

ANAND RATHI GLOBAL FINANCE LIMITED

(“NBFC/ARGFL”)

GUIDELINES ON CORPORATE GOVERNANCE

(ARGFL/SECRETARIAL/CG/2026/V9)

Version History

Version	Approval	Version Description	Regulatory Reference
I	Board Meeting dated June 27, 2016	2016	Companies Act, 2013 & RBI Regulations
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III	Board Meeting dated September 3, 2021	2021	Companies Act, 2013 & RBI Regulations
IV	Board Meeting dated February 24, 2022	2022	Companies Act, 2013 & RBI Regulations
V	Board Meeting dated May 9, 2023	2023	Companies Act, 2013 & RBI Regulations
VI	Board Meeting dated May 22, 2024	2024	Companies Act, 2013 & RBI Regulations
VII	Board Meeting dated Aug 30, 2024	2024	Companies Act, 2013 & RBI Regulations
VIII	Board Meeting dated May 26, 2025 (Reviewed)	2025	Companies Act, 2013 & RBI Regulations
IX	Board Meeting dated February 26, 2026 (Reviewed)	2026	Companies Act, 2013 & RBI Regulations

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Guidelines on Corporate Governance

1. INTRODUCTION

ANAND RATHI GLOBAL FINANCE LIMITED' (ARGFL) is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct. Over the period of time and increase in operations, the Company has acquired the status of Systemically Important Non-Banking Financial Company. The Company is a subsidiary of Anand Rathi Financial Services Limited.

The Company carries its activities in accordance with good corporate practices and is constantly striving to better them by adopting the best practices. To manage the affairs of the Company with integrity, fairness, accountability and transparency, the Company lays down the following set of guidelines / corporate governance practices to create value for the stakeholders viz. the shareholders, employees, customers, society at large etc.

2. OBJECTIVE OF GUIDELINES ON CORPORATE GOVERNANCE

Efficient corporate governance requires a clear understanding of the respective roles of the Board and of senior management and their relationships with others in the corporate structure. In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has, on May 8, 2007, issued guidelines on Corporate Governance. In pursuance of the aforesaid Guidelines and Master Circular- "Non-Banking Financial Companies- Corporate Governance (Reserve Bank) Directions, 2016, as amended from time to time, the Company has framed the following internal Guidelines on Corporate Governance.

3. BOARD OF DIRECTORS

The Board of Directors along with its various Committees provides leadership and strategic guidance to the Company's management. The Company's management acts in accordance with the supervision, control, and direction by the Board of Directors of the Company.

The Board has a vital role to play in the matters relating to policy formulation, implementation and strategic issues which are crucial for the long-term development of the Company. The Board is to be responsible for overall compliance with the corporate governance of the Company and oversee the business affairs, in doing so the Board must act honestly, in good faith and in the best interests of the Company.

The Board of Directors may delegate any of its powers, other than those required by law, to a committee or persons to assist with fulfilling its role.

3.1 Composition: The Company's Board have an optimum combination of Executive, Non-Executive, and Independent Directors in line with the requirements of the provisions of the Companies Act, 2013 and the Articles of Association of the Company.

3.2 Quorum and Meetings: The quorum and meetings of the Company is held as per the requirements of the Companies Act, 2013 and as prescribed in the Articles of Association of the Company. The Directors strive to attend all meetings of the Board and its Committees. In case a director is unable to attend specific Board Meeting, he or she needs to obtain leave of absence from the Board.

3.3 Responsibility of the Board: On behalf of the Company's shareholders, the Board is responsible for overseeing the management of the business and affairs of the Company. The Board acts as the ultimate decision-making body of the Company, except on those matters reserved to or shared with the shareholders of the Company under the different laws applicable.

3.4 All other matters with respect to function, responsibility, terms of office, resignation, removal from office, meeting conduct, adjournment, remuneration, code of conduct for the Board Meetings etc. are subject to Companies Act, 2013 and Reserve Bank of India's guidelines.

