

SAFL

Sustainable Agro-commercial Finance Ltd.

Internal Policy on Corporate Governance

Version 1.1

August 2025

Sign of Sheet		
APPROVED BY	Board of Directors	7th August 2025
REVIEWED & RECOMMENDED BY	Prabhakar Bobde MD & CEO	3rd July 2025
PREPARED BY	Pranali Sulakhe Company Secretary	3rd July 2025

Change History

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Corporate Governance Policy	1.0	June 2012
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1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Sustainable Agro-commercial Finance Limited (hereinafter '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 various effective policies and procedures, which is mandated and reviewed by the Board or the Committees of the members of the Board in regular intervals.

The objective of the Corporate Governance Policy ('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 to elaborate on the provisions of applicable law governing information for shareholders. All the concerned are expected to read and understand these guidelines to uphold these standards in day-to-day activities and comply with all applicable policies and procedures.

The purpose of this policy is to frame internal guidelines on Corporate Governance. This policy shall 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 ('RBI') and other regulatory authorities in this regard.

2. CONTEXT AND PURPOSE

In order to enable NBFCs to adopt best practices and greater transparency in their operations, certain guidelines have been proposed by the regulator(s) for consideration by the Board of Directors of all non-deposit-taking NBFCs with an asset size of up to Rs. 1,000 Crores (NBFC-ND-Base Layer). These guidelines are outlined in the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale-Based Regulation) Directions, 2023, dated 19th October 2023 and amendments thereto and it shall be published on the company's website, if any, for the information of various stakeholders.
This Policy is to be read in conjunction with applicable laws; accordingly, this policy enhances the provisions of applicable laws.

3. DEFINITIONS

In this Policy, unless the context otherwise requires:

a) **"Applicable Laws"** means the Companies Act, 2013 and the rules made thereunder, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI vide Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/ 2023-24 19th October, 2023, applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time and includes any other statute, law, standards, regulations or other governmental instruction relating to Corporate Governance Direction;

b) **"Audit Committee"** means the Audit Committee formed under Section 177 of the Companies Act, 2013.

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

d) **"Chief Financial Officer"** means chief financial officer as defined in Section 2(18) of Companies Act, 2013 or any modification or re-enactment made thereunder for the time being in force;

e) **"Company"** means Sustainable Agro-commercial Finance Limited;

f) **"Committees"** means committees of Board of Directors constituted by virtue of Companies Act, 2013/RBI Master Directions or other Applicable Laws and regulations;

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

h) **"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;

i) **"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;

j) **"RBI Master Directions"** means Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI vide Notification No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/ 2023-24 19th October, 2023 and shall include any amendment thereto;

k) **"Director"** means a director appointed to the Board of the Company;

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) **"Nomination Committee"** means the Nomination & Remuneration Committee ("NRC") formed under Section 178 of the Companies Act, 2013;

n) **"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;

o) **"Risk Management Committee"** means the committee constituted as per the RBI Master Direction or any other regulation / law applicable to the Company.

p) **"Senior Management"** shall mean personnel of the Company have been defined in Section 178 of the Companies Act, 2013 as personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads and shall specifically include the Company Secretary and Chief Financial Officer

4. GUIDELINES ON CORPORATE GOVERNANCE

In pursuance of the Master Circular and Master Directions issued by the RBI, the Company is required to frame internal guidelines on Corporate Governance and accordingly the Company has put in place this policy on Corporate Governance ("Corporate Governance Policy").

5. 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.

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.

Board of Directors focuses 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.

The Board shall review this Policy periodically so that it remains appropriate in the light of material changes in regulatory requirement with respect to the Company's size, complexity, geographic reach, business strategy, market and best governance practices.

A. Corporate Culture and values

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

1. setting and adhering to corporate values for itself, Senior Management and other employees that create expectations that all business should be conducted in a legal and ethical manner;

2. 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;

3. 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;

4. 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 Breach of Integrity and Whistle Blower/Vigil Mechanism policy including any modification(s) revision(s) thereto.

