SK FINANCE LIMITED
(Formerly known as Ess Kay Fincorp Limited)

NOMINATION & REMUNERATION POLICY
2022-23

SUMMARY OF POLICY

Policy Name	Nomination & Remuneration Policy (herein after referred as "NRC Policy")
Regulations	Section 178 of the Companies Act, 2013 (herein after referred as "Act"), Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (herein after referred as "Listing Regulations") and 'Fit and Proper' Criteria for directors of NBFCs as laid down in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
Review Cycle	Annually or in the event of any change in regulatory guidelines
Approver	Board of Directors of SK Finance Limited (Formerly known as Ess Kay Fincorp Limited)
Latest approval/review date	April 2022
Version	1.0

Responsibility for Implementation	**Company Secretary**	
Vetted by	**Head of Compliance** **Chief Risk Officer**	

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PREAMBLE

This NRC Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnels and Senior Management of SK Finance Limited (Formerly known as Ess Kay Fincorp Limited) (herein after referred as **"SKFL/ the Company")**. This NRC Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 (herein after referred as **"Act"**), Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (herein after referred as **"Listing Regulations"**) and 'Fit and Proper' Criteria for directors of NBFCs as laid down in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (as amended from time to time) (herein after referred as **"RBI Guidelines")** to ensure reasonableness of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.

PURPOSE

The Nomination and Remuneration Committee (herein after referred as **"NRC"**) and this Policy shall be in compliance with Section 178 of the Act read along with the applicable rules thereto, Listing Regulations and RBI Guidelines. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of this policy would be as follows:

a. Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.

b. Ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

c. Ensure compliance with applicable laws, rules and regulations as well as 'Fit and Proper criteria' of directors before their appointment and on a continuing basis.

d. To formulate criteria for evaluation of performance of the members of the Board including Independent Directors and provide necessary report to the Board for further evaluation of the Board.

e. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

f. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

g. To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

DEFINITIONS

a. **"Act"** means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
b. **"Board"** means Board of Directors of the Company.
c. **"Company"** means SK Finance Limited (Formerly known as Ess Kay Fincorp Limited)
d. **"Directors"** shall mean Directors of the Company.
e. **"Key Managerial Personnel"** or **"KMP"** means:

In relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:

i. The Chief Executive Officer or the Managing Director or the Manager;
ii. Whole-time director;

iii. Chief Financial Officer;
iv. Company Secretary; and
v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
vi. such other officer as may be prescribed.

f. **"Independent Director"** means a director referred to in Section 149(6) of the Act and Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

g. **"Senior Management"** shall derive the meaning from Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations as amended from time to time.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

ROLE OF COMMITTEE

Matters to be dealt with, perused and recommended to the Board by the NRC:

The following matters shall be dealt with by the Committee:

- ***Evaluation of Performance*:**

To specify the manner for effective criteria for evaluation of performance of Board, Independent Directors, Committees of the Board and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

- ***Succession Plans:***

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

- ***Board Diversity:***

To devise a Policy on Board Diversity.

- ***Employee Stock Options Plans:***

Perform such functions as mentioned below which are required to be performed by the Nomination and Remuneration committee under the Employee Stock Option Plans of the Company:

a. administering the ESOP plans;
b. granting options to eligible employees and determining the date of grant;
c. determining the number of options to be granted to an employee;
d. determining the exercise price under the ESOP plans;

- ***Appointment and Removal of Directors, KMP's and Senior Management:***

  - To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board, policies relating to the remuneration (payable in whatever form) of the Directors, Key Managerial Personnel, Senior Management and other employees.

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

a. Directors

1. The Company will undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold appointment as a director on the board of directors of the Company, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria.

2. The Company will obtain the necessary information, declarations and undertakings from the proposed / existing director for the purpose of such due diligence in the format as prescribed in the RBI guidelines.

3. The Company will undertake the process of due diligence at the time of appointment of the director by scrutinizing the declarations received and at the time of renewal of appointment of any director.

4. The Company will obtain annually (as on 31st March) a simple declaration from each director that the information already provided by the director has not undergone change and where there is any change, the Company shall require such director to furnish the requisite details forthwith.

5. The board of directors of the Company will ensure in public interest that each of the nominated / elected directors executes a deed of covenants in the format as prescribed in the RBI guidelines.

6. The Company shall not appoint or continue the employment of any person as Managing Director / Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

b. Independent Director

1. The candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and Listing Regulations. Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his/her independence at issue.

