

# **Bilakhia Holdings Private Limited**

Internal Guidelines on Corporate Governance

## **Guidelines on Corporate Governance**

The Reserve Bank of India vide its circular DNBR (PD) CC. No.029/03.10.001/2014-15 dated April, 10, 2015 / DNBR (PD) CC No.040/03.01.001/2014-15 dated June 03,2015 has advised all the Non Banking Financial Companies with asset size of Rs. 500 crores and above (NBFC-ND-SI) to frame internal guidelines on Corporate Governance. Pursuant to the said circular the following has been laid down:-

### **Audit Committee**

The Board of Directors of the Company should constitute an Audit Committee, consisting of not less than three members of its Board of Directors.

The Company has in existence of Audit Committee.

### ***Frequency and Quorum of Meetings***

A meeting of the Committee will be held at least 4 times in a year. Quorum for the proceedings of the audit Committee shall consist of any two members

### ***Terms of Reference***

Terms and Reference of the Audit Committee includes the following –

- i.* the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ii.* review and monitor the auditor's independence and performance, and effectiveness of audit process;
- iii.* examination of the financial statement and the auditors' report thereon
- iv.* review of internal audit and control system and
- v.* any other matter referred by the Board of Directors from time to time.

### **Nomination Committee**

The Board of Directors of the Company should constitute a Nomination Committee.

The Company has in existence of Nomination Committee

### ***Frequency and Quorum of Meetings***

A meeting of the Committee will be held at least 4 times in a year. Quorum for the proceedings of the Nomination Committee shall consist of any two members

### ***Terms of Reference***

- i) to ensure 'fit and proper' status and credentials of proposed/existing directors.
- ii) any other matter referred by the Board of Directors from time to time.

### ***Risk Management Committee***

The Board shall constitute a Risk Management Committee to manage the integrated Risk

The Company has in existence of Risk Management Committee.

### ***Terms of Reference***

- i. to ensures that all the risk associated with the functioning of the Company are identified, controlled and mitigated;
- ii. to lay down procedures regarding managing and mitigating the risk through Integrated Risk Management Systems, Strategies and Mechanisms ;
- iii. Identifying, measuring and monitoring the various risk faced by the Company, assist in developing the policies and verifying the models that are used for risk measurement from time to time;
- iv) any other matter referred by the Board of Directors from time to time.

### ***Frequency and Quorum of Meetings***

A meeting of the Committee will be held at least 4 times in a year. Quorum for the proceedings of the Risk Management Committee shall consist of any two members

### ***Asset Liability Committee***

The market risk for NBFCs with asset size of Rs. 500 crore or above as on the date of last audited balance sheet is addressed by the Asset Liability Committee (ALCO) constituted to monitor the asset liability gap and strategize action to mitigate the risk associated. Accordingly, to manage the integrated risk and to monitor the asset liability gap, etc. an Asset Liability Management Committee should be formed.

The Company has in existence of Asset Liability Committee.

### ***Frequency and Quorum of Meetings***

A meeting of the Committee will be held at least 4 times in a year. Quorum for the proceedings of the ALCO shall consist of any two members

### ***Terms of Reference***

- i. monitoring the asset liability gap
- ii. strategizing action to mitigate risk associated with the asset liability gap

### ***Fit and Proper Criteria***

i. The policy on the fit and proper criteria, on the lines of the Guidelines issued by RBI (as amended by RBI from time to time), contained in Annexure would be applicable to ascertain the fit and proper criteria of the directors at the time of appointment and on a continuing basis.

### ***Disclosure and transparency***

I. The Company shall put up to the Board of Directors, at regular intervals, 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.

II. the Company shall disclose in their Annual Financial Statements, with effect from March 31, 2015 and onwards, such information as prescribed under circular no. DNBR (PD) CC. NO. 002/03.10.001/2014-15 dated November 10, 2014 read with DNBR (PD) CC.No. 024/03.10.001/ 2014-15 dated March 27, 2015 and such other guidelines and RBI directions as applicable from time to time.

### ***Rotation of partners of the Statutory Auditors Audit Firm***

The Company 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 for 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. Company shall incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.

For Bilakhia Holdings Pvt. Ltd.

Director