



## **MAANAVEEYA DEVELOPMENT & FINANCE PRIVATE LIMITED**

### **POLICY ON FRAMING OF INTERNAL GUIDELINES ON CORPORATE GOVERNANCE**

Classification: Internal (with external disclosure requirement)  
Department Owner: Compliance  
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## **I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

Maanaveeya Development & Finance Private Limited ('the Company' / 'Maanaveeya') recognizes its responsibility as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency, ethical business conduct, accountability to its customers, government and other stakeholders. 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. In pursuing its Mission of "providing a full range of financial services to the economically active poor, to build a better life", Maanaveeya has been balancing its dual objectives of achieving "social" and "financial goals, since its inception. "Responsible financing" "ethical values" and "transparency in all its dealings with its customers, lenders, and employees" have been the cornerstone of its operations. This commitment to transparent decision-making has fostered trust and confidence among all stakeholders, particularly lenders and investors.

## **II. APPLICABILITY:**

In order to enable NBFCs to adopt the best practices and greater transparency in their operations, RBI has issued guidelines on Corporate Governance. In pursuance of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('Master Direction' / 'RBI Scale Based Regulations, 2023'), Maanaveeya has framed the following internal Guidelines on Corporate Governance. The policy has been drafted bearing in mind the size of the Company's operations and the sector in which it operates. The need for adoption of good corporate governance practices continues to engage the regulator and stakeholder attention.

Maanaveeya being Middle Layer non deposit taking NBFC, is a development financial institution and extends developmental support and bulk loans to established micro-finance institutions (MFIs), NBFCs on-lending to SMEs, Agri & RE and agencies engaged in development work. So as per the standard business model, Maanaveeya works with intermediate financial institutions and other development agencies, which are our implementing clients and does not work with individuals directly. Maanaveeya considers its Borrowers as Implementing partners in the process of development of the poor.

## **III. GOVERNANCE STRUCTURE:**

### **A. BOARD OF DIRECTORS:**

The Board is responsible for providing strategic direction, ensuring effective oversight of management, and upholding high standards of corporate governance. It plays a key role in decision-making, risk management, and safeguarding the interests of all stakeholders.

## **B. CONSTITUTION OF COMMITTEES OF THE BOARD:**

In order to enable the company to adopt the best practices and greater transparency in its operations and guide the company in critical matters, the Board will review and constitute / reconstitute the following committees at regular intervals:

### **a) AUDIT COMMITTEE (AC):**

The Board of Directors of the Company shall constitute an Audit Committee, consisting of not less than three members of its Board of Directors. In accordance with the RBI Master Direction, the Audit Committee constituted by a non-banking financial company as required under Section 177 of the Companies Act, 2013 shall be the Audit Committee for the purposes of compliance with the relevant provisions of the Master Direction.

The Audit Committee of the Board of Maanaveeya monitors the integrity of financial statements, reviews internal controls and audit processes, and ensures compliance with statutory and regulatory requirements.

**Constitution of AC:** The Audit Committee shall consist of a minimum of three directors, with the majority of them being Independent Directors. The Chairperson of the Committee must also be an Independent Director. Additionally, all members of the Committee should be financially literate, with the majority having the ability to read and understand financial statements.

*The current constitution of the Audit Committee of the Board of Directors of the Company is :-*

<b>S. No.</b>	<b>Name of the Director</b>	<b>Designation</b>
1	Mr. Pramod Kumar Panda (Independent Director)	Chairman
2	Mrs. Mohua Mukherjee (Independent Director)	Member
3	Ms. Bertha Janneke Monsma (Non-Executive Non-Independent Director)	Member

**Chairperson:** At present, Board appointed Mr. Pramod Kumar Panda as Chairperson of the Audit Committee. In his absence, members present at the meeting may elect one among them as Chairperson of the Audit Committee or Board may appoint chairperson as and when committee is reconstituted.

**Purpose and Scope:** The Audit Committee is responsible for assisting the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements and the effectiveness of the systems of internal controls and monitoring the effectiveness, performance and objectivity of the internal and external auditors.

**Meeting Frequency:** The Committee shall meet at least four times in a year, preferably with regular intervals in-between meetings. The Chair may set up additional meetings on her/his initiative or upon approving a request by a member. In the interest of time, the Chair may put an item for decision-making through circulation in compliance with the applicable provisions.

