



Internal Guidelines on Corporate Governance Policy

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Internal Guidelines on Corporate Governance Policy

1. Company's philosophy on corporate governance:

Visage Holdings And Finance Private Ltd (the "Company" / "VHFPL") is a NBFC-NDSI (Non-Banking Financial Company- Non-Deposit Taking- Systemically Important) registered with Reserve Bank of India. The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government, and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

Corporate Governance means the system of rules, practices and processes by which a company is administered and controlled. It involves balancing the interests of the various stakeholders of the company including shareholders, employees, customers and the community within which it operates. These corporate governance guidelines will help the Company in attaining its objectives/goals, since it encompasses every sphere of operations, management, action plans, internal controls and regulatory disclosure.

The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board or the committees of the members of the Board. The Policy on CG will be reviewed on an annual basis or as and when deemed necessary by the Board in the context of changing regulation and emerging best practices with a view to enhancing the Company's governance.

2. RBI guidelines on corporate governance

In pursuant to Regulation 72 of the RBI's Master Circular on "Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016", the Company has framed the following internal Guidelines on Corporate Governance

3. Board of Directors

The Board shall 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 other Applicable Laws and the Articles of Association of the Company.

The current Board of VHFPL comprises of 9 (Nine) Directors, including 3 (Three) independent directors, 2 (Two) Executive Directors and 4 (Four) Non-Executive directors.

The board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.

The Board shall be responsible for overall compliance with the Corporate Governance of the Company and oversee the business affairs including responsibility for the Company's business strategy and financial soundness, key personnel decisions, internal organization and governance structure and practices, Risk

Management and compliance obligations and in doing so the Board must act honestly, in good faith and in the best interests of the Company.

The Board should ensure that the Company's organisational structure enables the Board and Senior Management to carry out their responsibilities and facilitates effective decision making and good governance. This includes clearly laying out the key responsibilities and authorities of the Board itself, of Senior Management and of those responsible for the control functions.

The Board should actively engage in the major matters of the Company and keep up with material changes in the Company's business and the external environment as well as act in a timely manner to protect the long-term interests of the Company.

4. Duties and Responsibilities of Board of Directors

In accordance with the provisions of Section 166 of the Companies Act, 2013 and as a matter of corporate governance, the directors of the Company have the following duties: -

1. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
2. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
3. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
4. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
5. A director of a company shall not assign his office and any assignment so made shall be void.

In addition to the above duties an independent director shall be subject to following professional conduct: An independent director shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising his duties;
3. Exercise his responsibilities in a bona fide manner in the interest of the company;
4. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. Refrain from any action that would lead to loss of his independence;
7. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
8. Assist the company in implementing the best corporate governance practices.

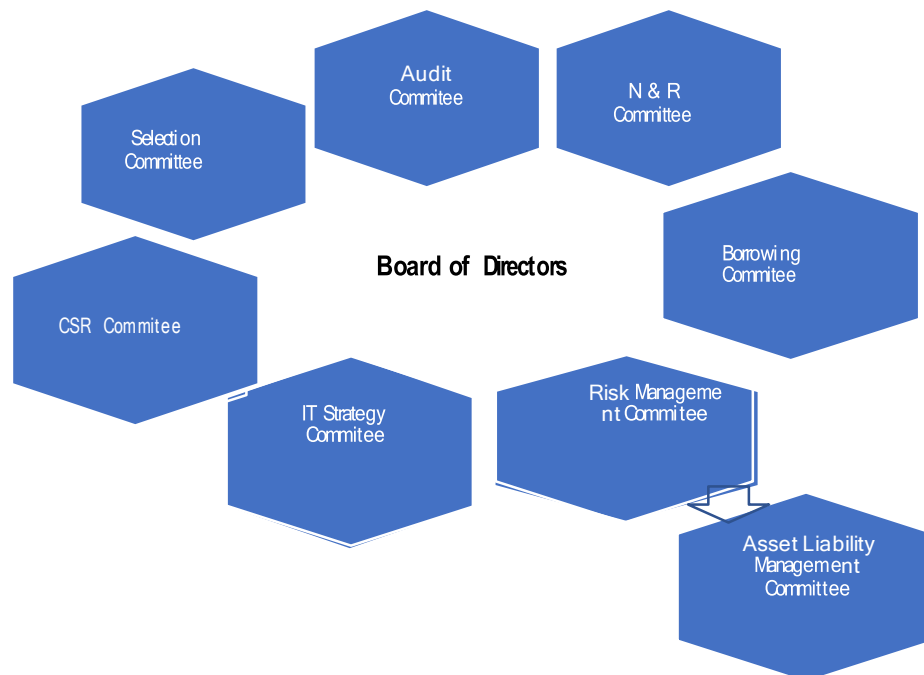
5. Minimum Information to be placed before the Board:

