

## **GUIDELINES ON CORPORATE GOVERNANCE**

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company recognizes its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. 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. As part of the Hinduja Group and as an associate of Ashok Leyland Limited, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices.

### **RBI GUIDELINES ON CORPORATE GOVERNANCE**

This policy is framed pursuant to Master Directions – NBFC – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated 1<sup>st</sup> September, 2016<sup>i</sup>. In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has, stipulated all NBFCs to frame an internal guidelines on Corporate Governance, with the approval of the Board of Directors. In pursuance of the aforesaid Guidelines, the Company has framed the said internal Guidelines on Corporate Governance and as required under para 3.2.3(i) of the Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and other applicable circulars issued time to time.

### **SEBI NORMS ON CORPORATE GOVERNANCE**

SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, provides, among various other things, Corporate Governance Norms for listed entities, the Company shall comply with such Corporate Governance Norms as may be applicable<sup>ii</sup>.

### **BOARD OF DIRECTORS**

The Board of Directors along with its Committees shall provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company.

As per the Company's Articles of Association, the Board's strength is required to be a minimum of three to a maximum of Fifteendirectors.

The Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive directors, with not less than fifty percent of them being Non-Executive Directors. In case of a Non-Executive Chairman, at least one-third of the Board should consist of Independent Directors and in case of an Executive Chairman, one-half of the Board should consist of Independent Directors.

All the Directors shall make the necessary annual disclosure regarding their directorships and Committee positions and shall intimate changes as and when they take place.

The Board shall periodically review Compliance Reports of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance.

#### Board Meetings

Meetings of the Board of Directors shall be held at least four times a year, with a maximum time-gap of 120 days<sup>iii</sup> between any two consecutive meetings. The minimum information to be statutorily made available to the Board shall be furnished to the Directors.

#### **CODE OF CONDUCT**

The Company shall adopt a Code of Conduct for its senior management including the Managing Director and also for its Non-Executive Directors. The same shall be posted on the Company's web-site.

#### **COMMITTEES OF THE BOARD**

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

empowered agents of the Board as per their Charter / terms of reference. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting.

The Board of Directors have set up the following committees with specific terms of reference as approved by the Board:

- i) Audit Committee
- ii) Risk Management Committee
- iii) Asset Liability Management Committee
- iv) Nomination and Remuneration Committee
- v) Stakeholders relationship Committee
- vi) Credit Committee
- vii) Capital Raising Committee
- viii) Corporate Social Responsibility Committee
- ix) IT Strategy Committee<sup>iv</sup>

## **DISCLOSURES**

Timely and accurate disclosure of information regarding the financial position of the Company, its performance and ownership forms part of the Corporate Governance.

## **CEO/CFO CERTIFICATION**

The CEO, i.e. the Managing Director and the CFO, i.e. Finance Head shall make the necessary certifications regarding the Financial Statements, Internal Controls, etc. to the Board.

## **COMPLIANCE OFFICER**

The Company Secretary shall be the Compliance Officer of the Company.

This policy was reviewed and approved by the Board on November 3, 2023.

<sup>i</sup> Amended by the Board on 14<sup>th</sup> November, 2018

<sup>ii</sup> Ibid <sup>iii</sup> Ibid <sup>iv</sup> Ibid