**Quorum:** The quorum for an Audit Committee meeting shall be two members or one-third of the total members, whichever is higher, with at least one Independent Director present. The participation of the Members by video conferencing or by other audio-visual means shall also be reckoned for the purpose of quorum. The quorum shall be present throughout the Meeting.

**Responsibilities, Authority and Process:** The Committee is responsible for:

- i) recommending for appointment, remuneration and terms of appointment of auditors of the company;
- ii) reviewing and monitoring the auditor's independence, performance and effectiveness of audit process;
- iii) examining of the financial statement and the auditors' report thereon;
- iv) approval or any subsequent modification of transactions of the company with related parties;
- v) scrutiny of inter-corporate loans and investments;
- vi) valuation of undertakings or assets of the company, wherever it is necessary;
- vii) evaluation of internal financial controls and risk management systems;
- viii) monitoring the end use of funds raised through public offers and related matters;
- ix) monitoring Vigil Mechanism of the organization;
- x) review outcome of compliance risk assessment and compliance testing and monitoring;
- xi) oversee the IS audit of the Company;
- xii) review Fraud Cases including cases related to wilful defaults;
- xiii) review of Compliance as per KYC policy on quarterly basis
- xiv) any and all such responsibility as may be required under the applicable guidelines and as may be authorised or delegated by the Board from time to time.

**Powers:** The Committee's powers are confined to monitoring, aligning, advising and recommending the MV Board on policies and policy-level decisions, while the final authority to approve and implement such decisions rests with the Board.

**Decision Making:** The Committee shall aim to reach all decisions by consensus. When consensus cannot be reached, decisions shall be taken by simple majority. Strong opposing views and cases where consensus cannot be reached shall be clearly reported in the Committee's minutes.

**b) RISK MANAGEMENT COMMITTEE (RMC):**

The Board of Directors holds the ultimate responsibility for risk oversight within the Company. It is responsible for setting the overall risk appetite, approving all risk-related policies, and regularly reviewing the Company's risk profile to ensure alignment with strategic objectives. To support this function, the Risk Management Committee (RMC) has been constituted by a resolution of the Board of Directors of Maanaveeya (MV Board), in compliance with applicable RBI regulations. The RMC functions as a dedicated body to oversee the implementation of risk management frameworks and to monitor key risk exposures across the organization.

**Constitution of RMC:** The Risk Management Committee shall consist of a minimum of three Directors with Non-Executive Directors forming a majority. The Chairperson of the Risk Management Committee shall be a member of the Board of Directors of the Company.

*The current constitution of the Risk Management Committee of the Board of Directors of the Company is:*

S. No.	Name of the Director	Designation
1	Mr. Wilfred Jeroen Scheelbeek (Non-Executive Non-Independent Director)	Chairperson
2	Mr. Pramod Kumar Panda (Independent Director)	Member
3	Dr. Gouri Sankar Gollapudi (Managing Director)	Member

**Chairperson:** At present, Board appointed Mr. Wilfred Jeroen Scheelbeek as the Chairperson of the Risk Management Committee. In his absence, members present at the meeting may elect one among them as Chairperson of the Risk Management Committee or Board may appoint chairperson as and when committee is reconstituted.

**Purpose and Scope:** The purpose of the Committee is to ensure efficient and effective management of the total risk in the development financing portfolio (i.e. the investment portfolio) of MV, review of risk exposures, policies, and the effectiveness of the risk management framework. The purpose of the RMC is to ensure the efficient and effective management of financial and nonfinancial risks of MV, in support of the strategy and in line with the risk appetite and the related governance, risk and control framework, when eventually articulated. Strategic risks related to regulatory change, operating model, and the business model are not within the scope of this Committee; these remain with the MV Board.

**Frequency of Meeting:** The Committee shall meet at once in a quarter. The Chair may set up

additional meetings on her/his initiative or upon approving a request by a member. In the interest of time, the Chair may put an item for decision-making through circulation in compliance with the applicable provisions.

**Quorum:** The quorum for each meeting of the Risk Management Committee shall be either one third of the total members or two members, whichever is greater and the participation of the Members by video conferencing or by other audio-visual means shall also be reckoned for the purpose of quorum. The quorum shall be present throughout the Meeting.