1. Annual operating plans and budgets and any updates;
2. Annual Business Plan;
3. Half-Yearly Results and Annual Financial Results for the debt listed entity;
4. Minutes of meetings of Audit Committee and other committees of the Board of Directors;
5. The information on recruitment and remuneration of Key Managerial Personal;
6. Show cause, demand, prosecution notices and penalty notices, which are materially important;
7. Any material default in financial obligations to and by the Company;
8. Any issue which involves possible public or product liability claims of substantial nature;
9. Details of any joint venture or collaboration agreement;
10. Any Significant HR matters and proposed interventions and suggestions. Overall Remuneration policy /philosophy and significant changes and initiatives therein during the year.
11. Non-compliance of any regulatory, statutory or listing requirements and investor affirmative matters
12. 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.
13. Approval of Directors Report.
14. Annual Disclosure of Directors
15. Approval of Circular Resolution
16. ESOP
17. Borrowing programme for the FY
18. Review of Complaints under Whistle Blower Policy and Sexual Harassments if any
19. Investing the funds of the company
20. Annual Performance evaluation of independent Directors
21. The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC

6. Committees of the Board

In compliance with the applicable provisions of the Act, RBI guidelines on Corporate Governance and in order to meet business exigencies, the Company has constituted its Board committees.

A pictorial representation of Board Committees is given below :



a. Audit Committee

The Company has in place the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and RBI guidelines on Corporate Governance. The Audit Committee shall have the powers and duties conferred upon it in compliance with the provisions of Section 177 of the Act, applicable SEBI Regulations, RBI guidelines and such other duties, obligations and powers as may be prescribed by the Board of the Company from time to time

b. Nomination and Remuneration Committee

The Company has constituted 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 Act, applicable SEBI Regulations, RBI guidelines and such other duties, obligations and powers as may be prescribed by the Board of the Company from time to time.

c. 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.

d. Asset-Liability Management Committee

The Company has in place the Asset-Liability Management Committee ("ALCO") constituted in accordance with the RBI guidelines. The ALCO is sub-committee of Risk Management Committee. 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.

e. IT Strategy Committee

The Company has in place the IT Strategy Committee constituted in accordance with the RBI guidelines. The IT Strategy Committee's primary goal is to approve IT Strategy and policy documents ensuring that the management has put an effective strategic planning process.

f. Borrowing Committee

The Company has in place the Borrowing Committee to borrow money for and on behalf of the Company as and when required within the overall borrowing limits of the Company.

g. Selection Committee

The Company has in place the Selection Committee which recommends the appointment, re-appointment and replacement of the independent directors to the Board.

h. Corporate Social Responsibility ("CSR") Committee

The Company has in place the CSR Committee which recommends the CSR activities to the Board and monitors CSR activities of the Company.

7. Policies adopted by the company

The following policies have also been framed and adopted by the Board of the Company, and which forms part and parcel of the overall corporate governance framework of the Company:

1. Fair Practices Code
2. Know Your Customer (KYC) & Prevention of Money Laundering Activity (PMLA) Policy
3. Co-lending & Securitization Policy
4. Interest Rate Policy
5. Resource Planning Policy
6. Investment Policy
7. Customer Grievance
8. Whistle Blower Policy (Vigil Mechanism Policy)
9. Policy on Code of Conduct
10. Policy on Fit & Proper Criteria for Directors
11. Performance Evaluation Policy
12. Loan Provisioning & Bad Debts Write-off Policy

13. Environment & Social Awareness Policy
14. Change Management Policy
15. Cyber Security Policy
16. Information Security Policy
17. IS Audit Policy
18. IT Outsourcing Policy
19. IT Policy
20. Risk Management Policy
21. ALM Policy
22. CSR Policy

8. Disclosure in the Financial Statements

In additional disclosures shall be made in the annual financial statements in terms of the RBI Directions:

1. Registration / licence / authorisation by whatever name called, obtained from other financial sector regulators;
2. ratings assigned by credit rating agencies and migration of ratings during the year;
3. penalties, if any, levied by any regulator;
4. information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and
5. asset-liability profile, extent of financing of parent company products, Non-Performing Assets (NPA) and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures as may be prescribed by RBI from time to time.
6. And any other Requisite disclosures as may be required under any applicable Laws from time to time shall also be made in the Financial Statements.

9. Appointment and rotation of Statutory Auditors/Audit Partner(s)

Subject to the provisions contained in the Companies Act, 2013 and the circular dated April 27, 2021 issued by the Reserve Bank of India, the Auditors of the Company shall be appointed with the approval of the Shareholders at the Annual General Meeting as recommended by the Board of Directors of the Company based on the recommendation of the Audit Committee of the Company. The Auditors shall be appointed for a period of 3 years subject to satisfying the eligibility norms each year as prescribed by the RBI guidelines.

The Company shall also comply with the RBI guidelines and provisions of the Companies Act, 2013 regarding independence of the Statutory Auditors from time to time.

10. Interaction with the Regulator

The Company shall maintain good working relationship with its regulators and with other external bodies and authorities. It is also part of the role and objectives of the Compliance function to foster good relations with regulators and to work proactively with the Regulator.