



## **Internal Guidelines on Corporate Governance**

### **Preamble:**

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to standards to achieve the objects of the Company, enhancing shareholder/investor value and discharging of social responsibility. The Company does not view Corporate Governance principles as set of binding obligations but believes in using it as a framework to be followed in spirit.

Corporate governance is based on principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting business in an ethical manner

Muthoot Microfin Limited is committed to maintaining a high standard of corporate governance in complying with Master Circular on Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 issue by RBI on July 1, 2015, and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023

### **Purpose**

The purpose of this policy is to frame internal guidelines on Corporate Governance. This policy lays down the detailed procedures for the implementation of the said guidelines to comply with the directions issued by the Reserve Bank of India from time to time in this regard. The Policy on Corporate Governance will be reviewed as and when deemed fit and necessary by the Board in the context of changing regulation and emerging best practices with a view to enhancing the Company's governance.

### **Regulators**

Muthoot Microfin Limited, being a public limited company incorporated under the provisions of the Companies Act, 1956 and exist within the purview of the Companies Act, 2013 and registered with Reserve Bank of India (RBI) as Non Banking Financial Company- Micro Finance Institution (NBFC-MFI) is regulated by two regulators, i.e. Ministry of Corporate Affairs (MCA) and RBI.

The securities of the Company are listed on National Stock Exchange of India Limited (NSE Ltd.) and BSE Ltd. In view of this, the affairs of the Company are also regulated by regulation prescribed by Securities and Exchange Board of India (SEBI) to the extent applicable.

### **Board of Directors**

The Company has got a pool of very dynamic and effective Board members who not only have apt qualifications but also have in store good experience in the sphere of microfinance, banking, technology, finance and social performance management. Each member of the board has the expertise in a different field.

The Board of Directors (“the Board”) along with its Committees shall provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company. The Board of the Company shall have an optimum combination of Executive and Non-Executive directors in compliance with the Companies Act, 2013 and other regulatory guidelines, if any. The Company shall conduct due diligence, as may be appropriate and appoint person of integrity and expertise keeping in view the business needs of the company.

Currently, the Board of the Company consists of 10 Directors, comprising (i) One Managing Director; (ii) Five Independent Directors; and (iv) Four Non-Executive Directors. The Directors bring to the Board a wide range of experience and skills which include banking, global finance, law, accounting and economics.

### **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 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.

### **Committees**

The Company has established various committees to monitor the functioning of each Function in the Company to be compliant with the NBFC guidelines and the Companies Act, 2013. The existing Committees are segregated into Board and Management Committees in line with legal requirements and company's functioning structure. Presently, the Audit Committee, the Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee are the Board Committees. Management Committees include Risk Management Committee, Asset Liability Committee, and the Borrowing committee. The Board or the Management of the Company, as appropriate, may form other committees as may be necessary from time to time.

#### **1. Audit Committee:**

The Company has in place the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and the provisions of directions issued by the Reserve Bank to Non-Deposit Accepting Non-Banking Financial Companies. The Audit Committee of the Company will consist of 03 (three) directors with majority of independent directors. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise. The company secretary acts as the Secretary of the Audit Committee. The Chairman of this Committee shall at all times be an Independent Director. The Audit Committee constituted under this paragraph shall have the same powers, functions and duties as laid down in section 177 of the Companies Act, 2013.

The Audit Committee consists of following Directors:

<b>Name of Director</b>	<b>Nature of Directorship</b>	<b>Designation</b>
Mrs. Pushpy Muricken	Independent	Chairperson
Mrs. Bhama Krishnamurthy	Independent	Member
Mr. Alok Prasad	Independent	Member
Mr. R Anand	Independent	Member
Mr. Akshaya Prasad	Non-Executive	Member
Mr. Thomas John Muthoot	Non-Executive	Member

#### **Terms of Reference of Audit Committee**

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company and the fixation of audit fee;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and

- g. Modified opinion(s) in the draft audit report.
- 6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- 7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Offer by the Company;
- 8. Approval or any subsequent modifications of transactions of the Company with related parties;
- 9. Scrutinizing of inter-corporate loans and investments;
- 10. Valuing of undertakings or assets of the Company, wherever it is necessary;
- 11. Evaluating of internal financial controls and risk management systems;
- 12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
- 13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 15. Discussing with internal auditors on any significant findings and follow up there on;
- 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 19. Reviewing the functioning of the whistle blower mechanism;
- 20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

#### **Powers of the Audit Committee**

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice;
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- e. such powers as may be prescribed under the Companies Act and Listing Regulations and other applicable laws.