**Responsibilities, Authority and Process:** The Committee is responsible for:

- i) The identification and assessment of all risks except the strategic risk that could affect the Company's achievement of its strategic objectives;
- ii) Assessing and agree on an overarching total risk overview (Total/ Enterprise Risk) compiled and reported by the management;
- iii) The risk management practices which MV consequently needs to carry out in order to be in control and act within appetite;
- iv) Responsible for tracking the developments in the different risk areas of MV over time/continues basis;
- v) proposing to the MV Board concentration limits (aggregate geographical exposure limits (area/regional limits); borrower, sector and product line and time bucket sub-limits) and Key Risk indicators developed by the management;
- vi) reviewing the adjustments to concentration limits made over the last quarter and, if needed, periodically making further adjustments to concentration limits;
- vii) proposing measures to mitigate concentration risk and procedures for monitoring the said risk;
- viii) reviewing incidents reported and root cause analysis performed by the management and enabling a process for feeding lessons learned back to the business;
- ix) proposing and reviewing indicators for levels of operational and compliance risk in the business processes;
- x) proposing to the MV Board policies that could mitigate financial and non-financial risks in order to remain within the risk appetite;
- xi) discussing/reacting to the periodical report on Financial Risks and non-financial risks before the finance/Risk submits it to the MV Board; and
- xii) preparing topics for the MV Board and performing any other action that the MV Board may specifically authorize via a written resolution.
  - The RMC does not have authority to approve policies. The Committee's powers are confined to monitoring, aligning, advising and recommending the MV Board on policies and policy-level decisions, with the MV Board taking final decisions.
  - The Committee acts based on:
    - reports, analyses, stress testing and scenario planning, developed and provided by the Risk Department for risk monitoring and assessment purposes;

- recommendations for new or amended policies and/or changes to procedures in scope for the Committee, brought by Committee's members in the form of proposal from Investments staff; and
- information and insights by Investments staff, other departments, or other committees (e.g. Asset Liabilities Committee) relevant to assessing the level of total development financing portfolio risk.

**Powers:** The Committee's powers are confined to monitoring, aligning, advising and recommending the MV Board on policies and policy-level decisions, while the final authority to approve and implement such decisions rests with the Board.

**Decision Making:** The Committee shall aim to reach all decisions by consensus. When consensus cannot be reached, decisions shall be taken by simple majority. Strong opposing views and cases where consensus cannot be reached shall be clearly reported in the Committee's minutes.

**c) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

The Corporate Social Responsibility (CSR) Committee is a body created by a decision of the Board of company (MV Board), in compliance with the provisions of Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The Committee's authority derives from and is limited by the delegation from the MV Board.

**Constitution of CSR Committee:** The CSR Committee must consist of three or more directors, with at least one independent director.

*The current constitution of the Corporate Social Responsibility Committee of the Board of Directors of the Company is:*

S No	Name of the Director	Designation
1	Ms. Mohua Mukherjee (Independent Director)	Chairperson
2	Mr. Pramod Kumar Panda (Independent Director)	Member
3	Ms. Bertha Janneke Monsma (Non-Executive Non-Independent Director)	Member
4	Dr. Gouri Sankar Gollapudi (Managing Director)	Member

**Chairperson:** The Board has appointed Ms. Mohua Mukherjee as the Chairperson of the Corporate Social Responsibility Committee. In her absence, the members present at the meeting may elect one among themselves to act as Chairperson of the CSR Committee or Board may appoint chairperson as an when committee is reconstituted.

**Purpose and Scope:** The purpose of the Corporate Social Responsibility (CSR) Committee is to oversee and ensure the effective implementation of the company's CSR initiatives in accordance with the Companies Act, 2013 and applicable rules. The Committee shall institute a transparent monitoring mechanism for the execution of CSR projects, programs, or activities undertaken by the company. The Committee also ensures that all CSR activities align with the company's values and statutory obligations, fostering sustainable development and positive social impact.

**Frequency of Meeting:** The Committee shall meet at least once in a year. The Chair may set up additional meetings on her/his initiative or upon approving a request by a member. In the interest of time, the Chair may put an item for decision-making through circulation in compliance with the applicable provisions.

**Quorum:** The quorum for each meeting of the Corporate Social Responsibility Committee shall be either one-third of the total members or two members, whichever is greater and the participation of the directors by video conferencing or by other audio-visual means shall also be reckoned for the purpose of quorum. The quorum shall be present throughout the Meeting.