2. The Nomination and Remuneration Committee before appointment of an Independent Director shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation prepare a description of the role and capabilities required of an independent director.

3. The director's independence for the independent director will be determined by the Board on an annual basis upon the declarations made by such director as per the provisions of the Companies Act, 2013 read with Rules thereon and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. The Independent Director who intends to get appointed as an independent director in a company, shall before such appointment, apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time applies for its renewal till he continues to hold the office of an independent director in any company:

5. If any individual, including an individual not having DIN, may voluntarily apply to the institute for inclusion of his name in the data bank, shall clear an online proficiency self-assessment test covering Companies law, Securities law, Basic accountancy, and such other areas relevant to the functioning of

an individual and should have mandatory registration with Indian Institute of Corporate Affairs ("IICA").

c. Key Managerial Personnel ("KMP's) and Senior Management Personnel ("SMP's)

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as KMP's/SMP's recommend to the Board his / her appointment along with the remuneration, in whatever form as may be payable.

2. A person should possess adequate qualification, expertise and experience for the position for which he / she is being considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the position.

TENURE

a. Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as Managing Director or Whole time Director for a term not exceeding five years at a time in terms of applicable provisions of Companies Act, 2013. Further, No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director

1. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of a special resolution by the Company, recommendation of committee based on the report of performance evaluation of Independent director and disclosure of such appointment in the Board's report.

2. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of two consecutive terms of three years of ceasing to become an Independent Director. An Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

c. KMP and Senior Management

Upon recommendation of Nomination and Remuneration Committee and based on the criteria laid down by said committee for appointment of senior management, the KMPs or senior management may be appointed for such period and on such term as may be approved by the Board or as per criteria approved by the board, respectively.

EVALUATION

The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

- The Evaluation process may be carried out as per the SEBI guidelines vide SEBI CIRCULAR NO. SEBI/HO/CFD/CMD/CIR/P/2017/004, Dated 5th January 2017 on Guidance Note on Board Evaluation or by such other procedure as the Committee may deem fit for evaluation process.

- Below Matrix to be follow while performance evaluation of the Directors and the Board as a whole:

Matrix For The Evaluation of Board And The Directors	
1.	Criteria for the Evaluation of a Board as a whole:

	• Board Composition & Quality; • Board and Management Relations; • Board Meeting & Procedures; • Board Strategy and Risk Management; • Grievance Redressal for Investors; • Conflict of Interest; • Stakeholder Value and responsibility; • Corporate Cultures & Values; • Review of Board Evaluation; • Facilitation of Independent Directors;
2.	Criteria for the Evaluation of Board Committee: • Structure of the Committee and meetings; • Mandate & Composition; • Effectiveness of the Committee; • Independence of the Committee from the Board; • Contribution to Decisions of the Board;
3.	Criteria MD & WTD • Leadership • Performance • Value Creation • Governance & Compliance
4.	Criteria for Non- Executive Directors • Knowledge & Skill • Diligence & Participation • Leadership • Managing Relationship
5.	Criteria for Independent Directors • Independence • Knowledge & Participation • Commitment • Integrity
6.	Rankings Rankings stands as under:- 1= Poor 2= Average 3= Good 4= Very Good 5= Excellent

REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or as per the employment agreement (if any) the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing HR policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position /

remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to necessary compliances.

REMUNERATION OF KMPs AND SENIOR MANAGEMENT PERSONNEL

Remuneration of Managing Director / Whole Time Director / Non-Executive Director /Independent Director ("Collectively referred as Directors")

The remuneration / compensation / commission etc. to the Managing Director / Whole-time Director, shall be recommended by the Nomination and Remuneration Committee to the Board for approval and further recommendation to the Shareholders for their approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company in terms of the provisions of the Companies Act, 2013, and the rules and Schedule made thereunder, as applicable from time to time.

Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013.

Sitting Fees

The Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed such amount as may be recommended by Nomination and Remuneration Committee and approved by the Board from time to time subject to the limits as prescribed under the Companies Act, 2013.

Commission

The Directors may receive Commission within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013 and rules made thereunder.

Remuneration of Key Managerial Personnel / Senior Management

Remuneration of KMPs (Other Than Managing Director / Whole Time Directors) i.e. Chief Financial Officer/ Chief Executive Officer / Company Secretary and Other Senior Management Personnel shall be recommended by the Committee and approved by the Board of Directors subject to approval of shareholders, wherever required.

