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# Internal Guidelines on Corporate Governance

POLICY DOCUMENT – 008

**Policy on 008 – Internal Guidelines on Corporate Governance**

Action	Entity	Signature
<b>Created by</b>	Secretarial Team	
<b>Approved by</b>	Board / RMC	
<b>Release Date</b>		
<b>Version</b>	4.0	

**Version History**

Version No.	Particulars	Details
1	Original Policy approved by Board	
2	Changes made on account of change in ALCO committee	Members of ALCO committee has been changed
3	Changes on account of review	Added following:- <ul style="list-style-type: none"> <li>● Approach to risk management</li> <li>● Principle adopted for risk management</li> <li>● Roles and responsibilities for the board, sub-committees, risk department, functional heads defined</li> <li>● Few more risk mitigants to regulatory risk, credit risk, operational risk and reputational risk</li> </ul>
4.	Changes on account of Annual Review	

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**SECTION-I: Corporate Governance****1. Introduction and Objective:**

A best practice on governance issues is an evolutionary and continuing process. Corporate Governance practice embodies the dual goals of protecting the interests of all stakeholders while respecting the duty of the Board and senior management to oversee the affairs of the company, ensure accountability, inculcate integrity and promote long-term growth and profitability.

Reserve Bank of India issues guidelines on Corporate Governance to Non- Deposit taking NBFCs in order to enable the adoption of best practices and greater transparency in their operations. In view of the

Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Master Directions"), , Companies Act, 2013 ("the Act") and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Company lays down the following set of guidelines / corporate governance practices to create value for the stakeholders viz. the shareholders, employees, customers, society at large, etc.

The affairs of the Company shall be conducted with integrity, fairness, accountability and transparency. All commitments in its dealings with stakeholders and regulatory authorities shall be met. This policy applies to all employee, core/senior management and Board of Directors of Arka Fincap Limited (AFL)

**2. Board of Directors:**

Board of the Company shall be constituted as per the Act read with rules framed thereunder and SEBI LODR and it shall adhere to the requirements of the Act and SEBI LODR, from time to time. The Board of Directors have overall responsibility of overseeing Management's work and monitoring it to ensure that it contributes to objectives and vision of the Company.

Apart from being responsible for providing oversight to senior management, Board is responsible to ensure that Company is compliant of all applicable law, rules and regulations. Board needs to ensure a culture of good governance within the Company.

The Board shall have a suitable combination of Executive and Non-Executive Directors, with at least one-woman Director and not less than 50% of the Board of Directors shall comprise of Non-Executive Directors. All the Directors shall meet the 'fit and proper' criteria as prescribed by the Reserve Bank of India.

The Board of Directors shall meet atleast 4 times a year with a maximum time gap of 120 days between 2 meetings. The Directors should strive to attend Board meetings regularly and participate in the deliberations and discussions effectively.

The Board of Directors shall review and approve policies of AFL

All the Directors on the Board (except Independent Directors) are liable to retire by rotation and one third of such Directors shall retire at every Annual General Meeting of the Company. The Directors who are longest in office shall retire and in accordance with the provisions of applicable laws shall be eligible for re-election. The Directors shall submit disclosures as required under the provisions of applicable laws and the codes and policies adopted by the Company.

**3. Board Independence**

Independent Directors are expected to play a key role in the decision-making process of the Board by participating in the process of framing the overall strategy of the Company. The Independent Directors should strive to bring in an independent, impartial and objective view to discussions at the meetings of the Board and its Committees and they shall act in a way that is in the best interest of the Company and its stakeholders.

Independent Directors appointed on the Board of the Company shall fulfill the criteria of independence as set out under the provisions of the Act and SEBI LODR and other applicable laws in this regard. They shall submit an annual declaration affirming compliance with the criteria of independence for every financial year and such declaration shall be submitted whenever there is any change in circumstances which may affect their independence.

Subject to the provisions of the Act and SEBI LODR, an Independent Director shall hold office for a term of upto 5 consecutive years and shall be eligible for re-appointment for another term of up to five consecutive years on passing of a special resolution by the Company. Provided that an Independent Director, who completes two consecutive term(s) shall be eligible for appointment as Independent Director in the Company only after the expiration of three years of ceasing to be an Independent Director in the Company.