**Responsibilities, Authority and Process:** The Committee is responsible for:

- i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013.
- ii) To recommend the activities and amount of expenditure to be incurred on the CSR activities hereinbefore.
- iii) To monitor the implementation of Corporate Social Responsibility Policy of the Company from time-to-time.
- iv) The CSR Committee shall arrange to provide all required inputs to undertake CSR activities and shall review all social initiatives.
- v) The CSR Committee, with approval of Board shall include a report on CSR activities in their Annual report.
- vi) Committee shall formulate and recommend to Board an annual action plan in pursuance of CSR policy.
- vii) Committee shall recommend to the Board of any modifications/alterations in the Project or action plan.



**Powers:** The Committee's powers are confined to monitoring, aligning, advising and recommending the MV Board on policies and policy-level decisions, while the final authority to approve and implement such decisions rests with the Board.

**Decision-making:** The Committee shall aim to reach all decisions by consensus. When consensus cannot be reached, decisions shall be taken by simple majority. Strong opposing views and cases where consensus cannot be reached shall be clearly reported in the Committee's minutes.

**d) NOMINATION AND REMUNERATION COMMITTEE (NRC):**

The Nomination and Remuneration Committee (NRC) is constituted by the Board of Directors of the Company to oversee matters related to the nomination, appointment, evaluation, and remuneration of Directors (including Independent Directors), Key Managerial Personnel (KMP), and Senior Management.

**Constitution of NRC:** The Nomination and Remuneration Committee (NRC) shall be constituted by the Board of Directors and must comprise three or more non-executive directors, with not less than one-half of them being independent directors. The Chairperson of the NRC shall be an independent director, ensuring objectivity and independence in the Committee's functioning.

*The current constitution of the Nomination and Remuneration Committee of the Board of Directors of the Company is:*

S No	Name of the Director	Designation
1	Ms. Mohua Mukherjee (Independent Director)	Chairperson
2	Mr. Pramod Kumar Panda (Independent Director)	Member
3	Mr. Wilfred Jeroen Scheelbeek (Non-Executive Non-Independent Director)	Member

**Chairperson:** The Board has appointed Ms. Mohua Mukherjee as the Chairperson of the Nomination and Remuneration Committee. In her absence, the members present at the meeting may elect one among themselves to act as Chairperson of the NRC or Board may appoint chairperson as an when committee is reconstituted.

**Purpose and Scope:** The Nomination and Remuneration Committee (NRC) is responsible for overseeing the nomination, appointment, evaluation, and remuneration of Directors (including Independent Directors), Key Managerial Personnel (KMP), and Senior Management. The Committee plays a critical role in succession planning and oversight of the

Remuneration/Compensation Policy, in accordance with the Companies Act, 2013 and the RBI's Scale-Based Regulation Framework applicable to Middle Layer NBFCs.

**Frequency of Meeting:** The Committee shall meet based on the requirement of consideration of issues as per the Scope of the Committee in compliance with the provisions of the Companies Act, 2013. The Chair may set up additional meetings on her/his initiative or upon approving a request by a member. In the interest of time, the Chair may put an item for decision-making through circulation in compliance with the applicable provisions.

**Quorum:** The quorum for each meeting of the NRC shall be either one-third of the total members or two members, whichever is greater with at least one Independent present either personally or through electronic mode. The participation of the directors by video conferencing or by other audio-visual means shall also be reckoned for the purpose of quorum. The quorum shall be present throughout the Meeting.

**Responsibilities, Authority and Process:** The Committee is responsible for:

- i) Formulate the criteria for determining qualification, positive attribute and independence of a director.
- ii) Recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and senior management personnel or other employees.
- iii) Recommend to Board, appointment and removal of Directors, Key managerial and Senior Management personnel and assessing Fit and Proper Criteria.
- iv) Overseeing succession planning for directors and senior management.
- v) Reviewing and implementing the Remuneration / Compensation Policy of the Company.
- vi) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

**Powers:** The Committee's powers are confined to monitoring, aligning, advising and recommending the MV Board on policies and policy-level decisions, while the final authority to approve and implement such decisions rests with the Board.

**Decision-making:** The Committee shall aim to reach all decisions by consensus. When consensus cannot be reached, decisions shall be taken by simple majority. Strong opposing views and cases where consensus cannot be reached shall be clearly reported in the Committee's minutes.

