

DETAILS OF FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS CONDUCTED DURING THE FINANCIAL YEAR 2023-24 PURSUANT TO REGULATION 25 (7) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Poonawalla Fincorp Limited (“the Company/PFL”) has in place a mechanism to familiarize its Independent Directors about the Company, its products, the industry and business structure of the Company and its subsidiaries. The Company also undertakes various initiatives to update the Independent Directors about the ongoing events and developments relating to the Company, significant changes in the regulatory environment and implications on the Industry/ Company. To familiarize the new directors with the business and operations of the Company an Induction kit is shared with them which, *inter-alia*, includes Mission, Vision and Values, Business Structure, Brief profile of the Board of Directors, Composition of Committees of the Board, Brief profile of Senior Management Personnel, Press Releases, Investor Presentation, Latest Annual Report, Latest Shareholding Pattern and Shareholders holding more than 5% of share capital, Codes and Policies and Remuneration payable to Directors. Furthermore, the role, rights, responsibilities, duties and liabilities of the Independent Directors are embodied in detail in their Appointment Letter.

During the Financial Year 2023-24, the Independent Directors were updated from time to time on continuous basis on the significant changes in the regulations applicable to the Non-Banking Financial Companies (“NBFC”) in general and the Company in particular by circulating and deliberating and discussing during the various Board and Committee Meetings of the Board, the new regulations, circulars, notifications including amendments in existing regulations issued by the Securities and Exchange Board of India, Reserve Bank of India, Ministry of Corporate Affairs and Stock Exchanges etc. presentation on key highlights of SEBI Regulations and RBI Directions and Circulars, circulating business updates, disclosures made to the Stock Exchanges etc. Apart from aforesaid updates, presentations were regularly made at the meeting of the Board of Directors and other Committees constituted by the Board, where the Board members interact with the Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”) on risk management, company’s policies, compliances etc. The Managing Director, Executive Director, KMP and the SMP gave a detailed quarterly presentation on review of operations, business performance and strategy, financial outlook, financial reports etc. of the Company, peer comparison and overall industry scenario.

Familiarisation Programmes were held on April 26, 2023, July 24, 2023, October 20, 2023 and January 18, 2024 which were part of the Committee/Board meetings scheduled for the FY 2023-24 and was attended by the Directors of the Company including the Independent Directors of the Company for a cumulative duration of ~1 hour. During the said Programmes a presentation was given by the Company Secretary and the Chief Compliance Officer and its impact on the NBFCs and actionable. Some of the key topics covered were as follows:

- SEBI (Listing Obligations and Disclosure Requirements) Second Amendment Regulations, 2023 - Disclosure of material events / information by listed entities under Regulations 30 and 30A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR 2015), pursuant to amendment to SEBI LODR 2015.
- Trading Window closure period— Framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level.
- SEBI Master Circular for compliance with the provisions of the SEBI LODR 2015.
- SEBI Circular on Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform.
- SEBI Circular on Revised Framework for Large Corporates.

Poonawalla Fincorp Limited

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- SEBI Circular on framework for transfer of unclaimed amounts by the listed entities to Escrow Accounts and claim thereof by investors.
- Companies (Management and Administration) Second Amendment Rules, 2023.

Further, regulatory updates were presented to the Board members and were also discussed in the Audit Committee meetings and its impact on NBFCs and actionable. Some of the key topics covered were as follows:

- Amendment to the Master Direction (MD) on KYC.
- Guidelines on Default Loss Guarantee (DLG) in Digital Lending.
- Framework for Compromise Settlements and Technical Write-offs.
- Master Direction on Outsourcing of Information Technology Services.
- RBI Circular on Fair Lending Practice - Penal Charges in Loan Accounts.
- RBI Circular on reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans.
- Framework for compensation to customers for delayed updation/ rectification of credit information.
- Master Direction-Reserve Bank of India (Information Technology Governance, Risk, Controls and Assurance Practices) Directions, 2023.
- Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023.
- Regulatory measures towards consumer credit and bank credit to NBFCs.
- Amendment to KYC Master Direction.
- Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024.

Furthermore, Program for Non-Executive Directors on the Boards of Banks, Financial Institutions and NBFC was organized by the Centre for Advanced Financial Research and Learning (“CAFRAL”). CAFRAL is an independent body set up by the RBI in the backdrop of India’s evolving role in the global economy, in the financial services sector and its position in various international fora. CAFRAL seeks to develop into a world class global institution for research and learning in banking and finance.

