ELECTRONICA FINANCE LIMITED

CORPORATE GOVERNANCE POLICY

Version control:

Version No.	Description of change	Memorandum of Change	Proposed by	Approval date	Owner dept.
1	First	Introduction of Policy	Compliance	07-03-2023	Compliance
2	Governance Update	Updated to align with the current committee structure and Terms of Reference.	Compliance	13-08-2026	Compliance

INDEX

PARTICULARS	**PAGE No.**
PREAMBLE	3
CONTEXT AND PURPOSE	3
DEFINITIONS	3
GUIDELINES ON CORPORATE GOVERNANCE	5
BOARD OF DIRECTORS	5
BOARD COMMITTEES	9
AUDIT COMMITTEE	9
NOMINATION AND REMUNERATION COMMITTEE	11
RISK MANAGEMENT COMMITTEE	12
ASSET LIABILITY AND MANAGEMENT COMMITTEE	13
IT STRATEGY COMMITTEE	13
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	13
STAKEHOLDERS RELATIONSHIP COMMITTEE	15
IT STEERING COMMITTEE	15
INFORMATION SECURITY COMMITTEE	16
FINANCE COMMITTEE	16
SECURITIES OPERATIONS COMMITTEE	17
SPECIAL COMMITTEE OF EXECUTIVES FOR MONITORING & FOLLOW-UP OF CASES OF FRAUDS	18
FIT AND PROPER CRITERIA FOR DIRECTORS	18
CODE OF CONDUCT	19
DISCLOSURE TO THE BOARD	19
ROTATION OF STATUTORY AUDITORS/AUDIT PARTNER(S)	19
REVIEW OF POLICY	19

PREAMBLE

Electronica Finance Limited (hereinafter after referred as "Company" / "the Company") believes that a good corporate governance system is necessary to ensure its long-term success. The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board of Directors or the Committees of the Board.

Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all transactions in the widest sense and meet the stakeholder's aspirations and social expectations. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

The objective of this policy is to ensure compliance with legal requirements and set standards for Corporate Governance, so that concerned officers act in accordance with the highest standards of governance while working for and on behalf of the Company and also to elaborate on the provisions of applicable law governing information for shareholders.

The purpose of this policy is to frame internal guidelines on Corporate Governance. This policy lay down the detailed procedures for the implementation of the said guidelines in order to comply with the directions issued by the Reserve Bank of India in this regard.

CONTEXT AND PURPOSE

This Policy on Corporate Governance ("Policy") draws reference to the applicable provisions of the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, and other applicable directions, circulars, guidelines and notifications issued by the Reserve Bank of India ("RBI") from time to time..

As per the RBI master directions, Non-Banking Financial Companies should frame internal guidelines on corporate governance with the approval of the Board of Directors for enhancing the scope of the guidelines without sacrificing the spirit underlying the RBI master directions. Further, such Policy shall be published on the company's website, if any, for the information of various stakeholders. The Company being an NBFCs-ND-SI, is accordingly covered by the RBI master directions.

This Policy is to be read in conjunction with Applicable Laws; accordingly, this Policy enhances the provisions of Applicable Laws.

DEFINITIONS

In this Policy, unless the context otherwise requires:

a) "**Applicable Laws**" means the Companies Act, 2013 and the rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended ('SEBI Listing Regulations'), Master Direction issued by Reserve Bank of India and shall include any amendment thereto, applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') from time to time and includes any other statute, law, standards, regulations, directions or other governmental instruction relating to Corporate Governance Guidelines;

b) "**Audit Committee**" means the Audit Committee formed under Section 177 of the Companies Act, 2013 and other Applicable Laws;

c) “**Board of Directors**” or “**Board**” means the collective body of the directors of the Company;

d) “**Charter**” with reference to a committee shall mean the principal document governing the operation of the committee in accordance with the provisions of Applicable Laws;

e) “**Chief Financial Officer**” means chief financial officer as defined in Section 2(19) of Companies Act, 2013 or any modification or re-enactment made thereunder for the time being in force;

f) “**Company**” means Electronica Finance Limited;

g) “**Committees**” means committees of Board of Directors constituted by virtue of Applicable Laws;

h) “**Companies Act, 2013**” includes any statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force;

i) “**Company Secretary**” means a company secretary as defined in Section 2(24) of Companies Act, 2013 or any modification or re-enactment made thereunder for the time being in force;

