



ANNEXURE TO ESG POLICY

1. Shareholders Engagement

TFCI believes in the importance of engaging in constructive communication with its shareholders. Constructive engagement with shareholders provides valuable insight that assist in maintaining the high standards of governance structure in the company. TFCI has taken following measures to enter into effective interaction with the shareholders.

(i) Investor Relation Department

The company has Investor Relation team functioning under Company Secretary which communicates with shareholders. The role of investor relation department is to represent the company to investors. The Investor relation department provides published information to the shareholders in a timely and accurate manner. The department, inter-alia, undertakes the following activities:

- Press Releases on business update & operations to be published by the Company on its website and on the Stock Exchanges where the securities of the Company are listed.
- Meet the shareholder on one-on-basis ensuring that all the legitimate queries of shareholder are replied on immediate basis.
- Investors Presentations on Quarterly/annual Results including financial performances and other parameters published on its website and Stock Exchanges.

(ii) Annual General Meeting

TFCI organises Annual General Meeting pursuant to the provisions of Companies Act, 2013 every year in order to obtain shareholder's approval on Annual Accounts of the Company and other businesses to be transacted at the AGM. The Annual Report is mailed/dispatched well in advance to the shareholders and copy of the same is also made available on the website of the Company During AGM, the Board of Directors directly interact with the shareholders of the Company and all the queries raised by the shareholders/investors are replied by the Management of the Company. The Company provides an open forum platform to attending shareholders who can clear their doubts and ask the business updates with Board of Directors/Management in every Annual General Meeting of the Company.

(iii) Annual Report

The Company publishes all information with respect to Company, business environment, disclosures and financial information in its Annual Report which is made available on Company's website under investor relation page and is also emailed/dispatched well in advance to the shareholders before the AGM. The company also provides physical copy of annual Report if so required by the shareholder/investor.

(iv) Stakeholders Relationship Committee

As per the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI LODR 2015, the Company has constituted the Stakeholders Relationship Committee. The details of the Committee along with committee members are mentioned on our Company website at www.tfciltd.com The terms of reference of the Stakeholder Relationship Committee includes:

- De-materialization of Shares
- Resolving the grievances of the shareholders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meeting etc.
- To review measures taken for effective exercise of voting rights by shareholders



- To review adherence to the service standards adopted by the listed entity in respect of various service being rendered by the Registrar and Share Transfer Agent
- To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company
- Any other related issue

(v) Shareholders can communicate with the management of TFCI at its corporate office located at

4th Floor, Tower-1, NBCC Plaza,
Sector-5, Pushp Vihar, Saket,
New Delhi-110017.

(vi) Shareholders can also contact the following officials for secretarial matters/grievances:

- (a) Name : Gyan Dev Bhardwaj, ACS & Asst. Manager
Telephone No. : 011 -47472222, Email ID : complianceofficer@tfciltd.com
- (b) Name: Sanjay Ahuja, Sr. Vice President & Company Secretary
Telephone No. : 011 -47472209, Email ID : complianceofficer@tfciltd.com

2. Shareholders Voting Rights

Pursuant to the provisions of section 43, sub-section (2) of section 50 and sub-section (1) of section 188,

- (a) every member of a company who is holding equity share capital, shall have a right to vote on every resolution placed before the company; and
- (b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.

The voting rights related to shares are voting rights at general meetings of the company, namely at meetings of the shareholders to a certain extent than the directors. Voting at general meetings can be completed in two diverse ways. Numerous resolutions are settled by a display of hands. This will provide every shareholder one vote, in spite of the number of shares held. It is a helpful practice for the passing of routine resolutions where there is no (or very little) opposition but does not be a sign of the actual voting strength of individual shareholders. For this to be completed there should be a poll, according to which the definite votes owned by every shareholder voting are counted.

2.1 TFCI has only one class of equity share i.e. common shares and every shareholder has an equal right to vote on every resolution placed before the Company and the voting right is in proportion to the share of the paid-up equity capital of the Company held by the shareholder.