FIT AND PROPER CRITERIA

The Nomination and Remuneration Committee shall undertake a process of Due Diligence based on the criteria of qualifications, technical expertise, track record, integrity etc. The basic objective of ascertaining the fit and proper criteria shall be to put in place an internal supervisory process on a continuing basis and to determine the suitability of the person for appointment / continuing to hold appointment as a Director of the Board of the Company. The Candidate at the time of appointment and at the time of the renewal of Directorship shall fill in such form as approved by the Nomination and Remuneration Committee to enable the Committee undertake such exercise of ensuring the 'Fit and Proper Criteria'. Further, the Company has adopted the separate policy on Fit and Proper criteria as prescribed under RBI Guidelines which is to be adhered at the time of appointment and/or re-appointment.

The Committee shall undertake such Due Diligence exercise at the time of appointment of the Directorships of the incumbent.

MEMBERSHIP

- The Committee shall consist of a minimum three non-executive directors, out of which not less than at least two-thirds of the Directors shall be independent directors.

- The quorum for the Meeting of the Nomination and Remuneration Committee shall either be two members or one third of the total strength of the Committee, whichever is higher (including at least one independent director in attendance).
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.
- The Company Secretary of the Company shall act as Secretary of the Committee.

MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairperson of the Committee. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

POLICY SEVERABLE

This policy read with Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this policy being held to be a violation of any applicable law, statute or regulation, the same shall be severable from the rest of this policy and shall be of no force and effect, and this policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.

AMENDMENT

Any change in the policy shall be approved by the Board of Directors of the Company. Any amendment in the regulatory guidelines shall prevail and necessary amendment shall be carried out at a subsequent date in the policy. The Board of Directors of the Company shall have the right to withdraw and / or amend any part of this policy or the entire policy, at any time, as it deems fit, or from time to time, subject to applicable law in force.

ANNEXURE 1

FORMAT OF DECLARATION AND UNDERTAKING BY THE DIRECTOR

Name of NBFC: **SK FINANCE LIMITED (Formerly known as Ess Kay Fincorp Limited)**

I. Personal details of director:

a. Full name	
b. Date of Birth	
c. Educational Qualifications	
d. Relevant Background and Experience	
e. Permanent Address	
f. Present Address	
g. E-mail Address / Telephone Number	
h. Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle	
i. Relevant knowledge and experience	
j. Any other information relevant to Directorship of the NBFC	

II. Relevant Relationships of director

a. List of Relatives if any who are connected with the NBFC (Refer section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013).

b. List of entities if any in which he/she is considered as being interested (Refer section 299(3)(a) and section 300 of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013).

Name of the Company	Date of Appointment	Date of Cessation

c. List of entities in which he/she is considered as holding substantial interest within the meaning of prudential norms as prescribed in these Directions.

d. Name of NBFC in which he/she is or has been a member of the board (giving details of period during which such office was held)

e. Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c) above from the NBFC

f. Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC / bank.

III. Records of professional achievements

a. Relevant professional achievements

IV. Proceedings, if any, against the director

a. If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.

b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations

c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director

d. Whether the director attracts any of the disqualifications envisaged under section 274 of the Companies Act 1956 and corresponding provisions of New Companies Act, 2013.

e. Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency.

f. Has the director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities, if so give particulars

g. Whether the director has at any time come to the adverse notice of a regulator such as SEBI, IRDA, MCA.(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in to, it would be necessary to make a mention of the same, in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc and not on merit, If the order of the regulator is temporarily stayed and the appellate/ court proceedings are pending, the same also should be mentioned.)

V. Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper.

UNDERTAKING

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the company fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all directors of the NBFC.

Signature Place:
Mr. Date:

VI. Remarks of Chairman of Nomination Committee/Board of Directors of NBFC

Signature
Place:
Date:

ANNEXURE-2

DEED OF COVENANTS

Form of Deed of Covenants with a Director of **SK Finance Limited (Formerly known as Ess Kay Fincorp Limited)**:

THIS DEED OF COVENANTS is made at this ________ Day of __________, Two Thousand _______________ BETWEEN SK Finance Limited (Formerly known as Ess Kay Fincorp Limited) having its registered office at G-1&2 New Market Khasa Kothi Jaipur-302001 (hereinafter a non-deposit taking NBFC with asset size of Rs.500 crore and above being called the "Company") of the one part and

Mr. _______________ of SK Finance Limited (Formerly known as Ess Kay Fincorp Limited) (hereinafter called the "Director") of the other part.

