



Philosophy of Corporate Governance

The Company believes that good corporate governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all and accountability to all the stakeholders.

RBI Guidelines

RBI vide its circular no. RBI/2014-15/36 DNBS (PD) CC No. 390/03.10.001/2014-15 July 1, 2014 had instructed NBFC-ND-SIs to adopt guidelines on corporate governance. With the growing significance of NBFCs in the Indian economy, RBI vide its circular no. RBI/2014-15/552 DNBR (PD) CC.No. 029/03.10.001/2014-15 dated April 10, 2015, reviewed the Revised Regulatory Framework for NBFCs issued vide DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014, and issued the directions relating to corporate governance to be known as **Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015**.

Board of Directors (“Board”)

The Directors are responsible to set strategic objectives for the management and to ensure that the long term interests of all stakeholders are served by adhering to and enforcing the principles of sound corporate governance.

The role of the Board is to determine the overall strategic direction and management of the Company, including monitoring its performance. The Board is responsible to the shareholders and its conduct is determined by various provisions of the laws and the Articles of Association of the Company. In performing its duties, the Board meets regularly and act in the best interests of the Company including its shareholders, employees, customers and creditors. The Board is independent of the management.

Objective of the Guidelines

The following are the objectives of the aforesaid guidelines:

- a. Complex environment has mandate the need for good corporate governance.
- b. Greater transparency enabling stakeholders in having a better understanding.
- c. Building investors confidence in the company.
- d. Adopt best practices.

Code of Conduct

The Code of Conduct as adopted by the Company will apply to the employees including its Directors.

Constitution of various Committees

The Board in exercise of its powers has set out clear roles and responsibilities, including those powers, which the Board wishes to exercise by itself or through a formally constituted committee of the Board to ensure the good governance. The Company has following Board Committees with terms of reference determined by the Board:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Risk Committee
- d. Asset Liability Management Committee
- e. Corporate Social Responsibility Committee

All the above Committees shall have adequate presence of Independent Directors as per the extant requirements of Companies Act, 2013.

Meetings

Meetings of the Board of Directors shall be held atleast four times a year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The minimum information to be statutorily made available to the Board shall be furnished to the Directors. The Committees constituted by the Board will focus effectively on the issues and ensure expedient resolution of the matters entrusted. The Committees shall operate as empowered agents of the Board as per their terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting. The Company shall observe secretarial standards with respect to general and Board meetings specified by the Institute of Company Secretaries of India.

Disclosure and Transparency:

The following information is put to the Board of Directors at regular intervals in this regard:

- Related Party Transactions, Financial Results, Board disclosures, Risk Management, compliance certification.
- Composition/Re-composition of various committees, their role and functions and compliance.
- Updates of the various committees meetings at from time to time.
- Disclosures in the Annual Financial statements as stated by the relevant RBI circulars, from time to time.

Policies

The following policies have been framed and adopted by the Company, viz.

- Fair Practices Code
- Know Your Customer (KYC) & Prevention of Money Laundering Activity (PMLA) Policy
- Interest Rate Policy
- Insider Trading policy
- Credit Policy

The policies will be reviewed, from time to time, to ensure compliance and also reflects the changes in the regulations/ corporate governance environment.

Fit and Proper Criteria

A policy for ensuring the fit and proper criteria for appointment of Directors is forming part of the Nomination and Remuneration Committee Charter of the Company as the said Committee decides the appointment of Directors and key managerial persons.

Rotation of partners of the Statutory Auditors Audit Firm

The partner of the Chartered Accountant firm conducting the Statutory Audit will be rotated every three years, which partner shall be eligible for conducting the audit after an interval of three years.