

SUBHKAM VENTURES (I) PRIVATE LIMITED

CORPORATE GOVERNANCE POLICY

Version	Approval	Version Description	Regulatory Reference
1.0	Board Meeting dated 23 rd March, 2023	2023	RBI Guidelines
2.0	Board Meeting dated 21 st April, 2025	2025	RBI Guidelines

SUBHKAM VENTURES (I) PRIVATE LIMITED

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SUBHKAM VENTURES (I) PRIVATE LIMITED

CORPORATE GOVERNANCE POLICY

1. Company's Philosophy on Corporate Governance

Subhkam Ventures (I) Private Limited ("the Company"/ "SVIPL") is a Middle Layer Non-Banking Financial Company - registered with Reserve Bank of India.

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

The Board of the Company is responsible for formulating, directing and overseeing how SVIPL, its management and employees adhere to corporate governance norms and serve and protect the long-term interests of all stakeholders.

The governance structure of SVIPL flows from the policies adopted by the Board of Directors within the regulatory framework of the RBI and the Companies Act 2013, as applicable, and reviewed periodically for currency and relevance. The Board of Directors further puts policy into action by way of various committees that govern the functioning of the senior management team of SVIPL in line with the policies.

2. RBI Guidelines on Corporate Governance:

The Company is a Non-Banking Financial Company - Non-Deposit taking – Systemically Important (NBFC-ND-SI) registered with Reserve Bank of India (RBI) and in terms of SBR the Company is classified as middle layer NBFC (NBFC-ML). In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has, vide Chapter XI of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as updated from time to time, issued Guidelines on Corporate Governance and mandated has mandated all NBFC-ML to frame an Internal Guidelines on Corporate Governance, In pursuance of the aforesaid directions issued by the RBI, the Board of Directors have framed the Internal Guidelines on Corporate

3. Governance Structure:

I. Board of Directors

The composition of the Board is in conformity with the existing Articles of Association of the Company. The Board meets at least 4 (Four) times a year in such a manner that not more than (120) one hundred and twenty days intervenes between two consecutive meetings of the Board.

i. Brief Duties of Board of Directors:

In accordance with the provisions of Section 166 of the Companies Act, 2013 and as a matter of Corporate Governance, the directors of the Company have the following duties:

- a. 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.

- b. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- c. 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.
- d. 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.
- e. A director of a company shall not assign his office and any assignment so made shall be void.

ii. **Board Process**

The Board is presented with relevant information on various matters relating to the working of the Company especially those that require deliberation at a strategic level, ahead of each Board meeting. All statutory and material information is placed before the Board to enable them in effective and efficient decision-making. The functional heads are invited to the Board and Committee meetings to appraise the Board on various issues concerning the operations of the Company.

III. **Audit Committee**

The Company has constituted a qualified and independent Audit Committee in accordance with the **Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023**, the **Companies Act, 2013** and the Rules framed thereunder ("the Act").

The Audit Committee shall consist of a minimum of three directors of which at least 2/3rd directors shall be independent directors.

i. **Frequency of Meetings:**

The Audit Committee shall meet as and when required but shall meet at least four times in a year not more than 120 days shall elapse between two meetings.

ii. **Quorum:**

The quorum for the 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 present at the meeting.

iii. **Terms of Reference**

The Audit Committee constituted under this paragraph shall have in addition to the powers, functions and duties as laid down in Section 177 of Act The Board had approved below terms of reference of the Audit Committee:

- a. Recommendation for appointment, remuneration and terms of appointment of auditors of the entity
- b. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- c. Examination of the financial statement and the auditors' report thereon
- d. Approval or any subsequent modification of transactions of the company with related parties;
- e. Scrutiny of inter-corporate loans and investments;
- f. Valuation of undertakings or assets of the company, wherever it is necessary;
- g. Evaluation of internal financial controls and risk management systems;
- h. Monitoring the end use of funds raised through public offers and related matters.
- i. Oversee, monitor and review the functioning and effectiveness of Internal Audit
- j. The Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the applicable NBFCs.
- k. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- l. Review the functioning of the vigil mechanism;
- m. The Audit Committee shall have authority to investigate into any matter and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- n. Carrying out any other function as may be assigned to the Committee by the Board from time to time.