#### **Mandatory review by Audit Committee:**

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
5. Statement of deviations in terms of the SEBI Listing Regulations:
  - (a) quarterly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32 (1) of the SEBI Listing Regulations; and
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32 (7) of the SEBI Listing Regulations.
6. To review the financial statements, in particular, the investments made by any unlisted subsidiary; and
7. Such information as may be prescribed under the Companies Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee also 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 NBFCs

## **2. Nomination and Remuneration Committee**

The Company has constituted a 'Nomination and Remuneration Committee' in compliance with the provisions of Section 178 of the Companies Act, 2013 and the same is in conformity with the RBI

guidelines issued in this regard from time to time. The Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent directors. The Nomination and Remuneration Committee constituted under this paragraph shall have the same powers, functions and duties as laid down in section 178 of the Companies Act, 2013.

#### Constitution of Committee

<b>Name of Director</b>	<b>Nature of Directorship</b>	<b>Designation</b>
Mr. T S Vijayan	Independent	Chairman
Mrs. Bhama Krishnamurthy	Independent	Member
Mr. Alok Prasad	Independent	Member
Mr. John Tyler Day	Non-Executive	Member
Mr. Thomas Muthoot John	Non-Executive	Member
Mr. R Anand	Independent	Member

#### Terms of Reference of Nomination and Remuneration Committee

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors of the Company a policy relating to the remuneration of the Directors, key managerial personnel and other employees (“Remuneration Policy”). The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:
  - i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
2. formulation of criteria for evaluation of performance of independent directors and the Board;
3. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - i. use the services of an external agencies, if required;
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii. consider the time commitments of the candidates.
4. devising a policy on Board diversity;

5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and carrying out evaluation of every director's performance (including independent directors);
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommend to the Board, all remuneration, in whatever form, payable to senior management;
8. carrying out any other activities as may be delegated by the Board of Directors and functions required to be carried out by the Nomination and Remuneration Committee as provided under the Companies Act, 2013, the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

### 3. Corporate Social Responsibility Committee

The Company has in place the Corporate Social Responsibility Committee in accordance with the provisions of Section 135 of Companies Act, 2013. The committee will be composed of minimum 03 (three) directors as its members, out of which at least one director shall be an Independent Director. The CSR Committee constituted shall formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.

The CSR Committee is comprised of:

<b>Name of Director</b>	<b>Nature of Directorship</b>
Mr. Thomas Muthoot	Executive Director
Mr. Thomas George Muthoot	Non-Executive
Mr. Thomas John Muthoot	Non-Executive
Mr. Alok Prasad	Independent

The terms of reference of the CSR Committee;

1. Formulate and recommend to the Board, a Corporate Social Responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, as amended
2. Recommend the amount of expenditure to be incurred on the CSR activities referred to in (1) above;
3. Monitor the Corporate Social Responsibility policy of the Company and its implementation from time to time; and
4. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

### 4. Risk Management Committee

The Company has in place a Risk Management Committee constituted in accordance with the RBI guidelines in this regard. The majority of Committee shall consist of members of the Board of Directors. Senior executives of the company may be members of the said Committee but the Chairman of the Committee shall be a member of the Board of Directors. The committee meets at least 2 times in a year to review the Risk Management Policy, document and improve risk management practices. The Committee is involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company. The Committee meets periodically and reports to the top Management and Board.

The Risk Management is comprised of:

<b>Sl. No</b>	<b>Name of Members</b>	<b>Designation</b>
1.	Mr. Thomas John Muthoot	Non-Executive Director
2.	Mr. Thomas George Muthoot	Non-Executive Director
3.	Mr. Thomas Muthoot	Executive Director
4.	Mr. Sadaf Sayeed	Chief Executive Officer
5.	Mr. Alok Prasad	Independent Director
6.	Mrs. Bhama Krishnamurthy	Independent Director

The terms of reference are as below:

- To monitor and review the risk management plan;
- To review operational risk
- To take strategic actions to mitigate the risk associated with the nature of the business;
- To appraise the Board of Directors at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy;

#### **5. Asset Liability Management Committee**

The Company has in place the Asset-Liability Management Committee (“ALCO”) constituted in accordance with the RBI guidelines. The Company has a Board approved Asset Liability Management Policy in place and required disclosure.