j) “**Corporate Governance**” means a set of relationships between the Company’s management, its Board, its shareholders and other stakeholders which provide the structure through which the objectives of the Company are set, and the means of attaining those objectives and monitoring performance. It helps to define the way authority is allocated and the way corporate decisions are arrived at and executed;

k) “**Director**” means a director appointed to the Board of the Company as defined in Section 2(34) of the Companies Act, 2013;

l) “**Independent Director**” means an independent director defined in Section 2(47) of Companies Act, 2013 or any modification or re-enactment made thereunder for the time being in force;

m) **“KMP”** shall mean Key Managerial Personnel as defined in sub section (51) of Section 2 of the Companies Act, 2013

n) “**Nomination Committee**” means the Nomination and Remuneration Committee (“NRC”) formed under Section 178 of the Companies Act, 2013 and other Applicable Laws;

o) “**Risk Management**” means the process established to ensure that all material risks and associated risk concentrations are identified, measured, limited, controlled, mitigated and reported on a timely and comprehensive basis;

p) “**Risk Management Committee**” means the committee constituted as per the Applicable Law;

q) “**Senior Management**” shall mean officers / personnel of the company who are members of its core management team excluding Board of Directors. This shall comprise of all members of management one level below the Directors (including Managing Director/ Whole-time Director),specifically including Company Secretary, Chief Financial Officer; and all functional head). This would include all members of management one level below the executive directors and direct repartees to the Managing Director.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations, or any other applicable law/regulation/rules prescribed by RBI or such other authority.

GUIDELINES ON CORPORATE GOVERNANCE

In pursuance of the RBI Master directions, the Company has framed the following internal guidelines on Corporate Governance.

BOARD OF DIRECTORS

The Board shall be responsible for exercising its business judgments to act in what it reasonably believes to be in the best interests of the Company and its shareholders. The Board of Directors along with its constituted Committees shall provide direction and guidance for the Company and shall further supervise and review the performance of the Company.

The Board of Directors play a pivotal role in ensuring that the good corporate governance practices are followed within the Company.

As the Directors occupy fiduciary position, they shall attend and actively participate in Board and its Committee meetings thereof, on which they serve, and shall properly, discharge their responsibilities.

The Board of Directors focus its activity on the determination, supervision, and monitoring of the strategies and general guidelines that must be followed by the Company, and entrusts to the representative management decision making bodies and to the senior officers the dissemination, coordination, and acting in furtherance of the interests of each and every one of the companies forming part thereof.

The Board shall 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.

Role and Responsibilities

In order to promote a sound corporate culture and values, the Board shall ensure the following:

1. To uphold ethical standards of integrity and probity, act objectively & constructively and exercise responsibilities in a bona fide manner in the interest of the Company and its stakeholders.
2. Setting and adhering to corporate values, in the form of the vision or mission statement or in any other form that the Company feels appropriate, for itself, Senior Management and other employees that create expectations that all business should be conducted in a legal and ethical manner;
3. To monitor the performance of management to ascertain the achievement of agreed goals and objectives.
4. Promoting risk awareness within a strong risk culture, conveying the Board's expectation that it does not support excessive risk-taking and that all employees are responsible for helping ensure that the Company operates within the agreed risk appetite and risk limits;
5. Ensuring that appropriate steps are taken to communicate throughout the Company the corporate values, professional standards or Code of Conduct it sets, together with supporting policies;
6. Employees should be encouraged and able to communicate, confidentially and without the risk of victimization, legitimate concerns about illegal, unethical or questionable practices. This will be facilitated through the Whistle Blower Policy including any modification(s) revision(s) thereto.

7. The Board of directors shall provide strategic guidance to the Company.
8. To ensure that the integrity of the financial information and that financial controls and the systems of risk management are robust and defensible;
9. To exercise objective independent judgment on corporate affairs, board deliberations on issues relating to strategy, performance, risk management, resources, key appointments and standards of conduct.
10. To shall bring an objective view in the evaluation of the performance of board and management

In addition to the above, the Company and the Directors shall at all times abide by the applicable provisions of SEBI Listing Regulations and the Act.

Oversight of Senior Management

The Board should oversee the Senior Management. It should hold members of Senior Management accountable for their actions and enumerate the consequences if those actions are not aligned with the Board's performance expectations.