3. Key Managerial Personnel Compensation.

TFCI has always believed in rewarding and recognizing consistent performers. These rewards and recognition could be financial or non-financial in nature.

Background: The Reserve Bank of India (RBI) has issued guidelines on compensation of Key Managerial Personnel (KMP) and Senior Management (SM) in NBFCs on April 29, 2022 ("Guidelines") effective from 1st April, 2023. TFCI has a Remuneration Policy which defines its formal compensation philosophy to build a high-performance culture and one that drives long term commitment to its vision and goals and is in alignment to the aforesaid RBI guidelines.



3.1 The objective of the guidelines is:

- (a) To ensure that the compensation practices are within the regulatory framework stipulated from time to time by RBI or any other relevant regulatory body.
- (b) To ensure effective governance of compensation and alignment of compensation practices with prudent risk taking.

3.2 The guidelines shall be applicable to:

(a) Key Managerial Personnel (KMP)

- Managing Director & CEO/Whole-Time Director
- Chief Financial Officer
- Company Secretary

(b) Senior Management Personnel: As per Section 178 of the Companies Act (2013), personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Managing/Whole Time Director, including the functional heads.

3.3. Governance Structure for Compensation:

- (a) The Nomination and Remuneration Committee (“NRC”) shall be responsible for framing, review and implementation of the Company’s compensation policy on behalf of the Board and its role is as set out in the NRC Charter.
- (b) Remuneration Policy will be subject to periodic review by the NRC and modification, if any, has to be approved by the Board of Directors.

3.4. Principles for Determination of Compensation for KMPs and Senior Management:

The level and composition of compensation should be is reasonable and sufficient to attract, retain and motivate the Senior Management team to effectively manage the Company. This means that compensation should be:

- market competitive
- driven by the role played by the employee
- reflective of the size of the Company, complexity of the sector/industry/Company’s operations and the Company’s capacity to pay.
- Linkage of compensation to appropriate performance benchmarks.

3.4.Compensation Structure:

Compensation structure will have a proper balance between Fixed Pay and Variable. Compensation structure broadly consists of following elements:

- a) Fixed Pay
- b) Variable Pay

The variable pay can be in the form of performance linked incentive based on objective evaluation of the performances/contribution of employees. TFCI has also a Board approved ESOP Policy for senior/middle level officers to reward and strengthen their commitments towards the organisation. perspective, customer perspective and others.



4. Human Capital Development

TFCI believes in the creation of an enabling work environment that encourages continuous learning, promote inclusivity and equality, and ensures a healthy and safe workplace. TFCI places strong emphasis on upholding human values, individual dignity, ethical and professional behaviour. TFCI acknowledges that its employees are instrumental in the Company's success and invests in the professional development of its employees by providing them with ample opportunities to advance in their careers and improve their skills and knowledge. TFCI offers training programmes and workshops that focus on the areas of expertise needed for business growth. These programmes not only enhance employees' knowledge and skills, but also enable them to contribute more effectively to Company's progress. By investing in its employees' professional development, TFCI has created a highly skilled and motivated workforce that drives Company's success and advancement.

TFCI is devoted to building an inclusive and safe workplace for our employees. TFCI is an equal opportunity employer embracing people from various backgrounds and experiences. TFCI remains committed towards strengthening workforce diversity and building a culture of inclusion. TFCI follows a non-discriminatory policy towards its employees, treating them fairly, irrespective of gender, caste, creed, culture, and religion. TFCI hires talent solely on the basis of skillset and the dedication they are willing to offer towards the role.

4.1 Employee Development and Retention Strategies

TFCI considers its people as its most valuable asset and firmly believes in fostering employee development. The approach is grounded in a merit-based culture that identifies and nurtures individuals with high potential, enabling them to excel in a satisfying, long-term career with your Company. TFCI also ensures effective talent management by adopting a three-pronged strategy:

- Talent Identification,
- Talent Development, and
- Talent Deployment.

(i) Talent Identification

TFCI's talent strategy is based on performance and its alignment with the Company's objectives. TFCI seeks out individuals with unique strengths who can be further developed to enhance value creation. TFCI also considers growth potential, leadership qualities, domain knowledge, and expertise when selecting individuals.