4. BOARD COMMITTEES

In accordance with applicable provisions of Companies Act, 2013, the Board Committees as on 31st March 2025 are as follows:

For better monitoring and control, the Board endeavour to constitute Board level Committees as under:

- a. Asset Liability Management Committee
- b. Audit Committee
- c. Corporate Social Responsibility Committee
- d. Credit Committee
- e. Debenture Allotment and Redemption Committee
- f. Debenture Committee
- g. Information Technology Steering Committee
- h. Information Security Committee
- i. Committee of Executives
- j. Investment Committee
- k. Management Committee
- l. Nomination and Remuneration Committee
- m. Risk Management Committee
- n. Stakeholder Relationship Committee
- o. Share Allotment Committee

a. Asset Liability Management Committee

The Board also constituted an Asset Liability Management Committee (ALCO) as required by the guidelines issued by the RBI. The constitution and functioning of the ALCO are in line with the requirements of the RBI guidelines. The Committee inter alia, monitors the asset liability gap and strategizes action to mitigate the risks associated.

i. Composition: The Committee shall have such members as approved by the Board. The Committee appoints one of its members as the Chairman of the Committee.

ii. Quorum and Meetings: The quorum shall comprise of at least two members. The Committee meets as and when required but shall meet at least four times in a year.

iii. Role of the Committee: The role of the Asset Liability Management Committee, inter alia, shall include the following:

- a) Monitor and discuss the status and results implemented in asset/liability management strategies and tactics;
- b) Review measurement reports on various risks (e.g., liquidity, market, interest rate changes);
- c) Develop alternate strategies deemed appropriate;
- d) Develop parameters for the pricing and maturity distributions of loans and investments;
- e) Independent review of Asset Liability Management Model;
- f) Monitoring market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time;
- g) Deciding the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and set risk management objectives;
- h) Review the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits;
- i) Balance Sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- j) Product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for similar services/products, etc.;
- k) Monitor Market Linked Debentures and Derivatives;
- l) Reviewing the current interest rate outlook of the Company and decide about the future business strategy accordingly; and
- m) Deciding on the source and mix of liabilities or sale of assets;
- n) Perform such other allied functions as may be required from time to time.

b. Audit Committee

The Company has in place the Audit Committee of the Board (ACB) constituted in accordance with the provisions of the Section 177 of the Companies Act, 2013 and the rules framed there under and applicable provisions of the RBI Directions. The Audit Committee constitution and functioning is in compliance with the provisions of the Companies Act, 2013.

- i. **Composition:** The Audit Committee of the Company shall have minimum of three Directors with Independent Directors forming majority as prescribed by the Companies Act, 2013. All members of audit committee must be financially literate with ability to read and understand basic financial statements i.e. balance sheet, profit and loss and cash flow statements, and at least one member have accounting or related financial management expertise. The members of the Audit Committee are appointed by the Board of Directors.
- ii. **Quorum and Meetings:** The quorum for Audit Committee shall be minimum two members or 1/3rd of the members of the Audit Committee whichever is higher, out of which, the presence of 1 (one) independent director shall be mandatory for the quorum to be present.
- iii. **Role of the Committee:** The role of the Audit Committee, inter-alia, include the following:
 - a) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
 - b) Review and monitor the auditor's independence and performance, conflict of interest position and effectiveness of audit process.
 - c) Examination of the financial statement and the auditors' report thereon; approval or any subsequent modification of transactions of the Company, if any, with related parties.
 - d) Evaluation of internal financial controls and risk management systems.
 - e) Review performance of Statutory Auditor on an annual basis.
 - f) Recommend to the Board, regarding concerns on independence of auditors that are to be reported to the RBI.
 - g) Scrutiny of inter-corporate loans and investments.
 - h) Discussion with internal auditors of any significant findings and follow up there on.
 - i) To review the functioning of the whistle blower mechanism.
 - j) Valuation of undertakings or assets of the Company, wherever it is necessary.
 - k) The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs.
 - l) ACB shall meet the HIA at least once in a quarter, without the presence of the senior management.

c. Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility (CSR) Committee to meet the requirements of Section 135 of the Companies Act, 2013. The Committee is vested with necessary powers, as laid down in its charter, to achieve its objectives.

i. Composition: The CSR Committee have a minimum of three directors, out of which at least one director is an independent director. The members of the CSR Committee are appointed by the Board of Directors. The Committee appoints one of its members as the Chairman of the Committee.

ii. Quorum and Meetings: The Quorum comprises of two members or 1/3rd of the members of the committee, whichever is higher. The Committee meets as and when required.

iii. Role of the Committee:

- a) Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
- b) Making recommendation on the amount of expenditure to be incurred on CSR activities;
- c) Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company;
- d) Monitor the Corporate Social Responsibility Policy of the company from time to time and such other tasks as may be entrusted to it by the Board of Directors from time to time.

d. Credit Committee

i. Composition: The Credit Committee shall comprise of the Directors and other officials of the Company.

ii. Quorum and Meetings: The Quorum shall be majority i.e at least minimum 50% of the members of the committee. The Committee meets as and when required.

iii. Role of the Committee:

- The Committee is responsible for sanction of loans of loan against securities (**LAS**) and inter-corporate directors (**ICD**). This committee will consist of professionals who possess necessary expertise in the field.
- The Committee is responsible for sanction of loans/proposals presented by FIG vertical.

