



GEECEE FINCAP LIMITED

*INTERNAL GUIDELINES ON CORPORATE
GOVERNANCE*

(Effective from 11th November, 2024)

OUTLOOK:

GeeCee Fincap Limited (hereinafter referred to as the “Company”) believes that a good Corporate governance system is necessary to ensure its long-term success. The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board of Directors or the Committees of the Board.

Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, management, customers, suppliers, financiers, government and the community. Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all transactions in the widest sense and meet the stakeholder’s aspirations and social expectations. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

The Company is committed to maintain transparency in all its dealings, conducts business with integrity and fairness and places high emphasis on business ethics.

LEGAL FRAMEWORK:

The Company being a non-banking financial company is an Investment and Credit Company (‘ICC’) and is categorized as a Systemically Important Non-deposit taking NBFC. The company is engaged in the business of lending, investing in securities and mobilization of capital.

The Reserve Bank of India (RBI) on October 19, 2023 (bearing ref no. RBI/DoR/2023-24/106) issued Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 [Earlier Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 the applicable Non-Banking Financial Companies are required to frame internal guidelines on corporate governance with the approval of the Board of Directors for enhancing the scope of the guidelines without sacrificing the spirit underlying the RBI master directions.

Further, such Policy shall be published on the company's website, if any, for the information of various stakeholders. The Company being an NBFCs-ND-SI, is accordingly covered by the RBI master directions. This Policy is to be read in conjunction with applicable laws; accordingly, this policy enhances the provisions of applicable laws.

The Board shall be responsible for exercising its business judgments to act in what it reasonably believes to be in the best interests of the Company and its shareholders. The Board of Directors along with its constituted Committees shall provide direction and guidance for the Company and shall further supervise and review the performance of the Company.

As the Directors occupy fiduciary position, they shall attend and actively participate in Board and its Committee meetings thereof, on which they serve, and shall properly, discharge their responsibilities.

OBJECTIVES OF INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

- Adoption of best corporate practices to ensure transparency and fairness in dealing with all the stakeholders of the Company and to increase the confidence of investors and other stakeholders.
- Ensure adherence with all the applicable statutory regulations relating to Corporate Governance.

COMMITTEES OF THE BOARD:

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board constitutes a set of Committees with specific terms of reference / scope as per the Scale Based Regulations. The Committees shall operate as empowered agents of the Board as per their Charter/terms of reference. RBI Guidelines require the setting up of an Audit Committee, Asset Liability Committee, Risk Management Committee, Nomination and Remuneration Committee, IT Strategy Committee, IT Steering Committee and Information Security Committee (ISC).

The committees constituted by the Board are as follows:

A. Audit Committee:

The Company has in place the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and RBI guidelines on Corporate Governance.

The powers, functions, duties and terms or reference of the Audit Committee shall be comprehensive and include the requirements set out by Section 177 of the Companies Act, 2013 and other applicable laws as amended from time to time.

The Audit Committee shall consist of not less than two-third members as Independent directors with Chairman also being an independent director. The quorum for the 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. The Committee shall be governed by the provisions of the Companies Act, 2013 and RBI guidelines and terms of reference of the Committee.

B. Nomination and Remuneration Committee:

The Company has in place the Nomination and Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013 and the rules made there under and in compliance with RBI guidelines on Corporate Governance.

The Nomination and Remuneration Committee shall consist of at least three directors, all directors of the committee shall be non-executive directors & not less than one-half shall be independent directors including the Chairperson. The Committee shall meet on a need basis. The Committee shall be governed by the provisions of the Companies Act, 2013 and RBI guidelines and terms of reference of the Committee.

C. Risk Management Committee:

The Risk Management Committee, which reports to the Board consists of Non-Executive and Executive Directors who are responsible for evaluating the overall risks faced by the Company.

The committee shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk and shall report to the Board. The Committee shall be governed by the provisions of the RBI guidelines and terms of reference of the Committee.

D. Asset-Liability Management Committee:

The Committee shall consist of the Company's top management and shall be responsible for ensuring adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company. The Executive Director shall head the Committee.

The Committee shall be governed by the provisions of the RBI guidelines and terms of reference of the Committee.

E. IT Strategy Committee:

The Company shall constitute an Board-level IT Strategy Committee (ITSC), as required under the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices for the NBFC Sector. The Chairperson of the Committee shall be an Independent Director and the Committee shall meet least on a quarterly basis.