Board Composition

The Board of the Company shall have an optimum combination of Executive, Non- Executive and Independent Directors. The Board's strength shall be minimum three directors and maximum number of directors shall be as per the limit specified in the Articles of Association of the Company.

Board Meetings and Quorum

The Board Meetings of the Company shall be held as per the requirements prescribed under the Applicable Laws and as decided by the Board of Directors. The meetings of the Board shall generally be held at the Company's corporate office/registered office unless otherwise decided by the Board of Directors. The dates of the meetings shall be fixed well in advance.

The quorum shall be as per the requirements of the Applicable Laws and as per the provisions of the Articles of Association of the Company.

Information to be placed before Board and its Committees

To enable the Board members to discharge their responsibilities effectively and take informed decisions, detailed agenda papers, with explanations on each item, shall be sent to each Director well in advance of the Board and its Committee meetings as per Companies Act, 2013 and other Applicable Laws.

All the items on the agenda shall be discussed in detail, during the Board and its Committee meetings. The Board members shall have complete access to any information, within the Company. At the meetings, the Board members shall be provided with all the relevant information on important matters affecting the working of the Company as well as the related details that require deliberation by the members of the Board.

Agenda for the Meeting

The agenda for the Board and its Committee meetings shall be sent to the Board members and the Committee members respectively within a reasonable period of time prior to the Meeting as per the Applicable Laws.

With the permission of the Chair, each Board member and Committee member, as the case may be, is free to raise any matter(s) that is/are not on the agenda of the Board and the Committee Meeting respectively and any other matter can be placed for discussion unless there are any regulatory restrictions.

However, with reference to any sensitive matter on the agenda, relevant information can be made available only at the time of the Board Meeting or the Committee meeting as the case may be.

Attendance at Board Meetings

The Directors shall strive to attend all meetings of the Board and its Committees where they are members. In case a Director is unable to attend specific Board Meeting or its Committees where they are members, he or she shall obtain leave of absence from the Board or the Committee as the case may be.

Minutes

The minutes of all meetings of the Board and the Committees shall be circulated to the Board and the Committee respectively and shall be noted in the consequent Board Meeting and Committee meeting respectively as per Companies Act, 2013 and Secretarial Standard on Meetings of the Board of Directors issued by the Institute of Company Secretaries of India and other Applicable Laws. Minutes of meetings of Committees of Board shall be placed before the Board.

Appointment and Compensation of Directors

All the Director(s) shall be appointed as per the applicable provisions of the Act and rules made there under.

1. A person proposed to be appointed as a Director shall be assessed on various parameters such as qualification, relevant experience and expertise, integrity, skill sets. etc. The person considered to be appointed as a Director should also possess relevant expertise which will help the person to act objectively and constructively.

2. All the Directors on the Board shall fulfil the fit and proper criteria as laid down as per RBI CG Directions.

3. The appointment/re-appointment and the remuneration payable to the Director(s) shall be reviewed by the Nomination and Remuneration Committee and recommended to the Board for approval.

4. The Non-Executive and Independent Directors shall be paid sitting fees and other expenses incurred for attending the Board/Committee Meetings eg. Travelling /lodging.

5. Independent Directors of the Company shall not be entitled to stock options.

Disclosures

An annual declaration on confirmation in respect of fit and proper criteria in the format prescribed under the Company's Policy on fit and proper criteria for the Directors formulated in terms of RBI Directions shall be furnished by the Directors.

A declaration of independence in terms of Section 149(7) of the Companies Act, 2013 and SEBI Listing Regulations shall be furnished by the independent Directors at the first meeting of the board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year and whenever there is any change in the circumstances that affect their status as an Independent Director.

Conflict of Interest

- All the Directors and key managerial personnel shall be required to disclose to the Board of directors whether they, directly or indirectly, or on behalf of third parties, have any material interest in any transaction or matter directly affecting the Company.
- No Independent Director shall have any pecuniary relationship other than remuneration as such director or having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors during the two immediately preceding financial year or during the current financial year.
- No relative of Independent Director:

  (i) shall hold any security of or interest in the Company, its holding, subsidiary or associate company during the two immediately pre-ceding financial year or during the current financial year.
  Provided that relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two percent of the paid-up sharer capital of the company, it holding, subsidiary or associate company or such higher sum as may be prescribed.

  (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year.