- The Committee is responsible for sanction of loans under construction finance. This committee will be entrusted with all powers to run the business of construction finance. This committee may consist of independent professionals who are experts of the field. All the proposals shall be approved by the committee.
- The Committee is responsible for sanction of loans to the Related parties.

e. Debenture Allotment and Redemption Committee (DARC)

- i. Composition:** The Committee has such members as approved by the Board. The Committee appoints one of its members as the Chairman of the Committee.
- ii. Quorum:** The quorum shall comprise of at least two members. The Committee shall meet as and when required,

iii. Role of the DARC Committee:

- a. Drafting and finalization of disclosure document to be issued and Annexure to Disclosure Document
- b. Designing of term sheet to Issue(s)
- c. Issuance and allotment of debentures
- d. Application form for Issue
- e. List of Invitees
- f. Issuance of Letter of Allotment and Electronic Credit of Debentures.
- g. Authorization of the redemption of debentures on maturity or prematurity.

f. Debenture Committee

The Board of Directors of Company has decided to raise money from issue of unrated, unlisted, secured/unsecured (Subordinate Bond), redeemable, non-convertible debentures (“NCDs” or “Debentures”) by way of private placement and formed debenture committee consisting of members as Board may decide from time to time for designing and issuance of Debentures.

- i. Composition:** The Committee has such members as approved by the Board. The Committee appoints one of its members as the Chairman of the Committee.
- ii. Quorum and Meetings:** The Debenture committee shall meet at least once every quarter. The Quorum shall form at least minimum of three members of the Committee.
- iii. Role of Committee:** The Committee prepares and finalizes:
 - a. Product Design

- b. Supervision & Regular monitoring of the debentures issued.
- c. Monitoring the compliances

g. Information Technology (IT) Steering Committee

- i. **Composition:** The Committee shall have such number of members from Senior Management level from IT and business functions as may be approved by the Board of the Company.
- ii. **Quorums and Meetings:** The Quorum shall comprise of at least at least two members or one-third members of the committee, whichever is lower. The Committee shall meet on a quarterly basis.
- iii. **Role of Committee:**
 - a) Assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
 - b) To oversee the processes put in place for business continuity and disaster recovery;
 - c) Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
 - d) Update ITSC and CEO of the Company periodically on the activities of IT Steering Committee.

I. Information Security Committee (ISC)

An Information Security Committee (ISC) shall operate under the oversight of the Information Technology Strategy Committee (ITSC) of the Board and formed for managing cyber/ information security.

- i. **Composition:** The Committee shall be constituted with Chief Information and Security Officer (CISO) and such other members from senior management from business and IT functions as may be approved by the ITSC. Further
- ii. **Quorums and Meetings:** The quorum of Information Security Management Committee shall comprise of atleast at least two members or one-third members of the committee, whichever is lower. The Committee shall meet on as and when required.
- iii. **Role of the Committee:**
 - a) Development of information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the risk appetite of the Company;

- b) Approving and monitoring information security projects and security awareness initiatives;
- c) Reviewing cyber incidents, information systems audit observations, monitoring and mitigation activities; and
- d) Updating ITSC and CEO periodically on the activities of the Committee.

J. Committee of Executives

- i. **Composition:** The Committee of Executives (COE) shall be comprise of five members out of which one should be Whole-Time Director of the Board i.e. Chief Executive Officer (CEO), Chief Compliance Officer (CCO), Chief Finance Officer (CFO), Chief Risk officer (CRO), and respective business heads. The Committee shall be headed by CEO.
- ii. **Quorums and Meetings:** The Committee shall meet at least once in 6 months or occurrence of any fraud event, whichever is earlier.
- iii. **Role of the Committee:**

To oversee the effectiveness of the fraud risk management in the Company and review and monitor cases of frauds, including root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimizing the incidence of frauds.

K. Investment Committee

The Company has formed investment committee.

- i. **Composition:** The Committee have such members as approved by the Board. The Committee appoints one of its members as the Chairman of the Committee.
- ii. **Quorum and Meetings:** The investment committee shall meet at least once each quarter. The quorum shall comprise of at least a minimum of three members of the committee.
- iii. **Role of the Committee**
 - a) The Investment Committee takes investment / divestment decisions and manages and supervises the Investment and Securities Inventory portfolio in accordance with Investment Policy approved by the Board.
 - b) To consider, approve or make recommendations to the board on capital expenditure and Investment proposals.

