



Chief Risk Officer Policy

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Prepared by	Committee
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Introduction

Pursuant to the Circular No. RBI/2018-19/184 DNBR (PD) CC. No.099/03.10.001/2018-19 May 16, 2019 issued by the Reserve Bank of India (“RBI”) it is mandated that Non-Banking Finance Companies with asset size of more than INR 5,000 crores to appoint a Chief Risk Officer (“CRO”) who will function independently to ensure the highest standards of risk management. The RBI directed that the Board put in place policies to safeguard the independence of the CRO.

Accordingly the Company has formulated this policy. The Policy provides for the principles to ensure the independence of CRO in the Company

Appointment of CRO

- i. The Board shall appoint the CRO who shall be a senior official in the hierarchy of the Company and shall possess adequate professional qualification/ experience in the area of risk management.
- ii. The CRO shall be appointed for a fixed tenure with the approval of the Board. The CRO can be transferred/ removed from his post before completion of the tenure only with the approval of the Board and such premature transfer/ removal shall be reported to the Department of Non-Banking Supervision of the regional office of the Bank under whose jurisdiction the NBFC is registered. As the Company being a listed entity, any change in incumbency of the CRO shall also be reported to the stock exchanges.
- iii. The CRO shall have direct reporting lines to the MD & CEO/ Risk Management Committee (RMC) of the Board.
- iv. The CRO shall not have any reporting relationship with the business verticals of the Company and shall not be given any business targets.
- v. There shall not be any “dual hatting” i.e. the CRO shall not be given any other responsibility.

Role of CRO

- i. The CRO shall be involved in the process of identification, measurement and mitigation of risks.
- ii. All credit products shall be vetted by the CRO from the angle of inherent and control risks.
- iii. The CRO shall undertake such duties or perform such roles or exercise such powers as entrusted to it by the Board/ Risk Management Committee, in accordance with the Applicable Laws

The Board of Directors shall review and update the policy as and when there is any amendments in applicable regulations.