

CORPORATE GOVERNANCE POLICY

1. INTRODUCTION:

The Corporate Governance Policy ('Policy') provides the framework under which the Board of Directors operate. It includes Company's corporate structure, culture, policies and the manner in which it deals with various stakeholders.

The Policy has been aligned with the Companies Act, 2013 ('Act') and the provisions of Corporate Governance as stipulated in the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time.

POLICY

A. BOARD OF DIRECTORS

The Board is responsible to act in the best interests of the Company and its shareholders. In discharging their duties, the Directors shall comply with the Code of Conduct as adopted by the Board.

The Board of Directors shall have an optimum combination of executive and non-executive directors in compliance with the Companies Act, 2013 and other regulatory guidelines, if any.

B. BOARD MEETINGS AND ITS QOURUM:

Meetings of the Board of Directors shall be held at least four times a year, with a maximum time gap of not more than one hundred and twenty days between any two consecutive meetings.

One-third of the total strength of the Board, or two Directors, whichever is higher, shall form the quorum for a meeting.

C. COMMITTEES OF THE BOARD

The committees constituted by the Board are as follows:

Audit Committee:

The Company shall constitute an Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and in terms of applicable RBI guidelines in this regard. The Audit Committee shall have the powers and duties conferred upon it in compliance with the provisions of Section 177 of the Companies Act, 2013, RBI guidelines and such other duties, obligations and powers as may be prescribed by the Board of the Company from time to time.

Nomination and Remuneration Committee:

The Company shall constitute a 'Nomination and Remuneration Committee' in compliance with the provisions of Section 178 of the Companies Act, 2013 and the same is in conformity with the RBI guidelines issued in this regard from time to time.

The Nomination and Remuneration Committee shall have the powers and duties conferred upon it in compliance with the provisions of Section 178 of the Companies Act, RBI guidelines and such other duties, obligations and powers as may be prescribed by the Board of the Company from time to time.

Asset-Liability Management Committee:

The Company has in place the Asset-Liability Management Committee ("ALCO") constituted in accordance with the RBI guidelines. The ALCO's primary goal is to evaluate, monitor and approve practices relating to risk due to imbalances in the capital structure. The Company has a Board approved Asset Liability Management Policy in place and required disclosures to the effect are made from time to time.

Risk Management Committee:

The Company has in place a Risk Management Committee constituted in accordance with the RBI guidelines in this regard. The Risk Management Committee is responsible for managing, inter alia the integrated risk which includes liquidity risk, interest rate risk, currency risk and such other functions as may be assigned to it by the Board of the Company. Further, the Risk Management Committee shall ensure that progressive risk management system and risk management policy and strategy followed by the Company are put in place.

Fit & Proper Criteria:

In terms of Scale based Regulations issued by the Reserve Bank of India, the Company shall put in place a Board approved policy on 'Fit and Proper Criteria for Directors' ("the Policy"). Pursuant to the Policy, the Company obtains necessary disclosures from Directors from time to time. Further, the Company ensures compliance with the provisions laid down in the said Policy. Further as required under the above referred RBI circulars, the Company shall ensure to furnish to the RBI on a quarterly basis, statement on change of directors and a certificate confirming that fit and proper criteria in selection of the directors have been followed. The same should be submitted to the Regional Office of RBI within 15 days of the close of the respective quarter and the statement for the quarter ending March 31, should be certified by the auditors.

IT Strategy Committee:

The Company shall constitute a Board Level IT Strategy Committee as required under the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices. The purpose of the IT Strategy Committee is to oversee the strategy development, approval, implementation, review and reporting to the Board.

IT Steering Committee

The Company shall constitute an IT Steering Committee, as required under the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices consisting of Senior Management from IT and Business Functions.

VIGIL MECHANISM:

The Company shall formulate a vigil mechanism / whistle blower policy to enable directors and employees to report genuine concerns about unethical behaviour actual or suspected fraud or violation of Company's Code of Conduct. The vigil mechanism / whistle blower policy shall provide a mechanism for an individual to report violations without fear of victimisation. The policy shall be hosted on the website of the Company.

Statutory Auditors:

The appointment of Statutory auditors and the partner/s of the Chartered Accountant Firm conducting the Statutory Audit of the Company, shall be in terms of the provisions of Section 139 and 141 of the Companies Act, 2013 and in accordance with the applicable RBI guidelines as amended from time to time.

Disclosure

With respect to the corporate governance report, the company should also endeavour to make full disclosure in accordance with the requirement of SEBI (LODR) Regulations, 2015, and as stipulated in the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

Review

The policy shall be subject to review by the Board from time to time.