The ALCO is comprised of:

<b>Sl. No</b>	<b>Name of Members</b>	<b>Designation</b>
1.	Mr. Thomas John Muthoot	Non-Executive Director
2.	Mr. Thomas George Muthoot	Non-Executive Director
3.	Mr. Thomas Muthoot	Executive Director
4.	Mr. Sadaf Sayeed	Chief Executive Officer

The terms of reference are as below:

- Addressing concerns regarding asset liability mismatches;



- Achieving optimal return on capital employed while maintaining acceptable levels of risk relating to liquidity;
- Addressing concerns regarding interest rate risk exposure; and
- Review the periodical returns submitted to RBI every year;
- Monitor and review the cost of funds and the net interest margin;
- To do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

## 6. Information Technology Strategy Committee

The Information Technology Strategy Committee was constituted as per Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dated June 08, 2017. The terms of reference of the Information Technology Strategy Committee include the following:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;
- Ascertaining that the management has implemented processes and practices which ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Ensuring proper balance of IT investments for sustaining the Company's growth and becoming aware about exposure towards IT risks and controls.

The Committee shall be convened Minimum two times in year

The IT Strategy Committee is comprised of:

Sl. No	Name of Members	Designation
1.	Mrs. Pushpy B Muricken	Independent Director
2.	Mr. Thomas Muthoot	Managing Director
3.	Mr. Thomas George Muthoot	Non-Executive Director
3.	Mr. Linson C Paul	Chief Technology Officer

## 7. Stakeholders Relationship Committee: This Committee is constituted in compliance with the provisions of Section 178(5) the Companies Act, 2013 and Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

1. Resolving the grievances of the securities holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates any other documents or information to be sent to the Company to its shareholders, general meetings etc.;

2. Reviewing measures taken to exercise of voting rights by shareholders;
3. Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Reviewing the various measures and initiatives taken by the Company for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.”

The Stakeholders Relationship Committee is comprised of:

<b>Name of Director</b>	<b>Nature of Directorship</b>	<b>Designation</b>
Mr. Thomas John Muthoot	Non-Executive	Chairman
Mr. Thomas Muthoot	Executive Director	Member
Mr. Alok Prasad	Independent	Member
Mr. Sadaf Sayeed	Chief Executive Officer	Member
Mr. Praveen T	Chief Financial Officer	Member

#### **8. IPO Committee**

The Company has constituted the IPO Committee with the following members

<b>Sl. No</b>	<b>Name of Members</b>	<b>Designation</b>
1.	Mr. Thomas John Muthoot	Non-Executive Director
2.	Mr. Thomas Muthoot	Executive Director
3.	Mr. Akshaya Prasad	Non-Executive Director
4.	Mr. John Tyler Day	Non-Executive Director
5.	Mr. Sadaf Sayeed	Chief Executive Officer
6.	Mr. Praveen T	Chief Financial Officer

Terms of reference of the IPO Committee:

- (i) to decide, in consultation with the BRLMs, on the IPO size (including any reservation for employees, and/or any other reservations or firm allotments as may be permitted, green shoe option and/ or any rounding off in the event of any oversubscription), timing, pricing (price band, issue price, including to anchor investors etc.) and all other terms and conditions of the IPO, including the price, premium, discount (as permitted under Applicable Laws) and to make any amendments, modifications, variations or alterations thereto;
- (ii) to make applications to the Stock Exchanges for in-principle approval for listing of its Equity Shares and file such papers and documents, including a copy of the DRHP filed with Securities and Exchange Board of India, as may be required for the purpose;
- (iii) to take all actions as may be necessary or authorised, in connection with the Offer for Sale, including taking on record the approval of the Offer for Sale, extending the Bid/Offer period,

revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;

- (iv) to invite the existing shareholders of the Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;
- (v) authorisation of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;
- (vi) giving or authorising any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (vii) to approve suitable policies on insider trading, whistle-blowing, risk management and any other polices as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- (viii) To approve any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the SEBI Listing Regulations or any other Applicable Laws;
- (ix) to appoint, enter into and terminate arrangements with the BRLMs, underwriters, syndicate members, brokers, advisors, escrow collection banks, registrars, refund banks, public issue account banks, monitoring agency, legal counsel, auditors, experts, printers, advertising agencies and any other agencies or persons or intermediaries to the IPO and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs and the Selling Shareholders;
- (x) to seek, if required, the consent/ waiver of the lenders to the Company and/or the lenders to the subsidiaries of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements including without limitation, customers, suppliers, strategic partners of the Company, any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the IPO or any actions connected therewith, if any;
- (xi) to approve the list of 'group companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and the Prospectus;
- (xii) to make applications to, seek clarifications and obtain approvals from, if necessary, the RBI, the SEBI or any other statutory or governmental authorities in connection with the IPO and, wherever necessary, accept and incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the Prospectus, on behalf of the Board;
- (xiii) to negotiate, finalise, settle, execute and deliver or arrange the delivery of the BRLMs' mandate or engagement letter(s), the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, including any amendment(s) or addenda thereto, including with respect to the payment of commissions, brokerages and fees, with the BRLMs, registrar to the IPO, legal advisors, auditors, Stock