  (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoter, or directors of subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during two immediately preceding financial years or during the current financial year. Or

  (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in above sub-clauses.

- Every Director if concerned or interested, whether directly or indirectly, in any contract or arrangement or proposed contract or arrangement entered into or to be entered with a body corporate in which either the Director individually or in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or with a firm or other entity in which, the Director is a partner, owner or member, as the case may be, shall disclose the nature of concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

The Independent Directors of the Company shall meet at least once in a year without the presence of Non-Executive Directors and the Management in terms of Schedule IV of the Act and SEBI Listing Obligations. The meeting shall be held to review the performance of Non-Independent Directors and the Board as a whole; to review the performance of the Chairman and to assess the quality, quantity and timeliness of flow of information between the company management and the Board and its members that is necessary for the Board to effectively and reasonably perform their duties.

COMPANY SECRETARY

The Company Secretary shall ensure that various compliances under Companies Act, 2013 and Rules thereunder and SEBI Regulations are complied by the Company.

BOARD COMMITTEES

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board constitutes a set of Committees with specific terms of reference / scope. The Committees shall operate as per their Charter / terms of reference.

The Board shall have the following Committees mandatorily besides other Committees:

- Audit Committee;
- Nomination and Remuneration Committee;
- Risk Management Committee;
- Asset Liability and Management Committee;
- IT Strategy Committee;
- Corporate Social Responsibility Committee;
- Stakeholders Relationship Committee;
- IT Steering Committee;Information Security Committee;
- Finance Committee;
- Securities Operations Committee;
- Special Committee of executives for monitoring & follow up of cases of frauds.

The terms of reference of the above-mentioned Committees shall be determined by the Board from time to time as per Applicable Laws.

Other than the Committees that are mandatorily required to be constituted, the Board may at its discretion, constitute such other Committees, as and when required, to ensure smooth functioning of the Company

Details of the various Board Committees are as under:

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 powers, functions, duties and terms of reference of the Audit Committee shall be comprehensive and include the requirements as set out by Section 177 of the Companies Act, 2013 and other applicable laws as amended from time to time and as laid down in the Charter of the Audit Committee adopted by the Board.

The Committee will be vested with necessary powers, as defined in its terms of reference to achieve its objectives.

Composition:

The Audit Committee of the Company shall have minimum of three Directors with Independent members being the majority. Further, composition of Audit Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time. All members of the Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise. The members of the Audit Committee shall be appointed by the Board of Directors.

The Chairperson of the Committee shall be an Independent Director who shall attend the Annual General Meeting (AGM) to answer shareholder queries and in case of any exigency he may authorise any member of the Audit Committee to attend the AGM on his behalf.

The Company Secretary of the Company shall act as secretary to the Audit Committee.

The Chief Financial Officer, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the Audit Committee

Meetings and Quorum:

The Audit Committee Meetings of the Company shall be held as per the requirements prescribed under the Applicable Laws and as decided by the Board of Directors. The meetings of the Audit Committee shall generally be held at the Company's corporate office/registered office unless otherwise decided by the Committee Members. The dates of the meetings shall be fixed well in advance.

The quorum shall be as per the requirements of the Applicable Laws and as per the provisions of the Articles of Association of the Company.

Minutes:

The Company Secretary will maintain minutes of the meetings of the Audit Committee as per the Applicable laws.

Terms of Reference

The Audit Committee shall undertake such duties as per the Charter approved by the Board and any such duties as may be delegated to it from time to time, in conformity with the various Applicable Laws.

The Audit Committee shall act in accordance with the terms of reference inter alia, includes the following:

- Recommend appointment and removal of the Auditors and their remuneration, nature and scope of audit.
- Ensure adequacy of internal controls and compliances and recommend remedial measures - Review adequacy of the Internal Audit function.
- Review and monitor the auditors' independence and performance and effectiveness of the audit process.
- Oversee financial reporting process and disclosure of financial information.
- Examine the financial statements and the auditors' report thereon.
- Evaluate internal financial controls and the risk management systems.
- Act as a link between the Statutory Auditors, Internal Auditors and the Board of Directors.
- Review accounting policies.
- Approve any transactions of the Company with related parties or any subsequent modifications thereof.
- Scrutinize inter-corporate loans and investments.
- Evaluate the valuation of undertakings or assets of the Company, if necessary.
- Monitoring the end use of funds raised through public offers and related matters - Review findings of internal Investigations/ frauds/ irregularities, etc.
- Carry out additional functions as contained in the Listing Agreement or other regulatory requirements applicable to the Company or in the terms of reference of the Audit Committee.
- Carry out the responsibilities under the Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

NOMINATION AND REMUNERATION COMMITTEE

The Company has in place the Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and the rules made there under and in compliance with RBI guidelines on Corporate Governance.