B. 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. This includes adhering to the Company's values, risk appetite and risk culture, regardless of financial gain or loss to the Company. In doing so, the Board should:

1. monitor that Senior Management's actions are consistent with the strategies and policies approved by the Board;
2. meet regularly with Senior Management;
3. Interrogate and critically review reply and information provided by Senior Management;
4. ensure that Senior Management's knowledge and expertise remain appropriate given the nature of the business and the Company's risk profile;
5. ensure that appropriate succession plans are in place for Senior Management positions.

C. Size of the Board

The Board's strength shall be minimum 3 (three) or any other number as prescribed under any other law and not more than 15 (fifteen) However, the Company may appoint more than 15 Directors after passing a Special Resolution.

D. Board Composition

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, RBI Master Directions, Articles of Association of the Company and other Applicable Laws.

E. Board Meetings and Quorum

The Board Meetings of the Company shall be held as per the requirements prescribed under the Companies Act, 2013, and other 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 unless otherwise decided by the Board of Directors. The dates of the meetings shall be fixed well in advance. Board Meetings of the Company shall be held at least four times a year, once every quarter and not more than one hundred and twenty days shall elapse between two successive meetings. The quorum shall be as per the requirements of the Companies Act, 2013, and other Applicable Laws.

F. 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.

G. 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 prior to the Meeting 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. Each Board member and Committee member as the case may be is free to suggest inclusion of items in the agenda. With the permission of the Chair and majority of the Directors present, each Board member and Committee member 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.

H. 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. However, if a Director absents himself/herself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board, the office of such director shall become vacant

I. 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.

J. Conducting meetings through Virtual mode

Section 173 of the Act, read with section Rules 3 & 4 of the Companies (Meetings of Board and its Powers) Rules, 2014 lay down the legal provisions with respect to holding Board meetings through video conferencing. Considering the unprecedented pandemic situation, Ministry of Corporate Affairs proactively undertook various initiatives facilitating the companies in the difficult times of the pandemic. One such important

facilitation was holding of Shareholders meetings through VC / OAVM. In this context Ministry has come out with various circulars from time to time.

"Video conferencing or other audio visual means" has been defined to mean that audio-visual electronic communication facility employed which enables all the persons participating in a meeting to communicate concurrently with each other without an intermediary and to participate in the meeting effectively and efficiently.

Section 173 sub-section (2) provides that participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with the date and time: It further provides that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means. This section further provides that where there is quorum in a meeting through physical presence of the directors, any other director may participate through video conferencing or other audio-visual means in such meeting on any matter specified by the Government.

6. DUTIES AND RESPONSIBILITES OF THE BOARD OF DIRECTORS

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

- a director of a company shall act in accordance with the articles of the company.
- 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 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.
- 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.

7. BOARD COMMITTEES

In order to focus on the critical functions of the Company, the Board may constitute such Committees as and when required to ensure smooth functioning of the Company. The Board shall have the following Committees mandatorily:

- Audit Committee;
- Corporate Governance, Nomination and Remuneration Committee;
- Corporate Social Responsibility
- Risk Management Committee;
- Executive Credit Committee
- IT Executive Management Team/Committee

The terms of reference of the above-mentioned Committees shall be determined by the Board from time to time as per Companies Act, 2013, RBI Master Directions and other Applicable Laws.

Details of the various Board Committees are as under:

A. AUDIT COMMITTEE

The Audit Committee constitution and functioning shall follow the provisions of the Companies Act, 2013 and other Applicable laws. 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, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Governance Guidelines (chapter XI) and other applicable laws. 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 as members with at least two thirds of members being Independent Directors. Further, all the members of the Audit Committee including the Chairperson shall be financially literate and at least one member shall have accounting or related financial management expertise.

The Chairperson of the Committee shall be an Independent Director and he/she shall be present at the Annual General Meeting to answer shareholder queries. The Company Secretary of the Company shall act as secretary to the Audit Committee.