Exchanges and any other agencies/intermediaries in connection with the IPO with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforestated documents;

- (xiv) to open and operate any bank account(s) required of the Company for the purposes of the IPO and the Pre-IPO Placement, including the cash escrow account, the public issue account as may be required;
- (xv) finalising, settling, approving, adoption and filing in consultation with the BRLMs, where applicable, the DRHP, RHP and the Prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and the preliminary and final international wrap for the IPO together with any addenda, corrigenda and supplement thereto as finalised in consultation with the BRLMs, in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by and to submit undertakings/certificates or provide clarifications to SEBI or any other relevant governmental and statutory authority in accordance with Applicable Laws;
- (xvi) arranging for the submission of the Draft Red Herring Prospectus to be submitted to the SEBI and the Stock Exchanges for receiving comment, the Red Herring Prospectus and the Prospectus to be registered with the RoC, and any corrigendum, amendments supplements thereto;
- (xvii) seeking the listing of the Equity Shares on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (xviii) to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices, regulations and applicable law, including listing on one or more Stock Exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;
- (xix) authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- (xx) finalise the basis of allotment of the Equity Shares;
- (xxi) make applications for listing of the Equity Shares on the Stock Exchange for listing of the Equity Shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (xxii) accept and appropriate proceeds of the Fresh Issue in accordance with the Applicable Laws;
- (xxiii) take on record the approval of the Selling Shareholders for offering their Equity Shares in the Offer for Sale;
- (xxiv) decide in consultation with the BRLMs, the withdrawal of the Draft Red Herring Prospectus or the Red Herring Prospectus or any decision not to proceed with the Offer at any stage in accordance with Applicable Laws;

- (xxv) to do all such deeds and acts as may be required to dematerialise the Equity Shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- (xxvi) to authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the IPO;
- (xxvii) to withdraw the DRHP or the RHP or to decide not to proceed with the IPO at any stage in accordance with the SEBI ICDR Regulations and applicable laws;
- (xxviii) to do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in consultation with the BRLMs, deem necessary or desirable for the IPO, including without limitation, determining the anchor investor portion and allocation to Anchor Investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws and any documents or instruments so executed and delivered or acts and things done or caused to be done by committee shall be conclusive evidence of the authority of the committee in so doing;
- (xxix) to settle all questions, remove any difficulties or doubts that may arise from time to time with respect to the IPO, including with respect to the issue, offer or allotment of the Equity Shares, terms of the IPO, utilisation of the IPO proceeds, appointment of intermediaries for the IPO and such other issues as it may, in its absolute discretion deem fit;
- (xxx) to take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of the Company;
- (xxxi) to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the IPO. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board shall be conclusive evidence of the authority of the Board in so doing; and
- (xxxii) to delegate any of the powers mentioned in (i) to (xxiv) to such persons as the IPO Committee may deem necessary

**9. Borrowing Committee:** The Company has a Borrowing Committee to exercise all powers to borrow moneys (otherwise than by issue of debentures) and taking necessary actions connected therewith. The terms of reference are as below:

1. To borrow any amounts within the limit of Borrowing Powers of the Company
2. To Invest the funds of the Company
3. To grant loans or give guarantee or provide security in respect of loans;

4. To assign/ sell the loan portfolio of the Company to any Banks/ Financial Institution
5. To open and operate Bank accounts
6. To sub-delegate its powers to the officers/ representatives of the Company, and
7. Other matters which are not expressly restrained by Section 179 of the Companies Act, 2013

The Borrowing Committee is comprised of:

<b>Sl. No</b>	<b>Name of Members</b>	<b>Designation</b>
1.	Mr. Thomas John Muthoot	Non-Executive Director
2	Mr. Thomas Muthoot	Non-Executive Director
3.	Mr. Sadaf Sayeed	Chief Executive Officer
4.	Mr. Praveen T	Chief Financial Officer

#### **10. Debenture Issue and Allotment Committees**

In addition to the aforesaid Committees, the Company has also constituted Debenture Issue and Allotment Committee for issue and allotment of Non-Convertible Debentures.