L. Management committee

- i. Composition:** Management Committee Comprises of the Directors and other officials of the Company.
- ii. Quorum and Meetings:** The Quorum shall comprise of at least two members or 1/3rd of the members of the committee, whichever is higher. The Committee shall meet as and when required.

iii. Role of the Committee:

1. To open, operate and close Bank Accounts, Demat Accounts and Constituent Subsidiary General Ledger Account in the name of the Company and to authorize the Executives of the Company / Holding Company / Group Company for the same.
2. Addition / Substitution / Withdrawal of the Signatories from time to time to operate the Bank Accounts, Demat Accounts and Constituent Subsidiary General Ledger Account, necessitated on account of change in, relocation or separation of employees.
3. To avail various value added services from the Banks for operation of account(s) held with banks including but not limited to cash management services, internet banking, operation of the accounts by fax/mail or such other mode or facility as may be feasible from time to time.
4. To purchase / acquire on lease vehicles to meet the conveyance requirements of the employees subject to a maximum limit of Rs. 5,00,00,000/- (Rupees Five Crore Only) per annum in the aggregate.
5. To negotiate and acquire on Lease / License or otherwise office space to cater to the Company's business purposes and to enter into/sign lease and license/rent agreement for and on behalf of company and authorising Company officials to do necessary acts.
6. To obtain registration under Professional tax laws, VAT Tax laws, Service Tax, Income Tax, Shops and Establishment Act and other regulatory framework, as may be required from time to time and to authorise the Executives of the Company / Holding Company / Group Company to give effect to this matter.
7. To register/de-register the Company with any Central/State Government authorities, Semi Government authorities, regulatory authorities, statutory authorities, quasi-judicial authorities, local authorities, tax authorities, administrative authorities, business associations and any other bodies as required for business operations of the Company.
8. To make applications for registrations of any kind of licenses and surrender thereof for its business operations.
9. To authorise the Executives of the Company / Holding Company / Group Company for various operational purposes including but not limited to:
 - a. Enter into/ signing of memorandums/agreements/deeds for business operations
 - b. To sign/ execute complaints, notices, applications, Vakalatnamas, Replies, Written Statements, Affidavits, Power of Attorney and other paper/documents,

- submissions, instructions in the legal proceedings, appeals etc. filed by the Company or against the Company and
- c. to appear before the Court, Tribunal and other Judicial/Quasi-Judicial bodies, Local Authority, Statutory Authorities and other Government Authorities under SARFAESI, IBC etc.
10. To transfer financial assets (loans and advances and portfolio thereof) to Asset Reconstruction Company, Securitization Company, other Non-Banking Financial Companies /Banks /Financial Institutions and securitization of standard financial assets and to do all necessary acts for this purpose.
 11. To approve buying/purchasing of financial assets from other Banks /Financial Institutions /Non-Banking Financial Companies etc.
 12. Power to affix the Common Seal of the Company on agreements, deeds, power of attorney on any other document that are executed by and on behalf of the Company.
 13. To obtain IT/ITES Unit Registration from Director of Industries (DOI), Government of Maharashtra to avail Industrial Tariff Savings Benefits under IT/ITES Policy, 2015 with respect to commercial electricity connection in the name of the Company and authorise the executives of the Company for the same.
 14. To authorize the officials/representatives of the Company / Holding Company / Group Company to execute the documents relating to Lien/Assignment /Pledge marking of clients securities and clients rights, equities and benefits in Life Insurance Policies /Plans ULIPS as collateral as well as release of Lien/Assignments /Pledge marking of the same.
 15. To authorize the officials/representatives of the Company to execute, sign, deliver the Memorandum of Understanding, Sale Deed and other necessary applications, documents for selling the property and to do all other acts, deeds, matters and things on behalf of the Company as may be required for the aforesaid purpose.
 16. To purchase or sell or rent the land / property / capital assets in normal course of business of the Company and to authorize the Executives of the Company to execute, sign, deliver the Memorandum of understanding / purchase deed and other necessary applications, documents for purchasing / selling the property and to do all other acts, deeds, matters and things on behalf of company as may be required for aforesaid purpose
 17. To grant authority for furnishing/submitting applications for telephone / internet or other utility connections for various branch offices.
 18. Empanelment with any other companies/associations/body corporate for development of business operation of company.
 19. Issuance of a No objection for the purposes of applying with various statutory authorities including Shops and Establishments to any of the existing or to be incorporated Anand Rathi Group Companies;
 20. Issuance of No objection for the usage of Company premises.
 21. To authorize the officials/representatives of the Company / Holding Company / Group Company to avail or grant the Loan/Credit Facility inter-alia against the security (fixed deposit receipts, term deposit receipts, etc.) on such term and conditions as may be mutually agreed by the parties.