**4. Committees under Board of Directors:**

With the objective of attaining accountability, transparency and fairness, following Committees are specifically constituted by the Board in accordance with the provisions of RBI Master Directions, the Act and SEBI LODR:

**Audit Committee**

The Audit Committee is constituted pursuant to the provisions of RBI Master Directions, the Act, SEBI LODR and other applicable laws, acts, rules and regulations.

The Committee shall meet at such intervals as may be required but shall meet at least 4 times in a year and not more than 120 days shall elapse between two meetings

The quorum for the Audit Committee meeting shall be 2 members or 1/3rd of the members of the audit committee, whichever is greater, with at least 2 independent directors.

The terms of reference of the Audit Committee of the Company would be in terms of Section 177 and other applicable provisions of the Act read with rules prescribed thereunder, Regulation 18 of SEBI LODR read with Part C of Schedule II to SEBI LODR and RBI Master Directions which, inter-alia, includes the following:

- overseeing recommending appointment, remuneration and terms of appointment of auditors of the Company;
- approving payment to statutory auditors for any other services rendered by the statutory auditors;
- review with the management, the annual financial statements and the auditor's report thereon before submission to the Board of Directors;
- reviewing and monitoring auditors' independence and performance, and effectiveness of audit process, monitoring the statutory auditor's conflict of interest position in terms of relevant regulatory provisions, standards and best practices;
- approving or any subsequent modification to transactions of the Company with its related parties;
- granting of omnibus approval for transactions proposed to be entered with the related parties;
- evaluation of internal financial controls and risk management systems;
- 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 of Directors;
- reviewing the functioning of whistle blower mechanism;
- approving appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate, reviewing management discussion and analysis of financial condition and results of operation.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is constituted in terms of Section 178 of the Companies Act, 2013 read with the rules framed thereunder, Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The terms of reference of the Nomination and Remuneration Committee of the Company would be in terms of Section 178 and other applicable provisions of the Companies Act, Act read with rules prescribed thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Para A of Part C of Schedule II to SEBI LODR and RBI Master Directions which, inter-alia, includes:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, to 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 and the person recommended to the Board of Directors for appointment as an independent director, 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 of directors their appointment and removal, ensuring 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management;
- Deciding on 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;

- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors, specifying 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; devising a policy on diversity of board of directors.

### **Risk Management Committee**

RMC is constituted in accordance with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The Committee shall meet at such intervals as may be required but shall meet at least twice in a year.

Provided that the meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than 180 days shall elapse between any two consecutive meetings.

The quorum for a meeting of the Risk Management Committee shall be either 2 members or 1/3rd of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

The terms of reference of the Risk Management Committee of the Company would be in terms of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, inter-alia, includes:

- Evaluating the overall risks faced by the Company including liquidity risks;
- Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas;
- Developing and implementing a risk management framework and internal control system;
- Oversight of management's responsibilities and review the risk profile of the organization to ensure that risk is not higher than the risk appetite determined;
- To ensure that a systematic, documented assessment of the processes and outcomes surrounding key risk is undertaken at least once in a year;
- To formulate a detailed risk management policy;
- To monitor and oversee implementation of the risk management policy including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

**Corporate Social Responsibility Committee**

Corporate Social Responsibility Committee is constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Committee shall meet at such intervals pursuant to the provisions of the Companies Act, 2013 read with the rules framed thereunder, as amended from time to time

The quorum shall be at least Two Members present physically or by video conference for a Meeting. Alternatively, approval of any Two Members by Circulation.

The terms of reference of the CSR Committee of the Company would be in terms of Section 135 and other applicable provisions of the Companies Act 2013 read with the rules framed thereunder which, inter-alia, includes:

- Formulating and recommending to the Board, a Corporate Social Responsibility Policy;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the Corporate Social Responsibility Policy of the company from time to time;
- To ensure that CSR activities undertaken by the Company are appropriately disclosed in the Annual Report;
- To review the adequacy of the CSR policy at periodic intervals and review / modify policy on annual basis, if necessary.

