

ORGANISATION AREA	DOCUMENT TYPE	VERSION
BOARD OF DIRECTORS AND SENIOR MANAGEMENT	CORPORATE GOVERNANCE POLICY	VERSION 2.0
<p>Version 1.0 Approved by the Board of Directors on 23 January 2024. Version 2.0 Reviewed and Approved by the Board of Directors on 28 April 2025</p>		

## **CORPORATE GOVERNANCE POLICY**

### **BACKGROUND**

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') read with Rules made thereunder and the provisions of Corporate Governance guidelines as stipulated by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI vide its Circular No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 as amended.

### **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.

#### **B. BOARD MEETINGS**

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.

#### **C. COMMITTEES OF THE BOARD**

The committees shall be constituted by the Board as follows:

##### **1. Audit Committee**

As per 177(1) of The Companies Act, 2013 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Board of Directors of such other class or classes of companies, as may be prescribed, shall constitute an Audit Committee.

##### **2. Nomination and Remuneration Committee**

As per 178(1) of The Companies Act, 2013 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Board of Directors of such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee consisting of three or more non-executive Directors out of which not less than one-half shall be independent directors.

## **CORPORATE GOVERNANCE POLICY**

### **3. Risk Management Committee**

As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, in order that the Board is able to focus on risk management, NBFCs shall constitute a Risk Management Committee (RMC) either at the Board or executive level. The RMC shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk and shall report to the Board.

### **4. Stakeholders Relationship Committee**

As per the provisions of Companies Act, 2013 the Company has constituted a Stakeholders Relationship Committee (SRC).

### **5. Corporate Social Responsibility Committee**

The Committee shall be constituted as and when the the amount required to be spent by a company on CSR activities exceeds fifty lakh rupees,.

### **6. IT Strategy Committee**

The Company shall constitute an IT Strategy Committee, as required under the Master Direction - Information Technology Framework for the NBFC Sector. The chairperson of the Committee shall be an independent director and the Committee shall meet at an appropriate frequency as prescribed.

### **7. Special Committee for Monitoring and Follow up of cases of Frauds (SCBMF)**

As per Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) issued by RBI vide RBI/DOS/2024-25/120 DOS.CO. FMG.SEC. No.7/23.04.001/2024-25 dated 15 July 2024 NBFCs shall constitute a Committee of the Board to be known as 'Special Committee of the Board for Monitoring and Follow-up of cases of Frauds' (SCBMF). Applicable NBFCs categorised as Middle Layer and Base Layer for regulatory purposes, shall have the option of constituting a Committee of the Executives (CoE) with a minimum of three members, at least one of whom shall be a Whole-time director or equivalent rank Official for the purpose of performing the roles and responsibilities of SCBMF as required under these Directions. The SCBMF shall oversee the effectiveness of the fraud risk management in the NBFC.

## **CORPORATE GOVERNANCE POLICY**

### **8. Review Committee concerning Wilful Defaults**

As per Master Direction on Treatment of Wilful Defaulters and Large Defaulters issued by RBI vide RBI/ DoR/ 2024-25/ 122 DoR.FIN.REC.No.31/ 20.16.003/2024-25 dated 30 July 2024 shall constitute Review Committee concerning Wilful Defaults consisting of the Whole-Time Director who is the MD & CEO/ CEO or equivalent official of the lender as chairperson and two independent directors or non-executive directors or equivalent officials as members.

### **9. Customer Service Committee**

The Company has constituted a Customer Service Committee to oversee and guide implementation of service enhancement initiatives across the Company. It shall also review grievance redressal and issues bearing on the quality of services rendered by the Company to its customers, adherence to Fair Practices Code, Review of awards under Ombudsman scheme and implementation of internal ombudsman policy.

The Committee shall meet at an appropriate frequency as prescribed.

## **D. 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.

## **E. FIT & PROPER CRITERIA**

The Company shall have in place a Board approved policy for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. The Company must obtain a declaration and undertaking from the directors giving additional information on the directors and a Deed of Covenant signed by the directors, in the format prescribed. The Company shall furnish to RBI, a quarterly statement on change of directors, and a certificate that fit and proper criteria in selection of the directors has been followed. The statement must reach the Regional Office of the Department of Supervision of the Bank where the company is registered, within 15 days of the close of the respective quarter. The statement submitted by applicable NBFC for the quarter ending March 31, shall be certified by the auditors.

## **F. DISCLOSURE AND TRANSPARENCY**

The Company shall put up to the Board of Directors or its Committees, at regular intervals, as may be prescribed by the Board in this regard, the following:

## **CORPORATE GOVERNANCE POLICY**

- i. the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;
- ii. conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

The Company shall also disclose the following in their Annual Financial Statements:

- i. registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
- ii. ratings assigned by credit rating agencies and migration of ratings during the year;
- iii. Penalties, if any, levied by any regulator;
- iv. information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries and
- v. Asset-Liability maturity, extent of financing of parent company products, credit impaired loans and movement of credit impaired loans, details of all off-balance sheet exposures, structured products issued by the Company as also securitization/ assignment transactions and other disclosures, as may be prescribed by Reserve Bank of India from time to time.

### **G. ROTATION OF THE STATUTORY AUDITORS AUDIT FIRM**

The Company shall rotate the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner does not conduct audit of the company continuously more than a period of three years. However, the partner so rotated will be eligible for conducting the audit of the Company after an interval of three years, if the Company, so decides. These terms shall be incorporated appropriately in the letter of appointment of the firm of auditors.

These provisions shall be read with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs)' dated 27 April 2021, issued by Reserve Bank of India and as amended from time to time.

The Company shall abide by the RBI's directions to Corporate Governance. The policy shall be subject to review by the Board from time to time.

Place : Pune

Date : 28 April 2025

RAJIV BAJAJ  
CHAIRMAN