22. To avail guarantee from the Holding Company and / or other Group Company (ies) in connection with a loan, financial assistance, etc availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc.
23. To avail security from the Holding Company and / or other Group Company (ies) to be provided as collateral/security in connection with a loan, financial assistance, etc availed by the Company from Bank, Financial Institution, Non-Banking Financial Companies, other body corporates, etc.
24. To grant loan, make investment by way of subscription, purchase, conversion or otherwise of financial instruments of one or more bodies corporate, provide corporate guarantee/ security in connection with a loan, financial assistance, etc. availed by Subsidiary/Group Company (ies) of the Company from Banks, Financial Institutions, Non-Banking Financial Companies, other body corporates, etc. in terms of the provisions of Section 186 of the Companies Act, 2013, subject to applicable Rules, Regulations, Guidelines (including any statutory modifications or re-enactment thereof for the time being in force) and such conditions as may be prescribed by any of the concerned authorities, and to authorise officials/representatives of the Company for the aforementioned purpose, provided that that the aggregate loans given, investment made and guarantees/security provided shall not exceed the limits specified under Section 186 of the Companies Act, 2013, read with the applicable rules, circulars or clarifications thereunder.
25. To extend loans to the Employees of the Company / Group Company/ies whether with or without interest, secured or unsecured for various purposes upto the limit as per omnibus approval given by the Audit Committee/Board.
26. To authorize the Executives of the Company / Holding Company / Group Company to perform various acts and execution of documents for the Loan / subscription to Non-Convertible Debentures and other securities, Power of Attorney(s) executed by the borrowers in favour of the Company, to open and operate bank and demat accounts on behalf of the borrower and generally act under said Power of Attorney(s).
27. To authorize the Executives of the Company / Holding Company / Group Company from time to time to act as a representative of the Company in respect of the investments in shares, securities, debentures, etc held in the name of the Company and to do the following:
 - a) To attend the general meetings & meetings of the creditors of the investee companies.
 - b) To sign the proxy form,
 - c) To sign postal ballot form,
 - d) To sign shorter consent notice,
 - e) To sign consent for dispensation from holding meeting in case of Merger and Amalgamation and other documents and
 - f) To exchange correspondence & communication with the investee companies.
 - g) Approving the request of transfer of shares of the Company and
 - h) Approving the request for issue of duplicate share certificate, split share certificates, etc.
28. Any other operational matter in the normal course of business that may arise and cannot be deferred until the next Board Meeting, so long as it does not result in a monetary outgo in excess of Rs. 5,00,00,000 /- (Rupees Five Crore Only).

29. To do all such acts, deeds and things as may be required for the smooth conduct of the operations of the Company and which does not require specific approval of the Board of Directors of the Company or which has not been delegated by the Board specifically to any other Committee of the Board.
30. Any other matter specifically delegated by the Board from time to time.
31. In case of Business requirements or any other statutory/regulatory requirements make modifications/ amendments/ alteration / insertion of new clause for the time being in force and thereafter the same be placed with the Board for noting or with any other committee as may required.
32. To approve the new products i.e to work as a New Product Approval Committee. The committee headed by CEO and consists of CCO, Legal, CRO, CTO, CFO, Respective Business Head, etc as per the requirement.
33. Work as compromise / settlement Committee

M. Nomination and Remuneration Committee

The Company have in place a Nomination and Remuneration Committee to meet the requirements of section 178 of the Companies Act, 2013 and the Rules framed there under. The Committee shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

- i. Composition:** Committee shall consist of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors. The Chairman of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. The meeting shall be chaired by Independent Director of the company.
- ii. Quorum and Meetings:** Quorum shall comprise of two members or 1/3rd of the members of the committee, whichever is higher, out of which the presence of at least 1(one) independent director shall be mandatory. The Committee shall meet as and when required.
- iii. Role of the Committee:** The role of the Nomination & Remuneration Committee, inter-alia, shall include the following:
 - a) Formulate the criteria for determining qualifications, positive attributes and independence of a director;
 - b) Identify and recommend to the Board of Directors, the appointment of persons considered capable and fit for the role of a director based on the criteria so formulated and accordingly to ensure 'fit and proper' status of proposed/ existing directors;

- c) evaluation of Directors' performance; recommend to the Board of Directors a policy relating to the remuneration for the directors, key managerial personnel and other senior employees of the Company; and such other tasks as may be entrusted to it by the Board of Directors from time to time.

