

KINARA CAPITAL PRIVATE LIMITED

(formerly known as Visage Holdings and Finance Private Limited)
RBI Registration: B-02.00255 | CIN: U74899KA1996PTC068587



Internal Guideline Corporate Governance

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Internal Guidelines on Corporate Governance Policy

Company' s philosophy on corporate governance

Kinara Capital Private Limited (Formerly Known as Visage Holdings and Finance Private Ltd) (the "Company" / "KCPL") 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 ("CG") 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.

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

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 KCPL comprises of 12 (Twelve) Directors, including 3 (Three) Independent Directors, 2 (Two) Executive Directors and 7 (Seven) Non-Executive Directors/Nominee 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 and a separate Independent Directors meeting shall be conducted at least once a year.

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 organizational structure enables the Board and "SMP" shall mean Senior Managerial 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 executive directors, including the Department Heads reporting to KMPs. 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.

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:

- 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.
- A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- A director of a company shall disclose 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.
- 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.
- 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:

- Independent Director shall clear the Online Proficiency Self-Assessment through the Independent Director's Databank platform unless exempted by the Act.
- Uphold ethical standards of integrity and probity;
- Act objectively and constructively while exercising his duties;
- Exercise his responsibilities in a bona fide manner in the interest of the company;
- Devote sufficient time and attention to his professional obligations for informed and balance decision making;
- 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;
- Refrain from any action that would lead to loss of his independence;
- Where circumstances arise, which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- Assist the company in implementing the best corporate governance practices.

Minimum Information to be placed before the Board

1. Annual operating plans and budgets and any updates;
2. Annual Business Plan;
3. Quarterly/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. Appointment, Reappointment or resignation of the Directors of the Company
6. The information on appointment, remuneration and resignation of Key Managerial Personal;
7. The information on appointment, remuneration and resignation of Statutory Auditors or Secretarial Auditors of the Company;
8. Show cause, demand, prosecution notices, frauds and penalty notices, which are materially important;
9. Any material default in financial obligations to and by the Company;
10. Any issue which involves possible public or product liability claims of substantial nature;
11. Details of any joint venture or collaboration agreement;
12. Any Significant HR matters and proposed interventions and suggestions. Overall Remuneration policy /philosophy and significant changes and initiatives therein during the year;
13. Non-compliance of any regulatory, statutory or listing requirements and investor affirmative matters
14. 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.;
15. Approval of Directors Report and notice of Shareholders' meeting;
16. Annual Disclosure of Directors;
17. Approval/ratification of Circular Resolution;
18. Employee Stock Option Plan ("ESOP")
19. Borrowing program for the FY;
20. Review of Complaints under Whistle Blower Policy and Sexual Harassments, if any;

21. Investing the funds of the company;
22. Annual Performance evaluation of independent Directors;
23. The progress made in putting in place a progressive risk management system and riskmanagement policy and strategy followed by the Company;
24. Amendment to the existing policy or adoption of new policy basis regulatory requirements.
25. Any other, if any.

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.

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 RBI guidelines and the provisions of Section 177 of the Act.

Composition	<ul style="list-style-type: none"> • The Audit Committee shall consist of a minimum of three directors with independent Directors forming the majority. • The Chairperson of the Audit Committee shall be an Independent Director and who is elected by the members of the Audit Committee. • All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise. • The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company. • The Chief Financial Officer, Finance Controller, Head of Internal Audit and a representative of the Statutory Auditor may be present as invitees for the meetings of the Audit Committee.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	<ul style="list-style-type: none"> • The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. • The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater.

<p>Terms of reference</p>	<p>The Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include:</p> <ul style="list-style-type: none"> • Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; • Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; • Approval of payment to statutory auditors for any other services rendered by the statutory auditors; • Reviewing the quarterly, half yearly and annual financial statements and limited review report and auditor's report thereon before submission to the board for approval, with particular reference to: <ul style="list-style-type: none"> ○ matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013; ○ changes, if any, in accounting policies and practices and reasons for the same; ○ major accounting entries involving estimates based on the exercise of judgment by management; ○ significant adjustments made in the financial statements arising out of audit findings; ○ compliance with legal requirements relating to financial statements; ○ disclosure of any related party transactions; ○ modified opinion(s) in the draft audit report; • Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process; • Approval or any subsequent modification of transactions of the Company with related parties; • Scrutiny of inter-corporate loans and investments; • Evaluation of internal financial controls; • Reviewing performance of statutory and internal auditors, adequacy of the internal control systems; • Reviewing of internal audit function, reporting structure coverage and frequency of internal audit; • Discussion with internal auditors of any significant findings and follow up there on; • Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board; • Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern; • To review the functioning of the whistle blower mechanism and Vigil Mechanism; • Recommendation of appointment of Chief Financial Officer, Finance Head, Internal Audit Head after assessing the qualifications, experience and background, etc. of the candidate to the Board; • The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two
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	<p>years to assess operational risks faced by the Company.</p> <ul style="list-style-type: none"> • Carrying out any other function as is mentioned in the terms of reference of the audit committee.
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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, RBI guidelines and such other duties, obligations and powers as may be prescribed by the Board of the Company from time to time.

