliance function is to;

- 3.2.1 Assist the top management in managing effectively the compliance risk faced by the company.



- 3.2.2 Identify statutory and regulatory compliance requirements and other compliance obligations arising out of various statutory requirements, regulations prescribed by various authorities, code of conduct and internal policies of the company.
- 3.2.3 Define the role and structure of compliance department, composition of its staff and their specific responsibilities.
- 3.2.4 Provide a mechanism to ensure that the regulatory guidelines / instructions are promptly issued / disseminated within the organization to monitor compliance with the regulatory guidelines / instructions.
- 3.2.5 Provide a methodology to pro-actively identify, document, assess the compliance risk associated with Company's business activities and products.
- 3.2.6 Provide procedures to integrate the compliance risk management framework within the company's operational risk management framework.

4. Types of Compliance

4.1 The compliance functions in the company shall be divided into three broad categories.

4.1.1. Statutory compliance

The company has to ensure strict observance of all statutory provisions contained in various legislations applicable to the company such as NHB Act, Prevention of Money Laundering Act, Companies Act, other relevant labour laws etc.

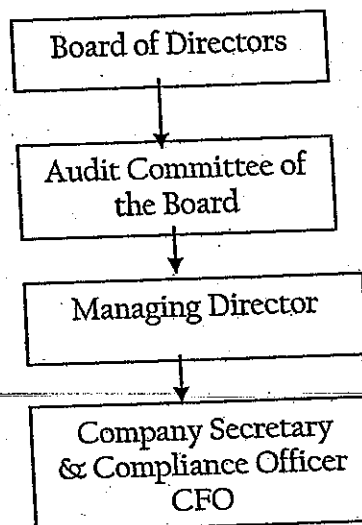
4.1.2 Regulatory compliance

The company has to ensure strict observance of regulatory guidelines issued from time to time by the regulators such as SEBI, NHB, RBI etc.

4.1.3 Other compliances

In addition to the statutory and regulatory compliance the company has to comply with standards and codes prescribed by BSE, NHB etc and also company's internal policies and code of conduct.

5. Organizational Structure



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Compliance Officers
at Branch Offices

The functions of the various levels in the organization structure are detailed below:

5.1 Board / Audit committee of the Board

- 5.1.1 The company recognizes that the compliance starts at the top. In order to inculcate the best corporate compliance structure that emphasizes standards of honesty and integrity, the Board as well as the top management will lead, by example, by setting the right tone for others to emulate.
- 5.1.2 The compliance policy shall be approved by the Board. The implementation of the policy shall be overseen by the Board. The Audit committee of the Board shall review the compliance function on a quarterly basis. An annual review shall be placed before the Board.

5.2 Compliance department at Corporate office

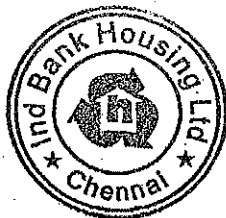
- 5.2.1 The compliance department at Registered office shall be responsible for implementing the policy. The compliance department at Registered office will be headed by the Company Secretary as the compliance officer with overall responsibility for co-ordination, identification and management of the company's compliance risk and supervising the activities of other compliance function of the staff.
- 5.2.2 The company shall keep informed the regulators as well as the Board and Audit committee of the Board of the name of the compliance officer of the company as also any change thereof as and when it takes place.
- 5.2.3 The compliance officer shall submit a quarterly report on compliance function to the audit committee of the Board and annual review to the Board of Directors.
- 5.2.4 The compliance officer shall report promptly to the audit committee of the Board on any material compliance failure.

5.3 Branches

- 5.2.1 At branches the Branch Head will perform the role of the compliance officer.
- 5.2.2 The compliance officer in each branch shall submit report on branches' status/ extent of compliances immediately to the compliance officer at Registered office.

6 Compliance process & procedures

- 6.1. The compliance officer at Registered office shall be special invitee to all meetings of the Board, audit committee of the Board and other Board level committees.
- 6.2. The compliance officers at Registered office shall have access to all information he requires and has the right on his own initiative to communicate



- with any staff member and obtain access to any records or files necessary to carry out his responsibilities.
- 6.3. The compliance officer at Registered office shall be empowered to conduct investigations whenever required and to request assistance from the specialist within the organization.
 - 6.4. The authority to use external experts for the purpose of investigation shall be left to the discretion of the compliance officer with the approval of the CEO.
 - 6.5. The compliance officer shall monitor the timely submission of regulatory returns by the company.

7. Compliance Risk Management

- 7.1. Compliance risk associated with the company's business activities / products shall be identified, documented and procedures shall be formulated for measuring the risk and compliance testing.
- 7.2. Registered office shall periodically circulate the instances of the compliance failures among the functional department and branches with preventive instructions.
- 7.3. The Compliance Officer shall submit a quarterly report on compliance function to the audit committee of the Board and annual review to the Board of Directors.
- 7.4. The Compliance Officer shall report promptly to the Audit Committee of the Board on any material compliance failure.

8 Reporting Structure

- 8.1. The compliance officer shall monitor the timely submission of regulatory returns by the company.
- 8.2. The branches shall submit a monthly and quarterly compliance certificate to the compliance officer at Registered office.
- 8.3. The functional departments will submit a monthly and quarterly compliance certificate to the compliance officer at Registered office.
- 8.4. The compliance Officer shall submit a quarterly report on compliance function to the audit committee of the Board and annual review to the Board of Directors.
- 8.5. A quarterly compliance report and annual review of compliance risk assessment shall be submitted to the Parent Bank.
- 8.6. The formats for the above reports will be designed by Compliance officer and advised to the branches and functional departments.

9 Disclosures

- 9.1. Non-compliance with any regulatory guidelines that requires to be disclosed with corrective steps taken to avoid recurrence of lapses shall be disclosed in the annual report of the company.

10 Modifications and review

- 10.1. The policy shall be reviewed once in a year and modified if necessary to suit the needs of the company and to comply with revised guidelines / statutory requirements from time to time.



Regulatory requirement and compliances

The regulatory requirement and compliance thereof shall be submitted in the format given below for the perusal of the Board.

Regulatory Requirement	Compliance Status
Bombay Stock Exchange	
Un-Audited Financial Results	
Half yearly certificate on share transfers	
Dematerialization Progress	
Quarterly return on Corporate Governance	
Quarterly return on Share Holding pattern	
Quarterly return on Share reconciliation	
NHB	
Annual return on reconciliation of investment holdings	
Investment Policy Compliance Report	
Quarterly Return on private Placement	
Quarterly Return on Govt. transactions through SGL	
Annual Report	
ROC	
Annual Report	
Filing of Balance Sheet	