Composition:

The Committee shall consist of three or more non-executive directors out of which not less than one- half shall be independent directors. Further, composition of NRC Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Chairperson of the Company whether executive or non-executive may be appointed as member of NRC but shall not act as the Chairperson of the NRC.

The Chairperson of the NRC shall be an Independent Director.

The Company Secretary will act as a Secretary to the Committee but shall not be a member.

The Chairperson of the NRC if required shall attend the Annual General Meeting of the Company to answer the shareholders' queries.

Meetings and Quorum:

The NRC shall meet at least once in a year and on need basis.

Quorum shall comprise of two members or one third of the total members of the NRC, whichever is higher, including at least one Independent Director in attendance. Further, quorum requirement for meetings of NRC Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

Minutes:

The Company Secretary will maintain the minutes of the meeting of the NRC as per Applicable Laws.

Terms of Reference:

The NRC shall undertake the duties as per the Charter approved by the Board and any other duties as may be delegated to it from time to time, in accordance with various Applicable Laws.

The Nomination and Remuneration Committee shall act in accordance with the terms of reference inter alia, includes the following:

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria and recommend to the Board their approval and removal.
- Carry out the evaluation of director's performance.
- Formulate the criteria for determining qualification, positive attributes and independence of a director.
- Recommend to the Board a policy relating to the remuneration for the directors, KMP and other employees.
- Carry out such other functions as are required or appropriate in discharging their duties.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee will be constituted of Board of Directors to manage the integrated risks of the Company.

The Company has in place the Risk Management Committee for the purpose of monitoring the risk and to make suitable strategies to control it.

The Risk Management Committee shall identify, review and control key risk areas, across the entire organization. The Risk Management Committee shall review and monitor integrated risk *viz*; credit risk, market risk, liquidity risk, operational risk, regulatory risk and reputational risks. The Risk Management Committee shall be vested with necessary powers, as defined in its Charter to achieve its objectives.

Composition:

The constitution and functioning of Risk Management Committee shall be as per the Applicable Laws and in accordance with the provisions of Articles of Association of the Company as amended from time to time. Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.

The Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the entity may be members of the committee. Further, composition Risk Management Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Chief Risk Officer, if any shall be responsible to act as the primary interface between the Chairperson of the Committee and the Senior Management and ensure relevance of the items tabled at the Committee Meetings.

The Company Secretary will act as a Secretary to the Committee but shall not be a member. The Company Secretary shall be responsible to provide support to ensure proper execution of the required processes.

Meetings and Quorum:

The Committee shall meet as and when necessary to review and monitor the risk associated with business of the Company. Further, quorum requirement for meetings of NRC Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

Minutes:

The Company Secretary will maintain minutes of the meetings of the Risk Management Committee as per Applicable Laws.

Terms of Reference:

The Risk Management Committee shall act in accordance with the terms of reference inter alia, includes the following:

- Managing the various risks such as market risk, interest rate risk, credit risk, operational risk, etc.
- Such other functions as the Board may from time to time delegate to it.

ASSET LIABILITY MANAGEMENT COMMITTEE

The Board shall also constitute an Asset Liability Management Committee (ALCO) as per guidelines issued by the RBI and in accordance with the provisions of Articles of Association of the Company as amended from time to time. The functioning of the ALCO shall also be in line with the requirements of the RBI Master Directions.

The Committee *inter alia,* shall monitor the asset liability gap and strategize action to mitigate the risk associated. The Committee shall mainly address liquidity and interest rate risk.

Composition:

Pursuant to the RBI Master Directions read with Guidelines on Liquidity Risk Management (LRM) Framework ALCO should be headed by Managing Director or Executive Director. Further, composition ALCO shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Chief Financial Officer shall be responsible to act as the primary interface between the Chairperson of the Committee and the Senior Management and ensure relevance of the items tabled at the Committee Meetings.

The Company Secretary will act as a Secretary to the Committee but shall not be a member. The Company Secretary shall be responsible to provide support to the Chief Financial Officer in his/her role and to ensure proper execution of the required processes.