**e) IT STRATEGY COMMITTEE (ITSC):**

The IT Strategy Committee ('ITSC' / 'Committee') is a Board level Committee constituted by decision of the Board of company (MV Board) and in compliance with Master Directions issued by the Reserve Bank of India (RBI) on Information Technology Governance, Risk, Controls and

Assurance Practices for the NBFC Sector dated November 07, 2023.

**Constitution of NRC:** The IT Strategy Committee shall consist of minimum three Directors. The Chairperson of the Committee shall be an Independent Director and have substantial IT expertise in managing/ guiding information technology initiatives and members are technically competent.

*The current constitution of the IT Strategy Committee of the Board of Directors of the Company is :-*

S No	Name of the Director	Designation
1	Mr. Pramod Kumar Panda (Independent Director)	Chairperson
2	Dr. Deepak Kumar T R (Independent Director)	Member
3	Dr. Gouri Sankar Gollapudi (Managing Director)	Member

**Chairperson:** The Board has appointed Mr. Pramod Kumar Panda as the Chairperson of the IT Strategy Committee. In his absence, the members present at the meeting may elect one among themselves to act as Chairperson of the ITSC or Board may appoint chairperson as an when committee is reconstituted.

**Purpose and Scope:** The Committee shall work in partnership with other Board Committees and IT Steering Committee, which is comprised of Senior Management to provide input to them. It will also carry out ensure that IT Steering committee puts together a IT Strategic planning process and advise in preparation of new sub-policies in the IT / IS policy, review and amend the IT strategies in line with the corporate strategy, IT Policy reviews, cyber security arrangements, and any other matter related to IT Governance.

**Frequency of Meeting:** The IT Strategy Committee shall meet once a quarter. The Chair may set up additional meetings on his/her initiative or upon approving a request by a member. In the interest of time, the Chair may put an item for decision-making through circulation in compliance with the applicable provisions.

**Quorum:** The quorum for each meeting of the ITSC shall be two members with at least one Independent Director present either personally or through electronic mode. The participation of the directors by video conferencing or by other audio-visual means shall also be reckoned for the purpose of quorum. The quorum shall be present throughout the Meeting.

**Responsibilities, Authority and Process:** The Committee is responsible for:

- i) Ensure that the company has put an effective IT strategic planning process in place.

- ii) Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the company towards accomplishment of its business objectives.
- iii) Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, well defined objectives responsibilities for each level in the organisation.
- iv) Ensure that the company has put in place processes for assessing and managing IT and cybersecurity risks. The constitution of the Information Security Committee shall be decided by ITSC.
- v) Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the company's IT maturity, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives.
- vi) Annual review on the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the company.
- vii) Review all the activities of the 'IT Steering Committee' & 'Information Security Committee' and advice these Committees on taking up any new IT activities.
- viii) All IT documented procedures and standards are approved by ITSC.

**Powers:** The Committee's powers are confined to monitoring, aligning, advising and recommending the MV Board on policies and policy-level decisions, while the final authority to approve and implement such decisions rests with the Board.

**Decision-making:** The Committee shall aim to reach all decisions by consensus. When consensus cannot be reached, decisions shall be taken by simple majority. Strong opposing views and cases where consensus cannot be reached shall be clearly reported in the Committee's minutes.

#### **f) ASSET LIABILITY MANAGEMENT COMMITTEE:**

With effect from April 01, 2024, the Asset Liability Management Committee (ALCO) has been re-designated to a Management level Committee which shall be reporting to the Risk Management Committee (RMC). As per the Terms of Reference (TOR) of the Asset-Liability Committee (ALCO), the Chairperson of the Risk Management Committee (RMC) shall be regularly invited to attend ALCO meetings. For a detailed understanding of the composition, roles, responsibilities, authority, and operational procedures of ALCO, reference may be made to its TOR.

#### **IV. CREDIT APPROVALS:**

In line with the evolving governance framework and to enhance operational efficiency, the Board of Directors of Maanaveeya has restructured the credit approval process as follows:

- The Board level Credit Committee was dissolved and following two Management level Committees were constituted with effect from June 29, 2023:
  - Maanaveeya Credit Committee (MCC)
  - Extended Maanaveeya Credit Committee (EMCC)

These committees are entrusted with the responsibility of scrutinizing and approving loan proposals falling within their delegated authority. The Board of Directors retains the authority to approve loan proposals of INR 100 Crores and above. Loan proposals below this threshold are reviewed and approved by the MCC and EMCC, in accordance with the powers delegated to them.