Composition	<ul style="list-style-type: none"> • The Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. • The Chairperson of the company may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	<ul style="list-style-type: none"> • The committee shall meet as and when necessary. • The quorum shall be at least two Directors. Chairperson of the Committee or in his absence, any other member of the Committee authorized by him shall attend.
Terms of reference	<p>The Nomination and Remuneration Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include</p> <ul style="list-style-type: none"> • To formulate a criterion for determining qualifications, positive attributes and independence of a Director. • To ensure 'fit and proper' status of proposed/ existing Directors • Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal. • Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors. • To recommend to the Board the appointment and removal of Senior Management. • To carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance. • To recommend to the Board on policy relating to remuneration for Directors including Executive Directors, Key Managerial Personnel and Senior Management. • To make recommendations to the Board concerning any matters relating

	<p>to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;</p> <ul style="list-style-type: none"> • Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
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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.

Composition	The Risk Management Committee shall consist of a minimum of three directors.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee.
Meetings and Quorum	The Committee shall on quarterly basis to review and monitor the risk associated with business of the Company. The quorum shall be at least two Directors.
Terms of reference	<p>The Risk Management Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include:</p> <ul style="list-style-type: none"> • To periodically assess risks to the effective execution of business strategy and review key leading indicators in this regard.; • To review and approve the Risk Management Framework of the Company. • To periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities. • To review operational risk, financial risk, information technology risk and integrity risk; • To review credit risk management processes. • The risk management committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner • To appraise the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy; • To make regular reports to the Board, including with respect to risk management and minimization procedures. • The role and responsibilities of the risk management committee shall include such other items as may be prescribed by applicable law or the

	<p>Board in compliance with applicable law, from time to time.</p> <ul style="list-style-type: none"> • Have access to any internal information necessary to fulfill its oversight role and the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.
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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.

Composition	<ul style="list-style-type: none"> • The Asset Liability Committee shall consist of a minimum of three members. • The CEO/CMD or the ED to be the Chairperson of the Committee
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee
Meetings and Quorum	<ul style="list-style-type: none"> • The committee shall meet on monthly basis. • The quorum for committee meeting shall be two members.
Terms of reference	<ul style="list-style-type: none"> • Monitoring the market risk levels of the company by ensuring adherence to the various risk-limits set by the Board; • Articulating the current interest rate view and a view on future direction of interest rate movement and base its decisions for future business strategy on this view as also on other parameters considered relevant. • Deciding the business strategy of the company, both - on the assets and liabilities sides, consistent with the Financial Institution’s interest rate view, budget and pre-determined risk management objectives. This would, in turn, include: • Determining the desired maturity profile and mix of the assets and liabilities; • Product pricing for both - assets as well as liabilities side; • Deciding the funding strategy • Reviewing the results of and progress in implementation of the decisions made in the previous meetings

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.

<p>Composition</p>	<ul style="list-style-type: none"> • The IT Strategy Committee shall consist of a minimum of three Members. • Company may designate a senior executive as the Chief Information Officer (CIO) or in-Charge of IT operations whose responsibility is to ensure implementation of IT Policy. • Independent Director to be the Chairperson of the Committee • Chairperson shall have minimum 7 years of experience in managing of information system and/or leading/guiding technology/cybersecurity initiatives/projects. • CISO shall be permanent invitee of ITSC Committee • All the members of IT Strategy Committee should have ability to understand and evaluate information systems and associated IT/cyber risks.
<p>Secretary</p>	<p>The Company Secretary of the Company shall act as the Secretary to the Committee</p>
<p>Meetings and Quorum</p>	<ul style="list-style-type: none"> • The Committee shall meet at on quarterly basis. • The quorum for committee meeting shall be two members.
<p>Terms of reference</p>	<ul style="list-style-type: none"> • Carrying out review and amending the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance • Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place; • Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business; • Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable; • Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; • NBFC's growth and becoming aware about exposure towards IT risks and controls. • Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the RE towards accomplishment of its business objectives; • 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; • Ensure that the RE has put in place processes for assessing and managing IT and cybersecurity risks • Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the RE's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives; • Review, at least on an annual basis, the adequacy and effectiveness of the Business Continuity Planning (BCP) and Disaster Recovery (DR) Management.