The members of the Audit Committee shall meet all applicable legal requirements with respect to independence, financial literacy, accounting or related financial expertise, etc. as required by Companies Act, 2013 and other Applicable Laws. The members of the Audit Committee shall be appointed by the Board of Directors.

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 Audit Committee, but on occasions it may also meet without the presence of any executives of the Company. 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 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, with at least two independent directors.

Minutes:

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

Role of the Committee:

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.

B. CORPROATE GOVERNANCE, NOMINATION AND REMUNERATION COMMITTEE

The Corporate Governance, Nomination and Remuneration Committee ('CGNRC') constitution and functioning shall follow the provisions of the Companies Act, 2013, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Governance Guidelines (chapter XI) and other Applicable laws. The powers, functions, duties and terms of reference of the Corporate Governance, Nomination and Remuneration Committee shall be comprehensive and include the requirements as set out by Section 178 of the Companies Act, 2013, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, Governance Guidelines (chapter XI) and other applicable laws. The Corporate Governance, Nomination and Remuneration Committee will be vested with necessary powers, as defined in its Charter/Terms of Reference approved by the Board and any such duties as may be delegated to it from time to time to achieve its objectives.

Composition:

The Corporate Governance, Nomination and Remuneration Committee of the Board consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
Provided that the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
The chairman of the CGNRC if required shall attend the Annual General Meeting of the Company to answer the shareholders' queries. However, it would be up to the chairman of the CGNRC to decide who should answer the queries.

Meetings and Quorum:

The NRC shall meet at least once in a year. The quorum shall be either two members or one third of the total members of the NRC, whichever is higher, including at least one independent director in attendance.

Minutes:

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

Role of Committee:

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. The NRC shall also ensure that fit and proper criteria as required by the RBI Direction and that there is no conflict of interest in appointment of directors and their independence is not subject to potential threats.

C. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Corporate Social Responsibility Committee ('CSR') constitution and functioning shall follow the provisions of the Companies Act, 2013 and other Applicable laws. The powers, functions, duties and terms of reference of the CSR Committee shall be comprehensive and include the requirements as set out by Section 135 of the Companies Act, 2013. The CSR Committee will be vested with necessary powers, as defined in its terms of reference to achieve its objectives.

Composition:

The CSR Committee of the Board shall have at least three Directors out of which there shall be One Independent Directors.

Meetings and Quorum:

The CSR Committee shall meet at least once or on an as-needed basis. The quorum shall comprise two members or one-third of the total members of the CSR, whichever is higher.

Minutes:

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

Role of Committee:

The CSR 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.

D. RISK MANAGEMENT COMMITTEE

The Risk Management Committee shall be constituted with majority of them being members of the board of directors. The purpose of the Committee is to manage the integrated risks which the Company is exposed to. The Risk Management Committee shall identify, review and control key risk areas, across the entire organization. The Risk Management Committee shall review and monitor 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/Terms of Reference to achieve its objectives.

Composition:

The constitution and functioning of Risk Management Committee shall be in line with the requirements of the RBI Master Direction, or any other law applicable to the Company.
The 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 Committee shall be a member of the Board and the senior executives of the Company may be members of the Committee.

Meetings and Quorum:

The risk management committee shall meet at once in six months. The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

Minutes

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

Role of the Committee:

The Risk Management Committee shall undertake all such duties as decided and delegated by the Board of Directors to it from time to time and performance of functions specified in Part D of Schedule II of SEBI LODR Regulations.

E. IT EXECUTIVE MANAGEMENT TEAM/COMMITTEE

In accordance with the Master Direction DNBS.PPD.No.04/66.15.001/2016-17 notified by Reserve Bank of India ("RBI") dated June 08, 2017 on Information Technology Framework for the NBFC Sector, directions on IT Framework for the NBFC sector that are expected to enhance safety, security, efficiency in processes leading to benefits for NBFCs and their customers are provided a Board level IT Executive Management Team Committee shall be constituted.

The IT Executive Management Team/Committee's responsibilities includes:

- Policy making decisions.
- Devises strategies and policies to ensure that SAFL meets its goals.
- Plans, directs, and coordinates operational activities of SAFL.
- Committee is responsible for establishing the strategic direction of SAFL and identifying required operational improvements to drive SAFL's technology investments and resultant assets.