N. Risk Management Committee

The Risk Management Committee ensures that the risks associated with the business/functioning of the Company are identified, controlled, and mitigated and shall also lay down procedures regarding managing and mitigating the risks through integrated risk management systems, strategies and mechanisms.

- i. **Composition:** The Committee have such members as approved by the Board. The Committee shall appoint one of its members as the Chairman of the Committee.
- ii. **Quorum and Meeting:** The quorum comprise of at least two members. The Committee shall meet as and when required but shall meet at least on a quarterly basis.
- iii. **Role of the Committee:** The role of the Risk Management Committee, inter-alia, shall include the following:
 - a) Identification, monitoring and measurement of the risk profile of the Company (including market risk, operational risk, Compliance risk, credit risk, transactional risk etc.);
 - b) Overseeing its integrated risk measurement system; to analyze the critical decision for investments and corporate lending, perform such other act, including the acts and functions stipulated by Reserve Bank of India (RBI) and any other regulatory authority, as prescribed from time to time.
 - c) Review performance of Chief Risk Officer (CRO) on an annual basis.
 - d) RMC shall meet the CRO without the presence of the MD & CEO, at least on a quarterly basis.

O. Stakeholder Relationship Committee

- i. **Composition:** Stakeholder Relationship Committee shall comprise of the non-executive director, Chief Executive Officer, Company Secretary, and other officials from the management team.
- ii. **Quorum and Meetings:** Stakeholder Relationship Committee shall meet at least once in a year and as and when needed to be conducted and Chairman of the Committee shall be a non-executive director of the Company.

iii. Role of Committee:

Stakeholder committee resolve the grievances of security holders of the Company. It reviews measures taken for effective exercise of voting rights by debentures holders. It reviews adherence to the service standards adopted by the entity in respect of various services being rendered by Registrar and share transfer agent.

P. SME Credit Committee

i. Composition:

The SME Credit Committee shall comprise of the Directors and other officials of the Company.

ii. Quorum and Meetings:

The Quorum shall comprise of at least two members or 1/3rd of the members of the committee, whichever is higher.

The presence of Chairman and Managing Director, Chief Executive Officer and Chief Risk Officer shall be mandatory for the quorum to be present for considering respective loan amounts where their approval is required as per the sanction matrix.

The Committee meets as and when required.

iii. Role of Committee:

The Committee is responsible for sanction of loans to small and medium enterprises (**SME**). This committee will consist of professionals who possess necessary expertise in the field.

Q. Share Allotment Committee [ESOP]:

i. Composition:

The **Share Allotment** Committee shall comprise of the Directors of the Company.

ii. Quorum and Meetings:

The Quorum shall comprise of at least two members or 1/3rd of the members of the committee, whichever is higher.

The presence of Chairman and Managing Director & Chief Executive Officer shall be mandatory for the quorum to be present for considering the allotment.

The Committee meets as and when required.

iii. Role of Committee:

The Committee is responsible for allotment of the shares.

Apart from the above committees, the Board shall constitute such other committees as may be deemed fit by it, if required.

5. NON-BOARD COMMITTEES:

For effective monitoring, coordination and control of various operational and administrative functions, the Company constituted the following Internal Committees.

- a. Information Technology Strategy Committee (ITSC)
- b. Grievance Redressal Committee
- c. LAP Credit Committee
- d. Identification Committee (Wilful Defaulter)
- e. Review Committee (Wilful Defaulter)
- f. Staff accountability committee
- g. Internal Complaints Committee

a. Information Technology Strategy Committee (ITSC)

i. Composition:

The Committee shall have minimum 3 directors as members of the Committee as approved by the Board.

The members must be technically competent (i.e. ability to understand and evaluate information systems and associated IT/cyber risks).

The Chairperson of the Committee shall be an independent director and have substantial IT expertise in managing/guiding information technology initiatives (i.e. has a minimum of seven years of experience in managing information systems and/or leading/ guiding technology/ cybersecurity initiatives/ projects. Such a member should also understand the business processes at a broader level and the impact of IT on such processes).

The Committee has been constituted pursuant to RBI Master Direction in Information Technology Governance, Risk, Controls and Assurance Practices dated November 7, 2023.