Meetings and Quorum:

The ALCO Committee shall meet on a quarterly basis and further on need basis.

The quorum of ALCO meetings shall comprise of at least two members of the Committee. Further the quorum of ALCO shall also be in accordance of applicable provisions of the Articles of Association of the Company as amended from time to time.

Minutes:

The minutes of the meetings of ALCO shall be maintained by the Company Secretary as per Applicable Law.

Terms of Reference:

The Committee shall undertake such duties as per the terms of reference inter alia, includes the following:

- 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;
- Monitoring the business strategy of the Company (on the assets and liabilities sides) in line with the Company's budget and decided risk management objectives;
- The strategic management of interest rate and liquidity risks.

IT STRATEGY COMMITTEE

The Company has in place an IT Strategy Committee (ITSC) in accordance with the RBI Master Direction - Information Technology Framework for the NBFC Sector dated June 08, 2017 and amendments therein.

Composition:

The ITSC consist of a minimum of three Members. CISO & CTO, if any should be a part of the committee. The Company may designate a senior executive as the Chief Information Security Officer (CISO) or in-Charge of IT operations whose responsibility is to ensure implementation of IT Policy. Further, composition ITSC shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

Independent Director to be the Chairperson of the Committee.

The Company Secretary of the Company shall act as the Secretary to the Committee.

Meetings and Quorum:

The ITSC shall meet on a quarterly basis and further on need basis.

The quorum of ITSC meetings shall comprise of at least two members of the Committee. Further the quorum of ITSC shall also be in accordance of applicable provisions of the Articles of Association of the Company as amended from time to time.

Terms of reference:

The IT Strategy Committee shall act in accordance with the terms of reference inter alia, includes the following:

- Approving Information Technology ("IT") strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Evaluation of risks related to cyber security /information security and review of Business Continuity Plan (BCP)/ Disaster Recovery (DR) Plan.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE

The Company has in place a Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of Companies Act, 2013.

Composition:

As per Section 135(1), three or more Directors including at least one Independent Director shall form CSR Committee. Further, composition CSR shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Company Secretary of the Company shall act as the Secretary to the Committee.

Meeting & Quorum:

The CSR Committee shall meet as and when necessary on need basis. The quorum of CSR meetings shall comprise of at least two members of the Committee. Further, quorum requirement for meetings of CSR Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time..

Terms of reference:

The Corporate Social Responsibility Committee shall act in accordance with the terms of reference inter alia, includes the following:

- Formulate and recommend to the Board, the Corporate Social Responsibility policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken by the Company.
- Monitor the Corporate Social Responsibility policy from time to time.

- Carry out such other functions as are required or appropriate in discharging their duties.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has in place a Stakeholders Relationship Committee (SRC) in accordance with the provisions of Section 178 of Companies Act, 2013.

Composition:

The SRC shall have three or more Directors including at least one Independent Director. Further, composition SRC shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The Committee shall have a non-executive director as its chairperson.

The Company Secretary of the Company shall act as the Secretary to the Committee.

Meeting & Quorum:

The SRC Committee shall meet at least once in a financial year. The quorum of SRC meetings shall comprise of at least two members of the Committee. Further, quorum requirement for meetings of SRC Committee shall also be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

Terms of reference:

The Stakeholders Relationship Committee shall act in accordance with the terms of reference inter alia, includes the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, non-receipt of notices of general meetings, etc.;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/annual reports/ statutory notices by the shareholders of the Company; and
- To carry out any other function as is mandated by the Board from time to time.

IT STEERING COMMITTEE

The Company has in place an IT Steering Committee in accordance with the provisions of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by Reserve Bank of India.

Composition:

The Committee shall consist of senior management members from IT and business functions.

The Company Secretary of the Company shall act as the Secretary to the Committee.

Meetings:

The committee shall meet at least once in every quarter.

Terms of Reference:

The IT Steering Committee shall act in accordance with the terms of reference inter alia, includes the following:

- Assist the IT Strategy Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs;
- Oversee the processes put in place for business continuity and disaster recovery;
- Ensure implementation of a robust IT architecture meeting statutory and regulatory compliance; and
- Update IT Strategy Committee and CEO periodically on the activities of IT Steering Committee.

INFORMATION SECURITY COMMITTEE

The Company has in place an Information Security Committee (ISC) in accordance with the provisions of Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by Reserve Bank of India.

