



ABANS FINANCE PRIVATE LIMITED

REGULATORY POLICY

Adoption/Amended	Authority	Date
Revision	Board of Directors	January 29, 2025

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I. POLICY STATEMENT AND PURPOSE

Abans Finance Private Limited (AFPL’ or ‘the Company’) is a Material Subsidiary of Abans Financial Services Limited (formerly known as Abans Holding Limited). Since March 31, 2024, it has been categorized as a Middle Layer NBFC (NBFC – ML), pursuant to the Scale based regulation put forth by the (Reserve Bank of India (RBI). The purpose of this Policy is to comply with all applicable regulatory requirements and maintains the highest standards of corporate governance, risk management, and ethical conduct.

This policy is formulated as per the **Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023**.

II. SCOPE

This policy applies to all employees, management, board members and third-party partners involved in operations of the Company.

III. OBJECTIVES

The primary objective of this policy is to ensure adherence to RBI regulations under the RBI Act, and the Scale Based Regulations.

The other objective of this policy is:

- Ensure compliance with all applicable laws, regulations, and guidelines.
- Promote a culture of compliance and ethical conduct within the organization.
- Mitigate compliance risks and avoid legal or regulatory sanctions.
- Enhance transparency and accountability in all business operations.

IV. REGULATORY FRAMEWORK

A. Regulatory Structure:

The Company will adhere to the applicable provisions of Companies Act, 2013 frameworks and Circulars as prescribed by the RBI, which categorizes NBFCs into four layers based on their size, activity, and risk profile and any other laws and regulations applicable to the Company (as amended from time to time). The Company, being a Non-Deposit taking Systematically Important, Middle Layer Non-Banking Financial Company will comply with the specific regulatory requirements applicable to the Middle Layer.

B. Compliance Function:

The Company’s independent compliance function, which is headed by the Compliance Officer as appointed under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Compliance Officer”), who will

oversee all compliance- related activities and report directly to the Board of Directors, ensuring observance of applicable statutory and regulatory requirements.

V. ROLES AND RESPONSIBILITIES

A. Board of Directors:

The Board shall provide oversight to ensure the company complies with all regulatory requirements and shall approve the compliance policy, ensuring its effective implementation.

B. Compliance Officer (CO):

The Compliance Officer shall develop and maintain the compliance policy and procedures, monitor adherence to regulatory requirements and report any issues to the Board, and conduct regular training programs to educate employees on compliance matters

C. Employees:

The Employees shall adhere to all regulatory requirements and company policies. The Employees can report any compliance concerns or violations to the Compliance Officer.

VI.COMPLIANCE MONITORING AND REPORTING

A. Monitoring:

The Company shall conduct regular compliance audits and reviews to ensure adherence to regulatory requirements and utilize compliance management systems to effectively track and monitor all compliance- related activities.

B. Reporting:

The Compliance Officer shall provide regular compliance reports to the Board of Directors and relevant regulatory bodies and promptly report any significant compliance issues or breached to the Reserve Bank of India (RBI) and other applicable authorities, as required under prevailing regulations.

VII.TRAINING AND AWARENESS

The Company shall conduct training programs for employee to enhance their understanding of regulatory requirements and compliance procedures and shall promote a culture of compliance through continuous communication and awareness initiatives.

VIII.ENFORCEMENT AND DISCIPLINARY ACTION

Any violations of this policy will be treated with utmost seriousness and may result in disciplinary action, including termination of employment. The company shall cooperate

fully with regulatory authorities in the investigation of any compliance or regulatory breaches.

IX. POLICY REVIEW AND AMENDMENTS

This policy will be reviewed from time to time and updated as necessary to reflect changes in regulatory requirements, market conditions, and organizational needs.