The topics covered were:

- Strategic aspects of Assurance functions –Risk Management, Compliance & Audit, Corporate Governance Framework in Banks/Fis/NBFCs, Governance Challenges in use of Advanced Technologies, Corporate Governance & Ethics, KYC and AML measures—Regulatory expectations and Cyber Security & Resilience.
- Know Your Customer (KYC), and Anti Money Laundering (AML) program was mainly KYC & AML Risk Management, KYC & AML Regulatory Framework, Supervisory Observations and Expectations on KYC and AML Compliance, Key aspects of Transaction Monitoring, Central KYC Registry and Compliance and KYC & AML Compliance from International Perspective.

The details of the training programs attended on cumulative basis attended by the Board members as required under Regulation 46(2) of the SEBI LODR 2015 are provided in Annexure A.

The details of such Familiarization Programmes for Directors may be referred to, at the website of the Company at its weblink i.e. [Company Policies, Committee Details and Other Governance Details of PFL \(poonawallafincorp.com\)](http://poonawallafincorp.com)

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Annexure A

Sl.No	Name of the Directors	No. of Programmes/Meetings attended		No. of Hours spent	
		During the FY 2023-24	Cumulative till date from 1st April, 2016	During the FY 2023-24	Cumulative till date from 1st April, 2016
1	Mr. Adar Poonawalla ¹	4	10	0.40	1.13
2	Mr. Abhay Bhutada ²	4	10	0.40	1.97
3	Mr. Amar Deshpande ³	6	16	16.40	18.63
4	Mr. Sajid Fazalbhoy ⁴	5	12	8.40	13.78
5	Mr. Atul Kumar Gupta ⁵	5	12	8.40	25.72
6	Mr. Bontha Prasada Rao ⁶	5	17	8.40	22.13
7	Mr. G Jaganmohan Rao ⁷	2	9	0.20	4.52
8	Mr. Prabhakar Dalal ⁸	5	17	8.40	18.38
9	Ms. Kemisha Soni ⁹	1	1	8.10	8.10
10	Ms. Vijayalakshmi R Iyer ¹⁰	4	22	0.40	6.70
11	Mr. Sanjay Kumar ¹¹	6	14	16.40	36.72

¹Mr. Adar Poonawalla has been appointed as a Chairman, Non-Executive Director w.e.f June 01, 2021

²Mr. Abhay Bhutada has been appointed as Managing Director w.e.f February 12, 2022 (first appointment as Director from 01 June 2021 to 16 September 2021).

³Mr. Amar Deshpande has been appointed as a Non-Executive Director w.e.f June 03, 2021.

⁴Mr. Sajid Fazalbhoy was appointed as Independent Director w.e.f. May 05, 2021. He relinquished the position as Independent Director w.e.f. 03 February 2022 and appointed as Non-Executive Director w.e.f. 04 February 2022.

⁵Mr. Atul Kumar Gupta has been re-designated as an Independent Director w.e.f August 23, 2023.

⁶Mr. Bontha Prasada Rao has been re-appointed as Independent Director for the second term w.e.f. December 10, 2022.

⁷Mr. G Jaganmohan Rao resigned as an Independent Director w.e.f August 26, 2023.

⁸Mr. Prabhakar Dalal has been appointed as Independent Director w.e.f May 05, 2021.

⁹Ms. Kemisha Soni has been appointed as Independent Director w.e.f. January 30, 2024.

¹⁰Ms. Vijayalakshmi R Iyer, completed her tenure as Independent Director w.e.f. January 30, 2024.

¹¹Mr. Sanjay Kumar has been appointed as an Independent Director w.e.f January 15, 2022.

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Purpose and Objective of the Programmes

To provide insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the Company.

Legal Framework

Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“the **SEBI LODR 2015**”) requires a Company to familiarise its Independent Directors through various programs about the Company, including the following:

- (a) nature of the industry in which the company operates;
- (b) business model of the company;
- (c) roles, rights, responsibilities of independent directors; and
- (d) any other relevant information.

Further, Regulation 46(2) of the SEBI LODR 2015 requires a Company to disseminate on its website the details of familiarisation programmes imparted to Independent Directors including the following details:-

- (i) number of programmes attended by Independent Directors (during the year and on a cumulative basis till date),
- (ii) number of hours spent by Independent Directors in such programmes (during the year and on a cumulative basis till date), and
- (iii) other relevant details.