III. Nomination and Remuneration Committee:

The importance of appointment of directors with 'fit and proper' credentials is well recognised in the financial sector. In terms of Section 45-IA (4) (c) of the RBI Act, 1934, RBI while considering the application for grant of Certificate of Registration to undertake the business of non-banking financial institution it is necessary to ensure that the general character of the management or the proposed management of the non-banking financial company shall not be prejudicial to the interest of its present and future shareholders, clients, etc. Accordingly, a Nomination Committee to ensure 'fit and proper' status of proposed/existing Directors should be formed.

The Nomination and Remuneration Committee ('the NRC Committee') is constituted in accordance with Section 178 of the Act and shall be the NRC for the purpose Para 70 (2) Chapter XI of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 as well as under Chapter XI of the Scale based Regulations.

The Committee shall consist of three or more non-executive directors out of which two-thirds shall be Independent Directors. The terms of reference and the constitution of the Committee, in accordance with the provisions of the Act are as follows:

i. **Frequency of Meetings:**

The Committee shall meet as and when required but shall meet at least once in a year.

ii. **Quorum:**

The quorum for the committee meeting shall be either two members or one third of the members of the Committee, whichever is greater, including at least one independent director present at the meeting.

iii. **Terms of reference of Nomination committee are as below:**

- a. Identify persons who are qualified to become Directors and who may be appointed in senior management.
- b. Recommend to the Board their appointment and removal.
- c. To ensure 'fit and proper' status and credentials of proposed/ existing directors;
- d. Formulate the criteria for determining the qualifications, positive attributes etc. and independence of a director;
- e. The Committee shall scrutinize the declarations received from the directors.
- f. The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- g. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel, for the approval of the Board.

IV. Risk Management Committee

The Company has in place Risk Management Committee in accordance with the provisions of the RBI Master Directions. The Risk Management Committee shall have minimum 3 members with a combination of Board of directors and senior officers of the Company.

i. **Frequency of Meetings:**

The Committee shall meet on quarterly basis and as and when required.

ii. **Quorum:**

The quorum for the committee meeting shall be two members of the Committee present at the meeting.

V. Asset Liability Management Committee

The Asset Liability Management Committee (ALM Committee) is constituted in accordance with Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, to monitor the asset liability gap and strategize action to mitigate the risk associated. Accordingly, Asset Liability Management Committee is formed.

i. **Frequency of Meetings:**

The Committee shall meet as and when required but shall meet at least twice in a financial year.

ii. **Quorum:**

The quorum for the committee meeting shall be two members of the Committee present at the meeting.

VI. IT Strategy Committee

The IT Strategy Committee is constituted in accordance with Master Direction - Information Technology Framework for the NBFC Sector, as amended, to enhance safety, security, efficiency in processes leading to benefits for NBFCs and their customers.

4. DISCLOSURE AND TRANSPARENCY:

The Company shall put up to the Board of Directors, at regular intervals or at least on an annual basis, the following:

- a. The progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;
- b. 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.

5. MD CERTIFICATION

The Managing Director shall make the necessary certifications regarding the Financial Statements, internal controls, etc. to the Board.

6. CHIEF COMPLIANCE OFFICER :

The Board of Directors shall designate a chief Compliance Officer to ensure adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities

7. POLICIES ADOPTED BY THE COMPANY:

The Company shall adopt such policies, as may be required to adopt under the Companies Act, 2013, the RBI Guidelines applicable to the company, and such other laws and regulations as may be applicable.

8. REVIEW OF POLICY:

This Policy shall be reviewed as and when there are any regulatory changes are introduced or as and when it is found necessary to change the Policy due to business needs. The Board of the Company will be approving authority for the Policy.



Date: 21/04/2025

Place: Mumbai