(ii) Talent Development

TFCI utilises a talent development approach across three themes: Experience, Exposure, and Education, respectively.

Experience: Enrich employees' roles by offering them new opportunities and added responsibilities. Employees are motivated to contribute in decision-making and to take ownership of assigned tasks.

Exposure & Education: Employees are exposed to cross-functional perspectives. Regular training sessions are organised for employees managing critical roles to enhance their knowledge and skills.

(iii) Talent Deployment

TFCI has support systems to ensure the success of individuals who are assigned significant roles as they are considered part of the talent pool of the organisation and not just a resource within the department.



4.2. Representation of woman in Company

As on 31.03.2023							
Particulars	Less than 30 years		Between 30 to 50 years		Greater than 50 years		Cumulative
	Female	Male	Female	Male	Female	Male	
Top Management	-	-	1	-	-	1	2
Senior Management	-	-	1	3	-	4	8
Middle Management	-	2	1	6	2	3	14
Junior Management		1	1	1	-	2	5
Support Staff	-	-	-	1	-	3	4
Total		3	4	11	2	13	33

4.3 Representation of woman in the Board of Directors

No. of Directors	No. of woman in the Board	% of woman representation in the Board
7	1	14.28%

4.4. Turnover rate of employee

Employee Turnover (Gender- Wise)						
Category	FY23			FY22		
	Male	Female	Total	Male	Female	Total
Employee Turnover (No.)	4	-	4	7	2	9
Employee Turnover Rate	10.26%	-	10.26%	16.67%	4.76%	21.43%

Employee Turnover (Age- Wise)**			
Category	Age Group	FY23	FY22
		Total	Total
Employee Turnover (No.)	<30 Years	2	1
	30-50 Years	2	7
	> 50 Years	-	1
Employee Turnover (Rate)	<30 Years	5.13%	2.38%
	30-50 Years	5.13%	16.67%
	> 50 Years	-	2.38%

New Hires (Gender- Wise)**						
Category	FY23			FY22		
	Male	Female	Total	Male	Female	Total
New Hires (No.)	5	-	5	2	1	3
New Hiring Rate	12.82%	-	12.82%	4.76%	2.38%	7.14%

New Hires (Age- Wise)**			
Category	Age Group	FY23	FY22
		Total	Total
New Hires (No.)	<30 Years	3	2
	30-50 Years	1	1
	> 50 Years	1	0
New Hiring Rate	<30 Years	7.69%	4.76%
	30-50 Years	2.56%	2.38%
	> 50 Years	2.56%	-



5. Energy Efficiency & Use of Renewal energy

India has made comprehensive climate commitments to achieve Net Zero Emissions and has set ambitious goals for energy efficiency and reduced carbon intensity of the economy. Aligned with this vision, TFCI has also taken measures for energy conservation & reduction in carbon emissions as follows:

(i) Use LED Lights:

LED lights have been installed in place of traditional incandescent light bulbs in the office premises which has significantly reduced energy consumption.

(ii) Energy-efficient appliances:

The company has policy to procure and use BEE 5-star label office appliances to maximize energy saving and reduce carbon emissions

(iii) Cloud-based data management

In order to have standardization, optimal utilization, security, easy accessibility of data in energy efficient way, we have implemented cloud-based data storing system.

(iv) Sensitization to staff

It is very important for the Officers and staff to be aware of the decarbonization strategies in order to implement and identify energy saving potential and avert carbon emissions. We encourage our staff to take training on broad issues of sustainability and carbon reduction & energy efficiency.

(v) Installation of Solar Panels:

At present, the energy consumption is minimal/not significant being consumed for lighting and running the appliances as electricity for operating centralised air conditioning facility, power backup etc. are supplied by building owing & maintenance agency 'NBCC'. NBCC has installed solar panels in the building premises for generating renewable energy which is utilised for common lighting as well as supplying power to occupants of the building resulting in saving in energy cost and reduction in carbon emission.