

SUBHKAM VENTURES (I) PRIVATE LIMITED

COMPLIANCE MANAGEMENT POLICY/FRAMEWORK

Version	Approval	Version Description	Regulatory Reference
1.0	Board Meeting dated 21 st April, 2025	2025	RBI Circular No. RBI/2022-23/24 dated April 11, 2022 on “Compliance Function and Role of Chief Compliance Officer (CCO)

SUBHKAM VENTURES (I) PRIVATE LIMITED

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SUBHKAM VENTURES (I) PRIVATE LIMITED

COMPLIANCE MANAGEMENT POLICY/FRAMEWORK

BACKGROUND

In compliance with the regulatory framework for NBFCs issued by the Reserve Bank of India (RBI), including the **Master Circular on Scale Based Regulation (SBR) – A Revised Regulatory Framework for NBFCs**, the Company has been categorized as an **NBFC-Middle Layer**. Accordingly, the Company is required to comply with the regulations applicable to NBFC-Middle Layer entities.

In line with these requirements, the **Compliance Management Policy/Framework** has been framed in accordance with **RBI Circular No. RBI/2022-23/24 dated April 11, 2022, on “Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs”**, and forms an integral part of the Company's corporate governance framework.

1. OBJECTIVES

The purpose of the Policy on Compliance Management is to establish the overarching principles and commitment of the company with respect to achieving compliance by:

- identifying a clear compliance framework within which Subhkam Ventures (I) Private Limited operates.
- promoting a consistent, rigorous and comprehensive approach to compliance throughout the organisation.
- developing and maintaining practices that facilitate and monitor compliance within the company.
- to ensure standards of good corporate governance, ethics and community expectations; and
- engendering a culture of compliance where every person within the company accepts personal responsibility for compliance and acts ethically and with integrity.

2. COMPLIANCE CULTURE

The Company recognises that a strong compliance culture is essential for its safe and sound functioning. Compliance is a shared responsibility of the Board, senior management, compliance function, and all employees.

The Company shall promote awareness of compliance obligations, fair practices, conflict-of-interest management, and ethical standards across its operations.

3. COMPLIANCE FUNCTION

The compliance function is an integral part of effective governance along with the internal control and risk management processes. The structural set up of the compliance function shall be consistent with the organisational needs. The Compliance function shall be headed by a Chief Compliance Officer (CCO) and shall consist of such number of professionals other than the CCO, as may be required to effectively manage the compliance obligations of the company. The Function shall include staff with basic qualifications and practical experience in business lines / audit & inspection functions. The Compliance responsibilities pertaining to the specific area of work shall be exercised by staff of the respective departments, viz. Operations, Accounts, IT, HR etc. The departments

concerned shall hold the prime responsibility to ensure the adherence to the statutory provisions and regulations applicable to their role in the company. However, the Compliance Function would need to ensure overall oversight.

4. APPOINTMENT AND FUNCTIONS OF CHIEF COMPLIANCE OFFICER (CCO)

5.1 The appointment of CCO shall be recommended by the Remuneration & Nomination committee based on the credentials of the candidate and the final approval for the appointment shall be made by the Board of Directors of the company. The CCO shall be a senior executive of the company with a position not below three levels from the CEO. The Committee shall, while making the appointment, examine the 'Fit and Proper' criteria based on the requirements spelt out in this Policy.

5.2 CCO shall possess the following:

- Good understanding of the industry and risk management practices, knowledge of regulations, legal requirements, and have sensitivity to Supervisory expectations
- Should have the ability to exercise judgment independently
- Should have a clean track record and unquestionable integrity

5.3 Intimation to RBI: An intimation to the Senior Supervisory Manager, Department of Supervision, Reserve Bank of India, shall be provided upon appointment, premature transfer, resignation, early retirement or removal of the CCO.

5.4 Reporting of Chief Compliance Officer: The reporting of the CCO shall be to the Managing Director of the company. Further the CCO shall also report directly to the Board of Directors and Committee's thereof and shall have the authority to interact with the regulators/supervisors.

5. ROLE AND RESPONSIBILITIES OF THE CCO

6.1 Implementation of the compliance policy and identification and monitoring of the compliance risk through all the levels of the organization.