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee is constituted pursuant to Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee shall meet at such intervals as may be required but shall meet atleast once in a year.

The quorum for all the meetings of the Stakeholders' Committee shall be 1/3rd of the total strength of the Committee or 2 Directors, whichever is higher.

The terms of reference of the Stakeholders Relationship Committee of the Company would be in terms of applicable provisions of the Companies Act, 2013 and SEBI LODR which, inter-alia, includes:

- To oversee, monitor and resolve the grievances of the security 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, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends/interest/principal amount and ensuring timely receipt of interest/redemption amount/dividend warrants/annual reports/statutory notices by the security holders of the company.



**Credit Committee**

The Company has constituted Credit Committee and the terms of reference of Credit Committee includes oversight of the credit and lending strategies of the Company, oversight of the credit risk management of the Company and the organizational effectiveness thereof, including reviewing internal credit policies, portfolio limits, portfolio data and analytics, reviewing the quality and performance of the Company credit portfolio, approving / rejecting transactions put up to the Committee for approval, approving of lending criteria, approving new financial products, if any, review and monitoring of portfolio mix, scrutinizing the loan proposals and if satisfied approving the sanction of the loan proposal, approving any changes/variations in the loan amount, tenor, interest rates and security structure.

The Committee shall meet at such intervals as may be required. Quorum for the Credit Committee meeting is 1/3<sup>rd</sup> of the total strength of the Committee or 2 members, whichever is higher.

**Asset Liability Committee (ALCO)**

ALCO has been constituted in accordance with the provisions of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

The Committee shall meet at such intervals as is required but shall meet at least once in a quarter. Quorum shall be 1/3<sup>rd</sup> of the total strength of the Committee or 2 members, whichever is higher.

The terms of reference of the ALCO inter-alia, includes overseeing and ensuring that an adequate and accurate management information system is put in place by the Company with respect to asset liability composition / mismatches, reviewing the gap reports (liquidity and interest rate sensitivities) admeasuring the mismatch between rate sensitive liabilities and rate sensitive assets and set limits thereof, articulating the current interest rate view of the Company and base its decisions for future business strategy based on this view, deciding on source and mix of liabilities or sale of assets, reviewing product pricing, desired maturity profile of assets and liabilities and also the mix of incremental assets & liabilities, approving proposals and detailed terms and conditions of borrowings from banks and non-bank sources, reviewing and recommending borrowing programme for the company, approving issue of non-convertible debentures and commercial papers. Authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized person in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the NCDs;

**Allotment Committee**

The Company has constituted Allotment Committee and the terms of reference of Allotment Committee includes approving issue and allotment of securities including Equity and/or Preference Shares and Debentures, issue of new Share Certificate on Allotment, issue of

duplicate/split/consolidated share certificates, to settle any question, difficulty or doubts of the shareholders that may arise in regard to the issue and allotment of shares, Redressal of shareholder complaints like non receipt of share certificates, loss of share certificates, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc and reference to Board of Directors in case of any question, doubts or difficulty in respect of issue, allotment, transfer of shares and any shareholders grievances, if necessary.

**IT Strategy Committee**

IT Strategy Has been constituted in terms of RBI Master Direction on Information Technology Framework for NBFCs. The terms of reference of IT Strategy includes reviewing and recommending to the Board, management's strategies relating to technology and their alignment with the strategy and objectives of the Company, reviewing and monitoring Management's strategies for developing or implementing new technologies and systems, increasing awareness of key technology changes and innovations in the marketplace, reviewing and recommending to the Board management's strategies for sourcing of major technology suppliers and monitoring the technology, governance framework for third party suppliers, reviewing and monitoring the effectiveness of the IT Risk Management and Security plan (including advising the Board Risk Committee on matters of Technology Risk and Cyber Security); improving the efficiency of the Board by taking responsibility for "technology" tasks delegated to the Committee where such tasks should be discussed in sufficient depth; approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place; ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable and ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

**Banking Committee**

The Board of Directors of the Company have constituted the Banking Committee inter alia approve to opening, closing and changing Authorised Signatories for Bank Accounts, Demat Account, Broking and trading account, including Cash Management Services from banks of the Company.

