

CORPORATE GOVERNANCE INTERNAL GUIDELINES

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INTRODUCTION:

Reserve Bank of India (RBI) vide its master circular no. RBI/2015-16/12 DNBR (PD) CC.No.053/03.10.119/2015-16 dated July 01, 2015 directed NBFCs to frame internal guidelines on corporate governance approved by the Board of Directors. In accordance to the said circular the Company is framing Corporate Governance internal guidelines for approval of Board Members.

The internal guidelines set the framework to achieve Company's goal by adopting best practices with emphasis to transparency, accountability and integrity.

BOARD OF DIRECTORS:

CURRENT COMPOSITION OF THE BOARD IS:

Sl.No.	Name of the Director	Designation
1.	Mr. Tomohei Matsushita	Managing Director & CEO
2.	Mr. Naomi Ishii	Non-Executive Director
3.	Mr. Takeshi Amakasu	Non-Executive Director
4.	Mr. Kazuki Ogura	Non-Executive Director
5.	Mr. Raman Rengan	Independent Director
6.	Ms. Renu Lata Rajani	Independent Director

INTRODUCTION TO THE COMMITTEES OF THE COMPANY:

The Company is professionally managed through the Board of Directors and through the committees of Board of Directors.

i. AUDIT COMMITTEE:

The Company has in place the Audit Committee in accordance with the provisions of Para 11 of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and provisions of the Companies Act, 2013.

The Audit Committee consists of:-

Sl.No.	Name of the Director	Designation
1.	Mr. Tomohei Matsushita	Managing Director & CEO
2.	Mr. Raman Rengan	Independent Director
3.	Ms. Renu Lata Rajani	Independent Director

The scope of Audit Committee is very wide. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory Auditors and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. It is also empowered

to review Financial Statements and investments, Management Discussion & Analysis, Material individual transactions with related parties not in normal course of business or which are not on an arm's length basis.

ii. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprising of:-

Sl.No.	Name of the Director	Designation
1.	Mr. Naomi Ishii	Non-Executive Director
2.	Mr. Takeshi Amakasu	Non-Executive Director
3.	Mr. Raman Rengan	Independent Director
4.	Ms. Renu Lata Rajani	Independent Director

The Nomination and Remuneration is constituted in accordance with the Corporate Governance guidelines promulgated by the Reserve Bank of India and is primarily responsible to assist the Board of Directors in fulfilling its responsibilities by recommending to the Board, the composition and structure of the Board, criteria for Board membership, evaluation of the corporate policies relating to the recruitment of Board members and to establish, implement and monitor policies and processes regarding principles of corporate governance. The Committee is to look into the entire gamut of remuneration package for the Executive Director(s) and revise their remuneration suitably within the limits prescribed under the Companies Act, 2013, decide on commission payable to the Directors within the prescribed limits and as approved by the shareholders of the Company.

iii. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The CSR Committee consists of the following members:-

Sl.No.	Name of the Director	Designation
1.	Mr. Tomohei Matsushita	Managing Director & CEO
2.	Mr. Takeshi Amakasu	Non-Executive Director
3.	Ms. Renu Lata Rajani	Independent Director

The CSR Committee constituted shall undertake the following activities/ terms of reference which shall be inclusive but not limited to the following terms and could be revised by the Board on timely basis:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (i)
- Monitor the Corporate Social Responsibility Policy of the company from time to time.
- Update the Board on the implementation of various programme and initiatives.

OTHER MANAGEMENT COMMITTEES:

i. RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of:

Sl. No.	Name of Members	Designation
1.	Tomohei Matsushita	Managing Director & CEO
2.	Akihiko Sekiguchi	CFO & Senior Vice President- Corporate
3.	Rahul Sinha	Head & Senior Vice President- Operations
4.	P.S. Sridhar	Head & Vice President, Internal Audit
5.	Anupam Vasdani	Head & Vice President, Finance, Treasury & Accounting
6.	Pallavi K	Company Secretary & Compliance Officer

The Risk Management Committee is required to manage the integrated risk and inform the Board from time to time the progress made in putting in place a progressive risk management system, risk management policy and strategy followed by the Company.

ii. CREDIT COMMITTEE:

The Credit Committee consists of the following members:-

Sl. No.	Name of Members	Designation
1.	Tomohei Matsushita	Managing Director & CEO
2.	Akihiko Sekiguchi	CFO & Senior Vice President- Corporate
3.	Rahul Sinha	Head & Senior Vice President- Operations
4.	Amit Kakkar	Head & Senior Vice President-Sales & Marketing

The Credit committee is responsible for critical analyses of financials of the various loan proposals before they are put up to the Board.