6.2 Ensuring the appropriate remedial action if breaches are identified. The disciplinary action on such breaches shall however remain within the scope of the management.

6.3 Ensure that compliance function of the organization identifies & compiles list of compliance failure and the concerned departments to take steps to mitigate recurrence of such failures.

6.4. To act as a Nodal point of contact between the company and the Reserve Bank of India and to be a participant to the structured or other regular discussions with RBI.

6.5. Ensuring the timely response/ interactions thereof to the RBI inspection reports through the Compliance Function

6.6. Ensure that the policies, as are applicable upon the company through various regulatory directions are framed and approved by the Board of Directors and the same are reviewed annually is framed and approved by the Board of Directors.

6.7. Leading the compliance function within the organization and ensuring the fulfilment of the compliance as per the responsibilities delegated to the compliance function.

6. RESPONSIBILITIES OF COMPLIANCE FUNCTION

7.1 Assist the Board and the Senior Management in supervising the implementation of Compliance Policy,

7.2 Assess and identify potential compliance risk within the company, develop proposals for dealing with and avoiding compliance risks.

7.3 Monitoring and testing the effectiveness of the compliance being done by the respective departments within the organisation and suggesting any updates. Circulation to the Senior Management/ Board of instances of Compliance failures, if any along with the preventive actions and fixation of the staff accountability for the breach of compliance.

7.4 Ensuring compliance of regulatory/ supervisory directions given by regulators including the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) and Self-Regulatory Organisations (SROs), in both letter and spirit in a time-bound and sustainable manner.

7.5 Attend to compliance with directions from regulators and ensure that discomfort conveyed to the company on any issue by the regulators, and action taken by any other authorities/law enforcement agencies, shall be brought to the notice of RBI.

7. IDENTIFICATION & MONITORING MECHANISM:

The independence of the Compliance Function hinges on the extent of information and access granted to it in relation to the services, activities, and transactions undertaken by the regulated entity. In order to perform its duties and take its decisions independently, the Compliance team shall be granted access to all the relevant and pertinent information maintained by other departments, which is necessary for them to discharge their functions effectively. The CCO and Compliance Function shall have the authority to communicate with any staff member and have access to all records or files that are necessary to enable her/him to carry out entrusted responsibilities in respect of Compliance issues. In order to ensure the compliance with the regulatory framework, the compliance function shall, on quarterly basis, list and place before the Board/Committee all major regulatory guidelines issued and shall implement the directions of the board within the company.

8. AUTHORITY OF THE BOARD OF DIRECTORS / COMMITTEE'S:

9.1 The Board of Directors retains the ultimate authority for legal and regulatory compliance and overseeing, reviewing and ensuring the effectiveness of SVIPL's compliance systems. The board of directors has fiduciary authority to oversee that the business is run in a profitable way within the bounds of the law. The Board/ Audit Committee shall remain empowered to the following functions:

- Review the Company's Internal financial controls and risk management policies/systems.
- Review the status of compliance on a periodic basis, on the basis of compliance reports submitted by the management, covering compliance with all laws and regulations applicable to the company.
- Review the effectiveness of the company's Legal Compliance System for monitoring and managing compliance with relevant laws and give instructions on breaches of key compliance requirements, if any, and remedial measures to prevent instances of non-compliance

9.2 The compliance risk shall be reviewed in every Board meeting on a quarterly basis wherein the compliance during the quarter shall be analyzed the reason for any non-compliance or delay in compliance shall be discussed at the committee/Board level.

9. INDEPENDENCE AND AUTHORITY

Independence is one of the fundamental principles of compliance and any regulated entity shall strive to establish and implement measures and controls in order to ensure that the duties performed, and the decisions taken, by the Compliance Function are carried out on an independently not only from the senior management, but even from all units within the regulated entity. Further there shall be no

dual hatting ie. the compliance head shall not be given any responsibility which brings elements of conflict of interest, especially any role relating to the business. The CCO shall not be a member of any committee which conflicts his role as compliance head.

10. REPORTING TO THE BOARD:

Compliance should be a regularly scheduled agenda item at board meetings. reports on compliance with statutory requirements shall be submitted to the Board.

11. REVIEW OF THE POLICY

The Board of Directors shall review the policy as and when required, in line with regulatory or internal policy changes.



Date: 21/04/2025

Place: Mumbai