The Committee shall be governed by the provisions of the RBI guidelines and terms of reference of the Committee.

F. IT Steering Committee:

The Company shall constitute IT Steering Committee consist of sufficiently senior level, technically competent and experienced official in IT related aspects as Head of IT Function with representation at Senior Management level from IT and business functions, as required under the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices for the NBFC Sector.

The responsibility of IT Steering Committee is to assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs. The IT Steering Committee shall meet at least on a quarterly basis.

G. Information Security Committee (ISC):

The Company shall constitute Information Security Committee as required under the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices for the NBFC Sector. ISC shall constituted with Chief Information Security Officer (CISO) and other representatives from business and IT functions, etc. The head of the ISC shall be from risk management vertical.

VIGIL MECHANISM:

The Company shall formulate a vigil mechanism / whistle blower policy to enable directors and employees to report genuine concerns about unethical behaviour actual or suspected fraud or violation of Company's Code of Conduct. The vigil mechanism / whistle blower policy shall provide a mechanism for an individual to report violations without fear of victimisation. The policy shall be hosted on the website of the Company.

INTERNAL CONTROL:

The Company shall ensure that its internal audit and control systems are adequate and commensurate with the nature of business and the size of its operations. The internal control system may be supplemented by concurrent and internal audits regular reviews by management. The Company shall retain a reputed firm as its Internal Auditors to conduct internal audits. The auditors' reports and rectifications / implementations of audit observations, action taken report shall be reviewed by the top management/ Board/ Audit Committee at regular intervals. The Board/ Audit Committee, on a quarterly-basis shall review instances of fraud and action taken on the same as well as implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The internal processes shall be designed to ensure adequate checks and balances at every stage. The processes shall be reviewed periodically by Internal Auditors/ Board/ Audit Committee and strengthened from time to time.

FIT & PROPER CRITERIA:

The Company shall have in place a Board approved policy for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. The Company must obtain a declaration and undertaking from the directors giving additional information on the directors and a Deed of Covenant signed by the directors, in the format prescribed. The Company shall furnish to RBI, a quarterly statement on change of directors, and a certificate that fit and proper criteria in selection of the directors has been followed. The statement must

reach the Regional Office of the Department of Supervision of the Bank where the company is registered, within 15 days of the close of the respective quarter. The statement submitted by applicable NBFC for the quarter ending March 31, shall be certified by the auditors.

FAIR PRACTICES CODE:

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company shall adopt a policy on Fair Practices Code which is posted on the website of the Company and also a regular review on the implementation of the same is conducted by Board.

DISCLOSURE & TRANSPARENCY:

The Company shall put up to the Board of Directors or its Committee, at regular intervals, as may be prescribed by the Board in this regard, the following:

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

The Company shall also disclose the following in their Annual Financial Statements:

- i registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
- ii ratings assigned by credit rating agencies and migration of ratings during the year;
- iii Penalties, if any, levied by any regulator;
- iv information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries and
- v Asset-Liability maturity, extent of financing of parent company products, credit impaired loans and movement of credit impaired loans, details of all off-balance sheet exposures, structured products issued by the Company as also securitization/ assignment transactions and other disclosures, as may be prescribed by Reserve Bank of India from time to time.

ROTATION OF THE STATUTORY AUDITORS AUDIT FIRM:

The Company shall rotate the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner does not conduct audit of the company continuously more than a period of three years. However, the partner so rotated will be eligible for conducting the audit of the Company after an interval of three years, if the Company, so decides. These terms shall be incorporated appropriately in the letter of appointment of the firm of auditors.

These provisions shall be read with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs)' dated 27 April 2021, issued by Reserve Bank of India and as amended from time to time.

CEO/CFO CERTIFICATION:

The Managing Director & CEO and the CFO shall, as per the provisions of the Companies Act, 2013 and applicable laws, make the necessary certifications regarding the Financial Statements, internal controls, etc. to the Board. The Company shall abide by the RBI's directions on Internal Guidelines on Corporate Governance and provisions of the Act pertaining to Corporate Governance.

REVIEW:

The policies will be reviewed as and when required, to ensure compliance and also reflects the changes in the regulations/ corporate governance environment.