WHEREAS

A. The director has been appointed as a director on the Board of Directors of the Company (hereinafter called "the Board") and is required as a term of his appointment to enter into a Deed of Covenants with SK Finance Limited (Formerly known as Ess Kay Fincorp Limited).

B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS:

1. The director acknowledges that his appointment as director on the Board of the Company is subject to applicable laws and regulations including the Memorandum and Articles of Association of the company and the provisions of this Deed of Covenants.

2. The director covenants with the Company that:

(i) The director shall disclose to the Board the nature of his interest, direct or indirect, if she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between the Company and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.

(ii) The director shall disclose by general notice to the Board his other directorships, his memberships of bodies corporate, his interest in other entities and his interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.

(iii) The director shall provide to the Company a list of his relatives as defined in the Companies Act, 1956 or 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies' corporate, firms and other entities.

(iv) The director shall in carrying on his duties as director of the Company:

a. use such degree of skill as may be reasonable to expect from a person with his knowledge or experience;

b. in the performance of his duties take such care as she might be reasonably expected to take on his own behalf and exercise any power vested in him in good faith and in the interests of the Company;

c. shall keep himself informed about the business, activities and financial status of the Company to the extent disclosed to him;

d. attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his obligations as director of the Company;

e. shall not seek to influence any decision of the Board for any consideration other than in the interests of the Company;

f. shall bring independent judgment to bear on all matters affecting the Company brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;

g. shall in exercise of his judgment in matters brought before the Board or entrusted to him by the Board be free from any business or other relationship which could materially interfere with the exercise of his independent judgment; and

h. shall express his views and opinions at Board meetings without any fear or favour and without any influence on exercise of his independent judgment;

(v) The director shall have:

a. fiduciary duty to act in good faith and in the interests of the Company and not for any collateral purpose;

b. duty to act only within the powers as laid down by the Company's Memorandum and Articles of Association and by applicable laws and regulations; and

c. duty to acquire proper understanding of the business of the Company.

(vi) The director shall:

a. not evade responsibility in regard to matters entrusted to him by the Board;

b. not interfere in the performance of their duties by the whole-time directors and other officers of the Company and wherever the director has reasons to believe otherwise, she shall forthwith disclose his concerns to the Board; and

c. not make improper use of information disclosed to him as a member of the Board for his or someone else's advantage or benefit and shall use the information disclosed to him by the Company in his capacity as director of the Company only for the purposes of performance of his duties as a director and not for any other purpose.

3. The Company's covenants with the director that:

(i) the Company shall apprise the director about:

a. Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;

b. control systems and procedures;
c. voting rights at Board meetings including matters in which Director should not participate because of his interest, direct or indirect therein;
d. qualification requirements and provide copies of Memorandum and Articles of Association;
e. corporate policies and procedures;
f. insider dealing restrictions;
g. constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
h. appointments of Senior Executives and their authority;
i. remuneration policy,
j. deliberations of committees of the Board, and
k. communicate any changes in policies, procedures, control systems, applicable regulations including Memorandum and Articles of Association of the NBFC, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.

(ii) the Company shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the NBFC and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;

(iii) the disclosures to be made by the NBFC to the directors shall include but not be limited to the following :
a. all relevant information for taking informed decisions in respect of matters brought before the Board;
b. Company's strategic and business plans and forecasts;
c. organizational structure of the Company and delegation of authority;
d. corporate and management controls and systems including procedures;
e. economic features and marketing environment;
f. information and updates as appropriate on Company's products;
g. information and updates on major expenditure;
h. periodic reviews of performance of the Company; and
i. report periodically about implementation of strategic initiatives and plans;

(iv) the NBFC shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and

(v) advise the director about the levels of authority delegated in matters placed before the Board.

4. The Company shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.

5. The Company shall appoint a compliance officer who shall be a Senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities.

6. The director shall not assign, transfer, sublet or encumber his office and his rights and obligations as director of the NBFC to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of the Company.

7.The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.

8. Any and all amendments and / or supplements and / or alterations to this Deed of Covenants shall be valid and effectual only if in writing and signed by the director and the duly authorised representative of the NBFC.

9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN

For the Company	Director
Name: ________________	Name: ____________
Title: _________________	

In the presence of:

1.	2.