Composition:

The composition of Committee having Chief Information Security Officer and other representatives form business and IT functions, etc., shall be decided by the IT Strategy Committee.

The Company Secretary of the Company shall act as the Secretary to the Committee.

Terms of Reference:

The Information Security Committee shall act in accordance with the terms of reference inter alia, includes the following:

- Develop information/ cyber security policies, implementation of policies, standards and procedures to ensure that all identified risks are managed within the risk appetite;
- Approve and monitor information security projects and security awareness initiatives;
- Reviewing cyber incidents, information system audit observations, monitoring and mitigation activities; and
- Update IT Strategy Committee and CEO periodically on the activities of IT Steering Committee.

FINANCE COMMITTEE

The Company has in place a Finance Committee (earlier known as Bank Borrowings Committee) in accordance with the Section 179(3) of the Companies Act, 2013, for approving the borrowing program of the Company including specific borrowings and other banking operations in the normal course of business operations.

Composition:

The Committee shall have three or more Directors including at least one Independent Director

The Company Secretary of the Company shall act as the Secretary to the Committee.

Terms of Reference:

The Finance Committee shall act in accordance with the terms of reference inter alia, includes the following:

- To borrow moneys for the purpose of the Company's business from Banks/financial institutions/other lenders through various instruments / products as may be decided by the Committee not exceeding the overall limit approved by the Board of Directors and Shareholders of the Company from time to time;
- To issue, offer and allot Commercial Papers;
- To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company, for the time being or in such

other manner as may be deemed fit;

- To enter into all negotiations, issue necessary power of attorney(s), sign necessary documents and contracts, rescind and vary all such documents and contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as may be considered expedient for the purpose of the business of the Company;
- To make, sign, draw, accept, endorse and negotiate cheques, bills of exchange, drafts, promissory notes and other mercantile documents or negotiable instruments, securities, Government promissory notes;
- To all such activities, deeds, transactions, intimations required to open, close and operate existing and new current accounts, overdraft, cash credit, fixed deposit or otherwise of the Company with any Bank including but not limited to following:
    - avail the financial, monetary and any other products and services offered by the Bank through its Website/ Internet Banking and/or the Corporate Customer Care Services (phone banking channels and E mail)
    - avail Commercial Card /Credit Card facility issued by various Banks, including operation and enhancement of limits on existing Credit Cards issued by any Bank
    - avail various services Corporate Internet Banking (CIB) and Cash Management Services (CMS) by appointment of Authorized signatory(ies) and delegating Maker/Viewer access rights to other personnel of the Company,
    - delegate the rights (including viewing rights) for the bank accounts through various modes including Phone Banking, Internet Banking, Email to such personnel as it may deem appropriate
    - appointment/ deletion of Authorised Signatory(ies) in the Bank accounts including changes in the mode of operation and altering the transaction limits;
    - furnish, sign, execute and deliver such applications, documents, indemnities and/or declarations and/or affidavits on behalf of the Company in favour of the Bank as may be required by the Bank in any matter related hereto and generally to do all such acts and deeds as may be necessary.
- To enter in Direct Assignment and Securitization transactions involving sale of loan receivables of the Company in the ordinary course of Business as part of fund raising strategy (as permitted under RBI regulations)
- To enter in Co- lending arrangement transactions involving partnership with any other Bank/NBFC for lending to various categories of borrowers (as permitted under RBI regulations)
- To execute from time to time counter guarantees in favour of the Company's bankers as security for the guarantees issued by banks on behalf of the Company in connection with the Company's business;
- To invest the idle funds of the company in mutual funds, liquid instruments etc.
- To grant loans or give guarantee or provide security in respect of loans;
- Any other matters incidental and ancillary to the above stated matters
- Any other matters relating to Fund raising by Equity or Debt.
- To delegate any of the powers stated above to any official(s) as may be deemed appropriate

SECURITIES OPERATIONS COMMITTEE

The Board has constituted Securities Operations Committee (SOC) to facilitate approvals for borrowings from debt securities market and related aspects.

Composition:

The Committee shall have three or more Directors including at least one Independent Director

The Company Secretary of the Company shall act as the Secretary to the Committee.

