



**ABANS FINANCE PRIVATE LIMITED**

**POLICY ON INTERNAL GUIDELINES**  
**ON CORPORATE GOVERNANCE**

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## **I. Background**

Abans Finance Private Limited is a private limited company, having Corporate Identification Number (CIN) U51219MH1995PTC231627 (“AFPL”/“Company”). AFPL is a Middle Layer Non-Deposit taking Non-Banking Financial Company, bearing Registration no. B-13.02044, registered and regulated by the RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time and such other rules, regulations, directions, circulars, notifications and orders issued in this regard from time to time (“RBI Directions”).

## **II. Company’s Philosophy on Corporate Governance**

The Company recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, and accountability to its customers, regulators, government, and others. The Company’s activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices.

## **III. Objective**

The following are the objectives of the guidelines on Corporate Governance:

- a) Greater transparency thereby enabling stakeholders in having a better understanding of the Company.
- b) Building investor’s confidence in the Company.
- c) Adopt best practices in line with the Regulatory prescriptions.

## **IV. RBI Guidelines on Corporate Governance**

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has issued guidelines on Corporate Governance in accordance with the provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

Pursuant to any subsequent amendments or any statutory modifications or re-enactments in the above stated guidelines / norms / clarifications or in any other applicable acts / regulations, if there is any change in any of the parameter(s) framed by the Board, then the act / regulation will have overriding effect on the parameter(s).

## **V. 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 role of the Board is to determine the overall strategic direction and management of the Company, including monitoring at least once in a year the performance of its directors. The Board is responsible to the shareholders and its conduct is regulated by various provisions of the laws and the Articles of Association of the Company. In performing its duties, the Board meets regularly and acts in the best interests of the Company including its shareholders, customers and creditors. The Board's primary responsibility is on the direction, control and governance of the Company and in particular, to articulate and commit to a corporate philosophy and governance that will shape the level of risk adoption, standards of business conduct and ethical behaviour of the Company.

The Board shall periodically review Compliance Reports of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance as soon as the gap, if any, comes to its notice.

## **VI. Board Meetings**

Meetings of the Board of Directors shall be held at least four times a year, with a minimum one meeting in a quarter.

The minimum information to be statutorily made available to the Board shall be furnished to all the Directors. The Board shall constitute a set of Committees with specific terms of reference / scope to focus effectively on the issues and ensure expedient resolution of

diverse matters. The Committees shall operate as empowered agents of the Board as per their terms of reference and any other issue referred to the Committees or coming to their attention. The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions / noting, as per the provisions of the Companies Act.

## **VII. Committees of the Board of Directors**

The Board will constitute committees to deal with specific matters and delegated powers for different functional areas. The terms of references and functioning of all committees shall be decided by the Board in accordance with the provisions of the Companies Act, 2013 and the Guidelines issued by the Reserve Bank of India.

## **VIII. Disclosure and transparency**

The following information will be provided to the Board:

- a) Conformity with corporate governance standards viz; in the composition of various committees, their role and functions, periodicity of the meetings, and compliance.
- b) Updates of the various committee meetings from time to time.

## **IX. Policies adopted by the Company**

The Company shall endeavor to adopt and adhere to all the applicable policies as required under the applicable Directions of the RBI from time to time. Further, the Company shall ensure to review the adopted policies in a timely manner.

## **X. Appointment of Statutory Auditors**

The statutory requirements relating to audit, appointment of auditors and the audit function are stipulated in Chapter X of the Companies Act, 2013 and the rules framed there under. Apart from the requirement of conforming to all relevant statutory prescriptions, the Reserve Bank in its circular RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/ 08.91.001/2021-22 dated

April 27, 2021, (RBI Guidelines) read with Clarifications afforded by RBI vide FAQ dated June 11, 2021, has notified guidelines prescribing the eligibility criteria for an audit firm is dependent upon total assets of an NBFC as at the end of last financial year. Accordingly, in keeping with its corporate values, global best practices, statutory and regulatory prescriptions, the company shall appoint its statutory auditor.

## **XI. Interaction with the Regulator**

The Company shall maintain good working relationship with its regulators and with other external bodies and authorities. It is also part of the role and objectives of the Compliance function to foster good relations with regulators and to work proactively with the Regulator.