For a detailed understanding of the roles, responsibilities, and approval limits of MCC and EMCC, reference may be made to the Delegation of Powers (DoP) document as approved by the Board.

## V. APPOINTMENT OF CHIEF RISK OFFICER (CRO):

**Regulatory context:** As per the Reserve Bank of India's guidelines, the appointment of a Chief Risk Officer (CRO) is mandatory for NBFCs in the middle layer with an asset size of ₹5,000 crore and above. The CRO is expected to function independently and play a key role in strengthening the risk management framework.

**Applicability to Maanaveeya:** As of the date of this policy, Maanaveeya Development & Finance Private Limited is classified as a middle layer NBFC with an asset size below ₹5,000 crore. Therefore, the mandatory requirement for appointment of a CRO is not applicable to the Company.

**Voluntary appointment as a Governance best practice:** Recognizing the importance of robust risk oversight, Maanaveeya has voluntarily appointed a qualified Chief Risk Officer (CRO) as part of its commitment to sound corporate governance and risk management practices. This proactive step reflects the Company's dedication to maintaining high standards of internal control and regulatory alignment.

### **Roles and Responsibilities of the CRO:**

- The CRO is a senior official with relevant qualifications and experience in risk management.
- The CRO operates independently and reports directly to the Managing Director of the Company.
- The CRO is not assigned any business targets or responsibilities and is not involved in business verticals.
- The CRO is responsible for:
  - Identifying, assessing, and mitigating risks across the organization.

- Reviewing all credit proposals and products from a risk perspective.
- Advising on risk-related matters in credit and operational decisions.

**Review and compliance:** The Company shall continue to monitor its asset size and regulatory obligations. In the event that the asset size crosses the ₹5,000 crore threshold, the Company will ensure full compliance with the applicable RBI guidelines regarding the CRO's appointment and role.

#### **VI. 'FIT AND PROPER CRITERIA' FOR THE DIRECTOR:**

In Conformity with NBFC - Corporate Governance standards, Maanaveeya shall:

- Ensure that a policy is put in place with the approval of the Board of Directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. The policy on the fit and proper criteria shall be on the lines of the guidelines contained in Annex XXIII of the RBI Scale Based Regulations, 2023;
- obtain a declaration and undertaking from the directors giving additional information on the directors. The declaration and undertaking shall be on the lines of the format given Appendix XXIII-A of the RBI Scale Based Regulations, 2023;
- obtain a Deed of Covenant signed by the directors, which shall be in the format as given in Appendix XXIII-A of the RBI Scale Based Regulations, 2023;
- furnish to the Reserve Bank a quarterly statement on change of directors, and a certificate from the Managing Director of the company that fit and proper criteria in selection of the directors has been followed. The statement will be submitted to the Regional Office of the Reserve Bank within 15 days of the close of the respective quarter. The statement submitted by the company for the quarter ending March 31, will be certified by the auditors of the company.

#### **VII. KEY MANAGERIAL PERSONNEL (KMP):**

As a middle layer NBFC, Maanaveeya Development & Finance Private Limited adheres to the RBI's directive that Key Managerial Personnel (KMP), except in the case of subsidiaries, shall not hold office (including directorships) in any other NBFC in the middle or upper layer. While this restriction does not apply to NBFCs in the base layer, the Company has ensured compliance within the prescribed transition period and maintains internal checks to uphold this governance standard.

#### **VIII. INDEPENDENT DIRECTOR:**

In line with RBI guidelines and within the limits prescribed under the Companies Act, 2013, Maanaveeya Development & Finance Private Limited ensures that no Independent Director

serves on the Boards of more than three NBFCs in the middle or upper layer simultaneously. The Company also takes necessary steps to avoid any conflict of interest arising from such cross-directorships. While directorships in base layer NBFCs are permitted, Maanaveeya has reviewed and aligned its Board composition to comply with these norms within the stipulated transition period.

Though statutory requirement of having independent directors is stipulated for as per the provisions of the Companies Act, 2013 as class of Companies, with a view to follow best corporate governance practice, the Company will strive to have 1/3 or at least two Independent Director on the Board of the Company.

As on date, the Board of Maanaveeya has three Independent Directors.