The credit committee analyses monthly performance of the Company in terms of number of cases and amount of loan disbursed along with other parameters such as rejection rates, customer demography and TAT deliverables.

iii. CUSTOMER SERVICE COMMITTEE:

The Customer Service Committee consists of the following members:-

Sl. No.	Name of Members	Designation
1.	Tomohei Matsushita	Managing Director & CEO
2.	Akihiko Sekiguchi	CFO & Senior Vice President- Corporate
3.	Rahul Sinha	Head & Senior Vice President- Operations
4.	Amit Kakkar	Head & Senior Vice President-Sales & Marketing

The Committee is responsible for managing the customer service and customer queries and resolution.

iv. ASSET LIABILITY COMMITTEE (ALCO):

The ALCO consists of the following members:-

Sl. No.	Name of Members	Designation
1.	Tomohei Matsushita	Managing Director & CEO
2.	Akihiko Sekiguchi	CFO & Senior Vice President- Corporate
3.	Shogo Hayashi	Vice President- Corporate
4.	Rahul Sinha	Head & Senior Vice President- Operations
5.	P.S. Sridhar	Head & Vice President, Internal Audit
6.	Amit Kakkar	Head & Senior Vice President-Sales & Marketing
7.	Anupam Vasdani	Head & Vice President, Finance, Treasury & Accounting

The ALCO is required to determine the maturity profile of assets and liabilities, mix of incremental assets and liabilities, pricing of deposits and advances, determining the type of funding, monitoring risk levels of the Company etc.

The ALCO is a decision making unit responsible for balance sheet planning from risk return perspective including the strategic management of interest rate and liquidity risks. The business and risk management strategy of the company will ensure that the Company operates within the limits/parameters set by the Board.

POLICIES/CODES FORMULATED BY THE COMPANY:

Various Policies/Codes have been formulated by the Company in compliance with the provisions of the Companies Act, 2013 and other Applicable laws and/ or as a matter of Good Corporate Governance Practices. The some of the important Policies are as under:

1. POLICY ON RELATED PARTY TRANSACTIONS;
2. WHISTLE BLOWER POLICY;
3. POLICY ON PREVENTION OF SEXUAL HARASSMENT;
4. NOMINATION AND REMUNERATION POLICY;
5. POLICY FOR PRESERVATION OF DOCUMENTS;
6. CODE OF CONDUCT FOR INDEPENDENT DIRECTORS; AND
7. FIT AND PROPER CRITERIA FOR DIRECTORS

The Company has adopted 'fit and proper' policy as issued by Reserve Bank of India. The Nomination and Remuneration Committee ("NRC") shall ensure fit and proper status of proposed / existing directors. It shall obtain a declaration and undertaking from the directors giving certain information on the directors. The declaration and undertaking shall be on the lines of the format as prescribed by the RBI from time to time. Further, quarterly statement shall be furnished to the Regional Office of the Reserve Bank of India within 15 days of the close of the respective quarter on change of directors and a certificate from the Managing Director of the Company stating that fit and proper criteria in selection of the directors has been followed. The statement submitted by the Company for the quarter ending March 31, shall also be certified by the Statutory Auditors of the Company.

8. FAIR PRACTICES CODE:

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company has adopted a policy on Fair Practices Code, which shall be reviewed and implemented on regular basis.

REVIEW OF FRAMEWORK:

The Board or any of its Committee may review the Framework from time to time as may be required. Changes, if any, shall be effective only upon approval by the Board.