IT Steering Committee

The Company has in place the IT Steering Committee constituted in accordance with the RBI guidelines. The IT Strategy Committee's primary goal is to determine whether IT processes are aligned with business requirements, implement and monitor the decisions and strategies undertaken by the IT Strategy Committee/Board of the Directors of the Company.

Composition	<ul style="list-style-type: none"> Consisting of business owners, the development team and other stakeholders CISO shall be permanent invitee of IT Steering Committee
Meetings	The Committee shall meet at least on a quarterly basis.
Terms of reference	<ul style="list-style-type: none"> Assist the Board/ IT Strategy committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs. Monitor the IT Performance and align the IT activities with business needs. Update to the Board/IT Strategy committee and CEO periodically on activities of IT Steering committee Establish the framework/ mechanism for effective disaster recovery management. Monitor and manage the business continuity planning process and disaster recovery. Be Accountable for identifying, communicating, measuring, and mitigating IT risks. Work with other relevant committees within the organization, such as the Audit Committee and Incident Response Team, to ensure policies are approved and to escalate and appropriately. Report significant security incidents to the board, government agencies and law enforcement. Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance

Finance Committee

The Company has in place the Finance Committee vested with the powers for smooth functioning of day to day activities and ease of operation.

Composition	The Finance Committee shall consist of a minimum of Two Directors.
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee
Meetings and Quorum	The Committee shall meet as when necessary and the Quorum for the meeting is Two Directors

<p>Terms of reference</p>	<p>The Borrowing Committee shall act in accordance with the terms of reference specified in writing by the Board which shall inter alia, include:</p> <ul style="list-style-type: none"> • Approval of Borrowings, investments, grant loans or give guarantees or provide security in respect of loans as per Section 179(d) to (f) of the Companies Act 2013 up to limits specified by Board or Shareholders from time to time. <ul style="list-style-type: none"> Clause (d) to (f) of section 179 of The Companies Act 2013: <ul style="list-style-type: none"> (d) To borrow monies. (e) To invest the funds of the Company. (f) To grant loans or give guarantees or provide security in respect of loans • To authorize sell-out / buy out, assignment and securitization transactions. • To accept appointment / empanelment as BC (Business Correspondent), Corporate Insurance agent. • To avail all banking facilities such as, opening of accounts, online / net banking, CMS, Trade finance, ECS, closing of accounts and any other such products offered by banks, on behalf of the Company and also authorized to sub- delegate the powers to any of the officers of the Company. • To appoint authorized signatories or remove signatories for operating the companies banking facilities (including online/ net banking). • Approval for Split up of securities issued by the Company issued under Companies Act, 2013. • Approval for issue and allotment of Non- Convertible Debentures up to limits specified by Board or Shareholders from time to time. • Redemption of Non-Convertible Debentures issued by the Company as per the agreed terms and conditions. • Prepayment of Loans and Non-convertible Debentures issued by the Company as per the agreed terms and conditions. • To avail call or put option for the Non-convertible Debentures issued by the Company as per the agreed terms and conditions. • To approve availment of any of the services provided with respect to collection, aggregation of funds such as collection account in whatsoever name, such as Cash management facilities, from any bank or financial service provider and all matters associated with the same. • To approve availment of any of the services provided by a bank with respect to disbursal /payment / transfer of funds such as Host to Host payment services, API (automated payment interface) facilities from any bank or financial service provider and all matters associated with the same. • Closing of any bank accounts and closing or terminating of any financial services availed in the past from any bank, financial institution, or financial service providers. • To avail Demat & Trading Facilities or setting up any other facilities for trading for treasury operations and appoint or remove authorized signatories operating such facilities. • Appointment or Change of Registrar and Transfer Agent for the Company's Debentures, Equity shares and other securities issued under the Companies Act 2013 and admission of such securities on Depositories. • To authorize employees of the Company to execute agreements and to represent the Company in the ordinary course of business including,
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	without limitation, registration of lease deeds, leave and license agreements and making representations to jurisdictional authorities.
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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 in accordance with the provisions of Section 135 of Companies Act, 2013.