**IX. GUIDELINES ON COMPENSATION OF KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT IN NBFCs:**

Maanaveeya Development & Finance Private Limited has adopted a Board-approved Compensation Policy in line with RBI guidelines to ensure alignment of remuneration with prudent risk-taking and long-term performance. The policy includes the constitution of a Nomination and Remuneration Committee (NRC), clearly defined principles for various pay structures and other relevant provisions. The NRC oversees the implementation of this policy, ensuring compliance with statutory requirements and RBI's supervisory framework for NBFCs under the Scale-Based Regulation (SBR). This policy applies to all Key Managerial Personnel and senior management of the Company.

**X. CONNECTED LENDING:**

As per Para 93 of the RBI Scale Based Regulations, 2023, NBFCs may extend loans to directors and related parties subject to regulatory compliance. However, with a view to follow the best corporate governance practices in this regard, Maanaveeya has voluntarily adopted to adhere to the following guidelines with regard to connected lending / Credit facilities to the Directors. In order to obviate conflict of interest in the lending operations of the NBFC, Company will not grant any loan, advance or non-fund-based facility or any other financial accommodation / facility to:

- i) Its directors or their relatives;
- ii) To any firm in which any of its Director(s) is/are interested as Partner, Manager, Employee or Guarantor;
- iii) Any individual in respect of whom any of its Director(s) is/are a Guarantor;
- iv) Any company of which, or the subsidiary or the holding company of which, any of the Director(s) of the NBFC is/are a Director, Managing Agent, Manager, Employee

- or Guarantor or any firm in which he/she holds substantial interest;
- v) Any company of which, or the subsidiary or the holding company of which, any of the Director(s) of the NBFC is/are a Director, Managing Agent, Manager, Employee or Guarantor or any firm in which he/she holds substantial interest.

## **XI. ROTATION OF STATUTORY AUDITOR'S PARTNERS:**

Pursuant to the Guidelines on Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)' dated April 27, 2021, for appointment of statutory auditors of company, company shall ensure adherence to the following principles to uphold auditor independence and audit quality:

- The Company shall appoint its Statutory Auditors for a single term of three (3) consecutive years.
- To avoid any conflict of interest and ensure independence, no partner of the audit firm shall conduct the audit of the Company for more than three consecutive years.
- The Company shall incorporate appropriate terms in the letter of appointment of the audit firm to reflect this requirement and ensure strict compliance.
- Reappointment of the same audit firm or partner shall be subject to a cooling-off period, as prescribed by RBI.

These provisions are in line with the RBI's objective of ensuring transparency, independence, and high standards in the statutory audit process.

## **XII. DISCLOSURE AND TRANSPARENCY:**

In alignment with the principles of sound corporate governance and regulatory expectations, the Company shall ensure robust disclosure and transparency practices. The following information shall be presented to the Board of Directors at regular intervals, or as prescribed by the Board:

- i) Progress made in putting in place a progressive risk management system, comprising risk management policy and strategy followed.
- ii) Conformity with corporate governance standards viz. in composition of various committees, their role and functions, periodicity of meetings and compliance with coverage and review functions.

This information will be presented to the Board of Directors on an annual basis or as the need arises.

- iii) Maanaveeya shall also disclose the information as specified under the disclosure requirements of RBI Scale Based Regulations, 2023 in its Annual Financial Statements.



**XIII. CORPORATE GOVERNANCE IN SUBSIDIARIES:**

Currently, Maanaveeya does not have any subsidiaries.

**XIV. PUBLICATION OF CORPORATE GOVERNANCE GUIDELINES ON THE WEBSITE OF THE COMPANY:**

The 'Policy on Framing of Internal Guidelines on Corporate Governance' of Maanaveeya has been published on the website ([www.maanaveeya.org](http://www.maanaveeya.org)) of the company.

**XV. REVIEW OF THE POLICY:**

The Corporate Governance Policy will be reviewed and updated / modified by the Company based on any best market practices in this regard or to enhance the scope of guidelines, besides complying with guidelines / regulations issued by regulators from time to time. Policy conformity and Policy review will be put up to the Board on **annual basis**.

**XVI. REVISION CLAUSE:**

Since regulators may revise their instructions on regular basis, the aforesaid Policy of the company are deemed to be revised/ altered, implemented as per changed market scenario and/or statutory guidelines and when extant of instructions are revised by the regulators.

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