Terms of Reference:

The SOC shall act in accordance with the terms of reference inter alia, includes the following:

- To borrow monies by way of availing financial facilities / issuance of debentures from / to bank(s), institution(s), mutual fund(s), body(ies) corporate, funds, foreign funds, alternative investment funds or any other sources;
- To finalise the terms and conditions in respect of the borrowings / issuance of securities / debentures by the Company and approve the borrowings / issuance of securities / debentures by the Company;
- To allot the securities / debentures of the Company as per applicable laws;
- To decide on the nature of security / encumbrance in respect of such borrowings including creating charge by way of hypothecation over the book debts / receivables of the Company at such terms and conditions as may be deemed fit from time to time;
- To appoint security trustee(s) / debenture trustee(s) and/or create charge/mortgage/ encumbrance in favour of security trustee(s) / debenture trustee(s) / lender(s) / debenture holders;
- To authorize officials of the Company for execution of any agreement, deeds and documents on behalf of the Company, including any loan / debenture / debt related documents;
- To appoint / authorize Company officials for execution of documents, agreements, deeds and papers as may be required from time to time in relation to the borrowing operations of the Company;
- To delegate authorities from time to time to the executives / authorized representatives to implement the decisions of the Securities Operations Committee from time to time.

SPECIAL COMMITTEE OF EXECUTIVES FOR MONITORING & FOLLOW-UP OF CASES OF FRAUDS

The Company has in place a Special Committee of executives for monitoring and follow-up of cases of frauds in accordance with the provisions of Master Direction on Fraud Risk Management in Non-Banking Financial Companies (NBFCs), (including Housing Finance Companies) issued by Reserve Bank of India and in accordance with the Fraud Risk Management Policy of the Company.

Composition:

The SCEMF shall have Managing Director & CEO of the Company as the Chairperson and senior management members from business functions as members.

Terms of Reference:

The Information Security Committee shall act in accordance with the terms of reference inter alia, includes the following:

- oversee the effectiveness of the fraud risk management in the company;
- review and monitor cases of frauds, including root cause analysis, and suggest mitigating assures for strengthening the internal controls, risk management framework and minimizing the incidence of frauds (The periodicity of such reviews may be decided by SCEMF as and when required but should be done at least once in a quarter);
- implement the fraud risk management policy of the Company through the Senior Management;
- ensure that Whistle Blower complaints on possible fraud cases / suspicious activities in accounts(s) are examined and concluded appropriately under the Whistle Blower Policy.

FIT AND PROPER CRITERIA FOR DIRECTORS

The Company have in place a policy for ascertaining the ‘fit and proper’ criteria at the time of appointment of Directors and on a continuing basis. The NRC shall review the appointment/re-appointment of Directors considering their qualifications, expertise, track record, integrity and other 'fit and proper' criteria. The NRC should obtain such declarations/undertakings, deed of covenant from the Directors and ensure furnishing such statement and certificates as may be prescribed by the Policy on Fit and Proper Criteria for Directors in line with the RBI Master Directions.

The Company shall ensure that a quarterly statement is submitted within 15 days from the end of the respective quarter to RBI on change of directors along with a certificate from the Managing Director certifying that the fit and proper criteria is adhered while selecting directors. The statement for the quarter ending March 31, shall be certified by the statutory auditors.

CODE OF CONDUCT

The Company has adopted code of conduct approved by the Board of Directors which is binding on employees and directors of the Company and the same shall be complied with.

DISCLOSURE TO THE BOARD

The following disclosures shall be made to the Board of Directors at regular intervals as may be prescribed by the Board in this regard:

1. Progress made in putting in place a progressive risk management system and risk management policy and strategy followed;
2. Conformity with Corporate Governance standards viz. in composition of various Committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

The following disclosures shall be made in the annual financial statements:

1. Registration / license / authorization 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. Asset-Liability profile, 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;
5. Any other information which requires disclosure under the Applicable Laws.

ROTATION OF STATUTORY AUDITORS/AUDIT PARTNER(S)

The Company shall appoint/re-appoint/rotate the firms/partner(s) of the Chartered Accountant firm conducting statutory audit as per Applicable Laws and in accordance with Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs).

For the purpose of adopting best corporate practices and to strengthen the governance mechanism, the partner of the Statutory Auditors is subject to rotation and is required to rotate in every three years.

REVIEW OF POLICY

The Board or its Committee may review the policy from time to time as may be required. Changes, if any, shall be effective only upon approval by the Board.