Composition:

The Committee shall have minimum three directors as Members.

Meetings and Quorum:

The Committee shall meet on an as-needed basis. The quorum for a meeting of the IT Strategy Committee shall be two members. The Committee may invite such of the executives, as it considers appropriate, to be present at meetings of the Committee.

Role of the Committee:

The IT Executive Management Team shall undertake the duties as per the Terms of Reference approved by the Board and any other duties as may be delegated to it from time to time.

OTHER COMMITTEES:

A. ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Board shall also constitute an Asset Liability Management Committee (ALCO) as required by the under the RBI Directions.

The constitution and functioning of the ALCO shall be in line with the requirements of the RBI guidelines on Asset – Liability management system.

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:

The ALCO Committee shall have minimum of three members. The members of the Committee will be appointed by the Board of Directors.

Meetings and Quorum:

The ALCO shall meet once every quarter, or more frequently if necessary. Quorum of ALCO meetings shall comprise of at least two members of the Committee.

Role of the Committee:

The Committee shall undertake such duties as per the terms of reference approved by the Board and such other duties as may be delegated to it from time to time.

B. IT STRATEGY COMMITTEE:

In accordance with the Master Direction DNBS.PPD.No.04/66.15.001/2016-17 notified by Reserve Bank of India ("RBI") dated June 08, 2017 on Information Technology Framework for the NBFC Sector, the Company shall constitute an IT Strategy Committee established to provide overall direction and guidance for IT initiatives.

Composition:

The Committee will be comprised of senior leaders from various business units and the IT department.

Meeting and Quorum:

The Committee shall convene once every financial year and the quorum for the Committee meeting shall be two members

Role of the Committee:

The Committee shall undertake the duties as per the Terms of Reference approved by the Board and any other duties as may be delegated to it from time to time.

Apart from the above committees, the Board shall constitute such other Committees as may be deemed fit by it, if required to support the functions of the Board and to oversee specific areas and/ or for the smooth functioning of business/ functional operations.

1. Internal Complaints Committee (ICC) under POSH
2. Independent Directors
3. Internal Settlement Committee
4. Outsourcing Risk Management Committee
5. Investment Committee
6. Disciplinary Committee
7. Wilful Defaulters Committee

8. FIT AND PROPER CRITERIA FOR DIRECTORS

The Company shall have a policy put in place 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/reappointment 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 Direction.

9. KEY MANAGERIAL PERSONNEL

The Company shall appoint key managerial personnel (KMP), as applicable, pursuant to the provisions of section 203 of the Companies Act, 2013. The Company shall adhere to the Nomination and Remuneration Policy of the Company, as may be approved by the Board.

10. INDEPENDENT DIRECTOR

Pursuant to the Master Directions of the RBI for NBFCs, and within the permissible limits under the Companies Act, 2013, an independent director shall not serve on the board of more than three NBFCs/HFCs (NBFCs-ML or NBFCs-UL) at the same time. Furthermore, the board of the NBFC shall ensure that no conflict arises from its independent directors serving on the boards of other NBFCs/HFCs simultaneously.

11. 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 / 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 about 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, exposure to real estate, exposure to capital market, structured products issued by them as also securitization/ assignment transactions and other disclosures as required in Annex IV of RBI Directions amended from time to time.

12. 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 the provisions of the RBI Master Direction, the Companies Act, 2013, as amended. Declaration to be obtained every year from the Statutory Auditors affirming their eligibility for being appointed as Statutory Auditors of the Company.

13. DISCLOSURE AND TRANSPARENCY

In order to practice the policy of Disclosure and Transparency, the following information shall be put to the Board of Directors at regular intervals in this regard:

- the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;
- 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.
- committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.;
- Updates of the various committees' meetings at from time to time;
- Disclosures in the Annual Financial Statements information as may be prescribed under the RBI Regulatory Framework from time to time.

14. 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.

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