- i. Quorum and Meetings:** The quorum shall comprise of at least two members or one-third members of the committee, whichever is lower. The Committee shall meet at least on a quarterly basis.

ii. Role of Committee:

- a. Ensure that an effective IT strategic planning process is put in place;
- b. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Company towards accomplishment of its business objectives;
- c. Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the organisation;
- d. Ensure to put in place processes for assessing and managing IT and cybersecurity risks;
- e. Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the IT maturity, digital depth, threat environment and industry standards of the Company and are utilised in a manner intended for meeting the stated objectives; and
- f. Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Company.

b. Grievance Redressal Committee

i. Composition:

The Committee consists of Vertical Operation Head, Redressal Officer, customer care executive and related head such as legal/Recovery/etc.

ii. Quorum and Meetings:

The Quorum shall comprise of at least three members or 1/3rd of the members of the committee, whichever is higher.

The Committee meets as and when required.

iii Role of Committee:

The Committee is responsible for redressal of customer grievances.

The Committee has been constituted pursuant to RBI (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025.

c. LAP Credit Committee

Company is having following credit committees for the sanction of LAP cases. They are: (a) Regional Committee (RC), (b) Credit Committee 1 and (c) Credit Committee 2. All these committees are having Delegated powers of loan amount.

d. Identification Committee (Wilful Defaulter)

Committee consists of CEO of Lap as chairperson and Legal Head, Credit Head, Collection Head and CRO as members.

The Committee is responsible for the initial identification of account as a wilful Defaulter as per Board approved policy.

The Committee has been constituted pursuant to RBI (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025.

e. Review Committee (Wilful Defaulter)

Committee consists of CEO of the company as chairperson and two Non- executive Directors as members.

The Committee is responsible for the final approval for the identification of account as a wilful Defaulter as per Board approved policy.

The Committee has been constituted pursuant to RBI (Non-Banking Financial Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025.

f. Staff accountability committee

i. Composition:

The Committee consists of CCO, National Credit Head, CRO, Non-Executive Director, Head Internal Audit and Internal Ombudsman as an invitee.

ii. Quorum and Meetings:

The Committee meets as and when required.

iii Role of Committee:

The Committee is responsible for identification of the reasons of account become Non-performing (NPA) and advise the vertical for corrective action, if any.

g. Internal Complaints Committee

The committee is responsible for looking after internal complaints including POSH. The committee meets as and when required. The committee is headed by Head HR and CEO has the power to approve the changes in the members of the committee.

6. APPOINTMENT OF CHIEF RISK OFFICER

Pursuant to the guidelines issued by RBI Circular RBI/2018-19/184 DNBR (PD) CC. No.099/03.10.001/2018-19 issued on May 16, 2019, the Company had appointed a Chief Risk Officer (CRO) with clearly specified role and responsibilities.

Following are the terms of reference as per Board approved CRO Policy

- The CRO is a senior official in the hierarchy of the Company and shall possess adequate professional qualifications/ experience in the area of risk management.
- The Company may appoint more than one CRO depending upon the size of the business. The Board would divide the business vertical among the CRO's for the role of identification, measurement, and mitigation of risks.
- The CRO shall be appointed for a fixed tenure with the approval of the Board.
- The CRO shall have direct reporting lines to the MD & CEO/ Risk Management Committee (RMC) of the Board.
- The CRO shall not have any reporting relationship with the business verticals of the Company and not be given any business targets.
- There shall not be any 'dual hatting' i.e. the CRO not to be given any other responsibility.

Role of CRO

- The CRO shall function independently to ensure the highest standards of risk management.
- The CRO shall be involved in the process of identification, measurement, and mitigation of risks.
- All credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks.
- The CRO's role shall be limited to being an advisor while deciding credit proposals.
- The CRO would be involved in the identification, measurement, and mitigation of all the risks including MLD's, investments and derivatives.

7. CODES AND POLICIES

The Company has formulated and adopted various Policies and codes in line with the provisions of the Companies Act, 2013, applicable RBI Regulations and Directions and other applicable laws or regulations for operational convenience as a matter of good corporate governance.

These policies are reviewed and updated at regular intervals based on the statutory requirements or amendments under various applicable laws or regulations.