<b>Sl. No</b>	<b>Name of Members</b>	<b>Designation</b>
1.	Mr. Thomas John Muthoot	Non-Executive Director
2	Mr. Thomas Muthoot	Non-Executive Director
3.	Mr. Thomas George Muthoot	Non-Executive Director

The Debenture Issue Committee is authorized to do all such acts, deeds and things in regard to issue and allotment of Debentures on Private Placement, including:

1. Identifying the select group of persons to whom Debentures on Private Placement will be made;
2. Determining the number of tranches/series in which the Debentures on Private Placement and/or Debentures on Public issue shall be raised;
3. Appoint debenture trustees to act for and on behalf of the holders of the Debentures on Private Placement and/or Debentures on Public issue under each tranche/series;
4. Finalizing the terms and conditions upon which each tranche/series of the Debentures on Private Placement and/or Debentures on Public issue shall be issued;
5. Procure rating for the Debentures on Private Placement and/or Debentures on Public issue under each tranche/series from an accredited rating agency;
6. Determining the security to be provided in relation to each tranche/series of the Debentures on Private Placement and/or Debentures on Public issue as determined from time to time;
7. Authorising persons to execute/ caused to be executed/issue the information memorandum, debenture trust deed, debenture trustee agreement and the security documents such as the deed of hypothecation, mortgage deed and the relevant power(s) of attorney to be entered into between the Company and the debenture trustee, and such other documents as may be required to be entered into in relation to each tranche/series the Debentures on Private Placement and/or Debentures on Public issue and authorizing affixing of common seal; and

8. Allotment of the Debentures on Private Placement and/or Debentures on Public issue.

### **Fit and Proper Criteria**

In terms of RBI Master Direction – RBI (NBFC– Scale Based Regulation) Directions, 2023, circular no. RBI/2014-15/299 DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and RBI Master Circular no. RBI/2015-16/12 DNBR (PD) CC.No.053/03.10.119/2015-16 dated July 01, 2015, the Company has in place a ‘Fit and Proper Criteria for Directors’ as part of its Nomination and Remuneration Policy. Pursuant to this, the Company obtains necessary disclosures from Directors from time to time.

Further, the Company ensures compliance with the provisions laid down in the said Policy. Further as required under the above referred RBI circulars, the Company shall ensure to furnish to the RBI on a quarterly basis, statement on change of directors and a certificate confirming that fit and proper criteria in selection of the directors have been followed. The same should be submitted to the Regional Office of RBI within 15 days of the close of the respective quarter and the statement for the quarter ending March 31, should be certified by the auditors.

### **Key Managerial Personnel**

In terms of RBI Master Direction – RBI (NBFC– Scale Based Regulation) Directions, 2023, Company ensures that except for directorship in a subsidiary, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL.

### **Independent Directors**

Company duly ensures that the independent director shall not be on the Board of more than three NBFCs (NBFCs-ML or NBFCs-UL) at the same time. Further, the Board ensures that there is no conflict arising out of their independent directors being on the Board of another NBFC at the same time.

### **Whistle Blower Policy**

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act, the Company has framed and adopted a Whistle Blower Policy (“the Policy”) to enable directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct.

### **Disclosure and Transparency:**

The Company as per the requirement of the Companies Act, 2013, and the guidelines issued by the Reserve Bank of India on Corporate Governance of NBFCs put up to the Board of Directors, at regular intervals, the following: (a) Progress made in putting in place a risk management system, risk management policy and strategy following by the Company. (b) Conformity with the corporate governance standards namely, composition of various committees, their rules and functions, periodicity of meetings, and compliance with coverage and review functions

### **Rotation of Partners of the Statutory Auditors Audit Firm**

The Board and the Audit Committee of the Company shall be responsible to appoint Statutory Auditors who demonstrate professional ability and independence. The Company shall rotate the firms of statutory auditors and the audit partner(s) as per the provisions of the RBI guidelines and the Companies Act, 2013.

**Policies/ Codes**

The Company shall adopt such policies, as may be required to adopt under the Companies Act, 2013, the RBI Guidelines and such other laws, regulations and Daimler Guidelines as may be applicable. The policies adopted may be reviewed by the Board from time to time.