In addition to above, the Board has constituted an Internal Complaint Committee and various other management level committee as may be required for effective functioning of the Company.

**5. Codes and Policies**

In terms of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended, ("RBI Master Directions"), provisions of the Companies Act, 2013 read with the rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, various other laws applicable to the Company, as a part of good corporate governance and to ensure strong internal controls, the Company has adopted several codes/policies/guidelines including the following:

- Wholesale Lending Policy

- KYC / AML Policy
- Credit Policy
- Corporate Governance Risk and Compliance
- Fair Practices Code
- Accounts Policy
- Corporate Social Responsibility Policy
- Corporate Communication Policy
- Policy on Administration & Procurement
- Policy on Code of Conduct pursuant to the SEBI (Prevention of Insider Trading) Regulations
- Guidelines on Expected Credit Loss Policy, Write-Off and Settlement
- Policy for Co-lending of loans between Arka and Banks/NBFCs
- Risk Appetite Framework
- Internal Capital Adequacy Assessment Framework (ICAAP)
- Vigil Mechanism/Whistle Blower Policy
- Interest Rate Policy
- Deployment of Treasury Surplus
- ESOP policy
- Information Security Policy
- Information Technology Policy
- Cyber Security Policy
- Policy on Cyber Security Crisis Management Plan
- BCP Policy
- Change Management policy
- Delegation Matrix
- Asset Liability Management Policy
- Outsourcing Policy
- Care and Dignity Policy
- Valuation Policy
- Securitization Policy
- Related Party Transaction Policy
- Fit and Proper Criteria for Appointment of Director
- Fraud Risk Management Policy
- Exposure Policy
- Compensation and Clawback Policy
- Policy on Document Preservation Policy as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- Policy on Supply Chain Finance
- Policy for Selection of Directors and Determining Directors' Independence to the NRC Members
- Policy on Appointment of Statutory Auditors
- Enterprise Risk Management Policy
- Salary Advance
- Succession Planning Policy
- Policy on Demand / Call loan
- Investment Policy
- Archival Policy
- Policy on Board of Diversity
- Code of Conduct for Directors and Employees
- Master policy - SME and Retail lending

- Operating guidelines on Retail/SME LAP
- Policy on Liquidity Risk Management Framework
- Policy on Lease
- Policy on IT Outsourcing
- Default Loss Guarantee policy;
- DAKSH policy;
- Open Architecture Policy for Corporate Agency Business.

## **6. Auditors**

### **Statutory Auditors:**

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 review the independence and performance of the Statutory Auditors and the effectiveness of the audit process periodically. Declaration shall be obtained from the Auditors affirming their eligibility for being appointed as the Statutory Auditors of the Company.

Further, the Company shall rotate the partner/s of the Chartered Accountant firm(s) conducting the statutory audit of the Company every three years or such other earlier period as may be decided by the Board, so that same partner does not conduct audit of the company continuously for more than a period of three years.

### **Internal Auditors**

The Board and the Audit Committee of the Company shall appoint Internal Auditors in accordance with the provisions of applicable laws and regulations who shall perform independent and objective assessment of the internal controls, processes and procedures instituted by the management and accordingly monitor its adequacy and effectiveness.

### **Secretarial Auditors**

The Board shall appoint an independent company secretary in practice, in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder to conduct a secretarial audit of the Company. The Secretarial Auditor shall provide its report in the form and manner prescribed under the applicable laws / regulations. The Secretarial Audit Report shall be placed before the Board for its noting and records and the same be annexed to the Board's Report which shall be circulated to the members of the Company in accordance with the applicable laws / regulations.

## **7. Additional Guidelines:**

- All the employees of AFL are obliged to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the laws, rules, regulations, agreements, guidelines, standards and internal policies and procedures.
- The Board of Directors of the Company is entrusted with the fiduciary responsibility of oversight of the affairs of the Company. As Directors of the Company, they have a duty to make decisions and implement policies in the best interest of the Company and its Stakeholders.