The various policies and Codes approved by the Board include:

1. KYC/Anti money Laundering/Financial Terrorism Policy
2. Fair Practice Code Policy
3. Liquidity Risk Management Policy
4. NPA, Collection and Recovery Policy
5. Policy on Exposure Norms
6. Fit and Proper Policy
7. Interest Rate Policy
8. Corporate Governance Policy
9. Investment Policy & Investment Framework
10. Outsourcing Policy
11. Related Party Transaction Policy
12. Risk Management Policy
13. Grievance Redressal Mechanism
14. Nomination and Remuneration Policy
15. Debenture Policy
16. IT Policy
17. Succession Planning for Board and Senior Management
18. Corporate Social Responsibility Policy
19. Vigil Mechanism and Whistle Blower Policy
20. Internal Capital Adequacy Assessment Process Policy
21. Resource Planning Policy
22. Appointment of Statutory Auditors Policy
23. Credit & Risk Policy – Loan against Securities
24. Construction Finance Policy
25. Board Evaluation Policy
26. Risk Based Internal Audit Policy
27. Branch Audit Policy
28. Chief Risk Officer Policy
29. Contingency Funding Plan
30. Expected Credit Loss Policy
31. Unsecured Loan Policy
32. Policy and Process of Structured Product
33. Loan Against Property Product Program and Policy
34. Compliance Policy
35. Loans and Advances to Directors and Senior Officers
36. OIS Risk Management Policy
37. Social Media Policy
38. RBI Daksh Policy
39. Policy for treatment of Wilful Defaulter and Large Defaulter
40. Code of Conduct for Collection Officers
41. Policy for Monitoring and Reporting of Fraud

42. Financial Institution Group (FIG) Lending Policy
43. New Product Approval Policy
44. Insurance Policy for LAP
45. Loan to Stock Brokers on MTF Receivable funding policy
46. Affordable Home Loan and LAP Policy
47. LAS Digital Lending Policy
48. PDI Policy
49. Data Migration Policy
50. Appropriation Policy
51. Cyber Security Policy
52. Information Security Management System
53. Information Risk and Security Policy
54. IT Asset Policy
55. Server Internet Policy
56. Data Destruction Policy
57. Vendor Management Policy
58. Business Continuity Plan
59. Secure Coding Practices
60. Performance Appraisal Policy
61. CRILC Policy and SOP
62. Risk Based Pricing Framework
63. POSH Policy
64. FIG-SOP

The Company may adopt such Policies as approved by the Board and/or its various Committees from time to time as required by the RBI Regulations/Directions and other laws or regulations as applicable to the Company.

8. DISCLOSURE AND TRANSPARENCY

The following information is to be put up by the Company to the Board of Directors at regular intervals as may be prescribed by the Board in this regard:

- a. progress made in putting in place a progressive risk management system, and risk management policy and strategy followed,
- b. 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.

9. FIT AND PROPER CRITERIA

The Company have a policy for ascertaining the fit and proper criteria at the time of appointment of Directors and on a continuing basis. The policy on the Fit and proper criteria is on the lines of the RBI Guidelines.

The Company obtains a declaration and undertaking from the directors giving additional information on the directors, obtains a Deed of Covenant signed by the directors, furnishes to Reserve Bank of India a quarterly statement on change of directors, and a certificate from the Managing Director that fit and proper criteria in selection of the directors has been followed. The statement submitted for the quarter ending March 31st, is certified by the auditors.

The Nomination and Remuneration Committee shall review the appointment/re-appointment of Directors considering their qualifications, expertise, track record, integrity and other 'fit and proper' criteria.

10. APPOINTMENT OF STATUTORY AUDITORS

The Company ensures that appointment (which also includes rotation) of statutory auditors is subject to Companies Act, 2013 and Reserve Bank of India's Circular bearing DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021. The Company has also framed a Policy on Appointment of Statutory Auditor as per aforesaid circular.

11. FRAMEWORK FOR COMPLIANCE FUNCTION

Compliance Function is an integral part of effective governance, along with the internal control and risk management processes.

Ensures –

- Observance of all statutory and regulatory requirements for the NBFC
- Observe standards of market conduct, managing conflict of interest, treating customers fairly and ensuring the suitability of customer service.
- Assist the Board and the Senior Management in overseeing the implementation of Compliance Policy, prescriptions in Compliance Manuals, internal codes of conduct, etc.
- Play the central role in identifying the level of Compliance risk in the organization and appropriate risk mitigants put in place.
- Compliance Function monitors and test Compliance by performing sufficient and representative Compliance testing,
- RBI will continue to expect an effective Compliance Program where all Risk Mitigation Plan (RMP) / Monitor able Action Plan (MAP) points are complied with within the timelines prescribed.

- The Compliance Department may also serve as a reference point for the staff from operational departments for seeking clarifications / interpretation of various regulatory and statutory guidelines.
- Compliance Function are subject to regular internal audit.

12. REVIEW OF GUIDELINES

These guidelines are to be reviewed by the Board of Directors at such intervals as and when deemed necessary in order to align the same with the business requirements. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, are inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