Composition	<ul style="list-style-type: none"> As per Section 135(1), three or more Directors including at least one Independent Director shall form CSR Committee. However, for the companies which are not required to have Independent Director shall constitute CSR Committee without Independent Director and the private companies having only two Directors shall constitute CSR Committee only with two such Directors as provided in Rule 5(1) of the Companies (CSR Policy) Rules, 2014. Independent Director to be the Chairperson of the Committee
Secretary	The Company Secretary of the Company shall act as the Secretary to the Committee
Meetings and Quorum	<ul style="list-style-type: none"> The Committee shall meet at an appropriate frequency with maximum gap of 6 months between two meetings The quorum for committee meeting shall be two members.
Terms of reference	<ul style="list-style-type: none"> To formulate and recommend to the board of directors, the CSR Policy which shall indicate the activities to be undertaken as specified in Schedule VII of the Act and the applicable rules; To Recommend the areas of interest under which CSR activities can be undertaken by the Company in collaborating with Chaitanya affiliate companies or any other company or any other entity; To recommend the amount of expenditure to be incurred on the CSR activities planned for the year; To formulate the CSR Budget based on the CSR activities planned for the year; To create an effective due diligence and monitoring mechanism for implementation of the approved CSR activities; To submit reports to the Board of Directors in respect of the CSR activities undertaken by the Company

Separate Independent Directors Meetings

1. The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
2. All the Independent directors of the company shall strive to be present at such meeting;

3. The meeting shall:

- a. reviews the performance of non-independent directors and the Board as a whole;
- b. reviews the performance of the Chairperson of the company, considering the views of executive directors and non-executive directors;
- c. assesses the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Fit & Proper Criteria

The Company has adopted a Policy on Fit & Proper Criteria of Directors. This policy defines internal supervisory process of due diligence to determine the appropriateness of the persons for their appointment/continuing to hold appointment as Director on the Board of the Company. The Policy, in line with the RBI guidelines, also provides for obtaining a Fit & Proper declaration from the Director proposed to be appointed and annually from all the Directors on continuing basis as on March 31.

The Company shall furnish to RBI 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 within 15 days of the close of the respective quarter. The statement to be submitted by the Company for the quarter ending March 31, shall be certified by the auditors.

Policies adopted by the company

The Company has framed and adopted policies as per regulatory requirements and as approved by the Board of the Company which forms part and parcel of the overall corporate governance framework of the Company

Disclosure in the Financial Statements

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

- Registration / licence / authorisation by whatever name called, obtained from other financial sector regulators;
- ratings assigned by credit rating agencies and migration of ratings during the year;
- penalties, if any, levied by any regulator;
- information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries; and
- 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.
- 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.

The Company shall, in addition to the existing regulatory disclosures, disclose the following in their Annual Financial Statements:

- Corporate Governance report containing composition and category of directors, shareholding of non-executive directors, etc.
- Disclosure on modified opinion, if any, expressed by auditors, its impact on various financial items and views of management on audit qualifications.
- Items of income and expenditure of exceptional nature.
- Breaches in terms of covenants in respect of loans availed by the NBFC or debt securities issued by the NBFC including incidence/s of default.
- Divergence in asset classification and provisioning above a certain threshold to be decided by the Reserve Bank.

Any other disclosure as required under regulatory/statutory requirement.

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

The appointment and rotation of Statutory Auditors shall be as per the RBI Guidelines issued from time to time and Policy on Appointment of Statutory Auditors adopted by the Company and as may be amended from time to time.

Chief Compliance Officer ("CCO")

The Reserve Bank of India (RBI). through its circular regarding Scale Based Regulation (SBR)- A Revised Regulatory Framework for NBFCs dated October 22, 2021 and Compliance Function and Role of Chief Compliance Officer dated April 11, 2022 has mandated appointment of Chief Compliance Officer (CCO) in NBFC-ML. The CCO is required to function independently with specified roles and responsibilities and to ensure highest standards of compliance.

The Board of Directors at its Meeting held on July 25, 2023, appointed Chief Compliance Officer of the Company. The roles and responsibilities of CCO are defined in the Compliance Policy."

Review of Policy

The policy will be approved by the Board and hosted on the official website of the Company.

The Policy will be reviewed on an annual basis or as and when deem necessary by the Board in the context of changing regulation and guidelines.