- The Directors & Senior Management personnel are required to act in accordance with the highest standards of personal and professional integrity, honesty, ethical and legal conduct, when acting on behalf of the Company or in connection with the Company's business or operations and at social events. An honest conduct is considered as such when a conduct is free from fraud or deception. AFL considers ethical conduct to be confirming to the accepted professional standards of conduct and include ethical handling of actual or apparent conflicts of interests between personal and professional relationships.
- The Directors and the Senior Management personnel shall:
  - Act honestly, fairly, ethically, with integrity and loyalty and conduct themselves in a professional, courteous and respectful manner;
  - Act in the best interests of the Company and in a manner to enhance and maintain the reputation of the Company and fulfill their fiduciary duties towards the stakeholders of the Company.
  - Act in good faith, with responsibility, due care, competence, diligence and independence.
  - Treat their colleagues and other associates of the Company with dignity.
- The Directors and Senior Management personnel shall avoid and disclose any activity or association that creates or appears to create a conflict between the personal interest and the Company's business interest.
- Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment on behalf of the Company.
- The Directors and the Senior Management personnel are required to disclose to the Board any situation that may be, or appear to be, a conflict of interest.
- The Directors and Senior Management personnel shall not work for or receive payments in their personal capacity for services from any competitor, customer, distributor or supplier of the Company without approval of the Board.
- The Directors and Senior Management personnel shall not use personal influence to make the Company do business with a company/institution in which his or her relatives are interested. As a rule, Directors and Senior Management personnel shall avoid conducting Company's business with a relative or with an entity in which a relative is associated in any significant role. In case of conflicts, disclosure shall be made to the Board of Directors and a approval shall be obtained of the relevant authority as per the applicable laws and regulations.
- No personnel shall accept gifts beyond value detailed in the clauses pertaining to gifts prescribed by AFL HR policy. Similar guidelines would be applicable to gratuities or any offer, payment, promise to pay, or authorization to pay any money, or anything of value that could

be interpreted to adversely affect business decisions or likely to compromise their personal or professional integrity. Gift items of nominal value, such as small promotional items bearing another company's name, business meals, gifts received because of personal relationships and not because of official position, mementos received because of attending a widely held gatherings as panelist/speaker and other customary gifts are allowed. (Gifts are not always physical objects - they might also be services, favors or other items of value).

- The Directors and Senior Management personnel shall not divert business opportunities of the Company, by exploiting for their own personal gain, business opportunities that are discovered through the use of corporate propriety information or position. However, the Directors and Senior Management personnel can pursue such business opportunities once they are fully disclosed to the company and the Company declined to pursue such opportunities.
- The assets of the Company shall be used for legitimate business purposes and shall not be used for personal purposes. Incidental personal use, if reasonable does not amount to violation of these guidelines.
- It is the general obligation of the Directors to conduct the business and operations of the Company in accordance with the laws, rules, regulations, agreements, guidelines, standards including accounting standards governing its operations. The Directors and Senior Management personnel shall also comply with the internal policies and procedures of the Company to the extent applicable to them.
- It is the Company's policy to ensure continuous, timely and adequate disclosure of Company's information. The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents; it files with or submits to the regulatory authorities and in other public communications.
- The Directors and Senior Management personnel must maintain the confidentiality of information relating to the affairs of the Company until and unless authorized or legally required to disclose such information; and shall not use confidential information for their personal advantage.
- The Directors and Senior Management personnel are obligated to deal fairly and honestly with each other, the Company's affiliates and with the Company's customers, suppliers, competitors and other third parties.
- The Directors and Senior Management personnel shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice. The Company is committed to free and open competition in the marketplace.
- The Directors and Senior Management personnel shall avoid actions that could reasonably be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and/or business practices.

- It is the duty and obligation of every Director and Senior Management personnel to comply with these internal guidelines on corporate governance. Any violation of these internal guidelines on corporate governance shall be reported to any member of the Board of the Company.

**8. Guidelines on Know Your Customer and Anti Money Laundering Policy**

Company has adopted Know Your Customer (KYC) and Anti Money Laundering Policy (AML) policy as per the extant regulations prescribed by the Reserve Bank of India. The KYC & AML Policy provides a comprehensive and dynamic framework and measures to be taken in regard to Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT).