

WINRO COMMERCIAL (INDIA) LIMITED

CIN: L51226MH1983PLC165499

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CORPORATE GOVERNANCE POLICY

PURSUANT TO MASTER DIRECTION – RESERVE BANK OF INDIA (NON-BANKING FINANCIAL COMPANY – SCALE BASED REGULATION) DIRECTIONS, 2023

Effective from	13.11.2024
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➤ **INTRODUCTION**

Winro Commercial (India) Limited (hereinafter referred to as the “**Company**”) is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct. Corporate Governance is about maximizing shareholders’ value on a sustainable basis and ensuring fairness to all other stakeholder of the Company.

The Corporate Governance Policy (‘Policy’) provides the framework under which the Board of Directors operate. It includes Company’s corporate structure, culture, policies and the manner in which it deals with various stakeholders.

The Company shall continue to ensure good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board or the committees of the members of the Board.

The Policy has been aligned with the Companies Act, 2013 (‘Act’), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’) and the provisions of Corporate Governance guidelines as stipulated by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (RBI guidelines) issued by RBI vide its Circular No. DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 as amended and updated from time to time.

➤ **BOARD OF DIRECTORS:**

The Board is responsible to act in the best interests of the Company and its shareholders. In discharging their duties, the Directors shall comply with the Code of Conduct as adopted by the Board.

The Board of Directors shall have an optimum combination of executive and non-executive directors with at least one independent woman director and not less than fifty per cent of the board of directors shall comprise of non-executive directors.

Where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

➤ **RESPONSIBILITIES OF THE BOARD:**

1. The Board's key purpose is to ensure the Company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders and stakeholders.
2. The Board is primarily responsible for:
 - Establishing vision, mission & values and determining, reviewing the goals, policy of the Company from time to time.
 - Setting strategy and structure and deciding the means to implement and support them.
 - Delegating to management, Determining monitoring criteria to be used and ensuring effectiveness of internal controls.
 - Exercising accountability to shareholders and be responsible to relevant stakeholders.
 - Management & Control.
3. For better monitoring and control, the Board shall endeavour to constitute Board level Committees.

➤ **BOARD MEETINGS**

Meetings of the Board of Directors shall be held at least four times a year, with a maximum time gap of not more than one hundred and twenty days between any two consecutive meetings. The minimum information to be statutorily made available to the Board, pursuant to the applicable guidelines, Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") shall be furnished to the Directors.

➤ **COMMITTEES OF THE BOARD:**

The committees constituted by the Board are as follows:

A. Audit Committee:

The Audit Committee shall consist of not less than two-third members as Independent directors with Chairman also being an independent director. The Committee shall meet at least four times a year, with a maximum time gap of not more than one hundred and twenty days between any two meetings. The quorum for the meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors. The Committee shall be governed by the provisions of the Act, SEBI Listing Regulations, RBI guidelines and terms of reference of the Committee.

B. Stakeholders Relationship Committee:

The Stakeholders Relationship Committee shall look into various aspects of interest of shareholders, debenture holders and other security holders. The Committee shall consist of not less than three directors, with at least one Independent director and Chairman being a Non-executive director. The Committee shall meet at least once in a year. The Committee shall be governed by the provisions of the Act, SEBI Listing Regulations and terms of reference of the Committee.

C. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee shall consist of at least three directors, all directors of the committee shall be non-executive directors & not less than two-third being independent directors including the Chairperson. The Committee shall meet at least once in a year. The quorum for a meeting shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The Committee shall be governed by the provisions of the Act, SEBI Listing Regulations, RBI guidelines and terms of reference of the Committee.

D. Risk Management Committee:

The Risk Management Committee, which reports to the Board and consists of Non-Executive Directors and Chief Executive Officer of the Company who are responsible for evaluating the overall risks faced by the Company.

The committee shall be responsible for evaluating the overall risks faced by the NBFC including liquidity risk and shall report to the Board. The Committee shall be governed by the provisions of the RBI guidelines and terms of reference of the Committee.

E. Asset-Liability Management Committee:

The Committee shall consist of the Company's top management and shall be responsible for ensuring adherence to the risk tolerance/ limits set by the Board as well as implementing the liquidity risk management strategy of the Company. The Chief Executive Officer shall head the Committee.

The Committee shall be governed by the provisions of the RBI guidelines and terms of reference of the Committee.

F. IT Strategy Committee:

The Company shall constitute an Board-level IT Strategy Committee (ITSC), as required under the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices for the NBFC Sector. The chairperson of the Committee shall be an independent director and the Committee shall meet least on a quarterly basis.

The Committee shall be governed by the provisions of the RBI guidelines and terms of reference of the Committee.

G. IT Steering Committee:

The Company shall constitute IT Steering Committee consist of sufficiently senior level, technically competent and experienced official in IT related aspects as Head of IT Function with representation at Senior Management level from IT and business functions, as required under the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices for the NBFC Sector.

The responsibility of IT Steering Committee is to assist the ITSC in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs. The IT Steering Committee shall meet at least on a quarterly basis.

H. Information Security Committee (ISC):

The Company shall constitute Information Security Committee as required under the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices for the NBFC Sector. ISC shall constituted with Chief Information Security Officer (CISO) and other representatives from business and IT functions, etc. The head of the ISC shall be from risk management vertical.

➤ **VIGIL MECHANISM:**

The Company shall formulate a vigil mechanism / whistle blower policy to enable directors and employees to report genuine concerns about unethical behaviour actual or suspected fraud or violation of Company's Code of Conduct. The vigil mechanism / whistle blower policy shall provide a mechanism for an individual to report violations without fear of victimisation. The policy shall be hosted on the website of the Company.

➤ **INTERNAL CONTROL:**

The Company shall ensure that its internal audit and control systems are adequate and commensurate with the nature of business and the size of its operations. The internal control system may be supplemented by concurrent and internal audits regular reviews by management. The Company shall retain a reputed firm as its Internal Auditors to conduct internal audits. The auditors' reports and rectifications / implementations of audit observations, action taken report shall be reviewed by the top management/ Board/ Audit Committee at regular intervals. The Board/ Audit Committee, on a quarterly-basis shall review instances of fraud and action taken on the same as well as implementation of the necessary systems and controls to strengthen the system and prevent such recurrence. The internal processes shall be designed to ensure adequate checks and balances at every stage. The processes shall be reviewed periodically by Internal Auditors/ Board/ Audit Committee and strengthened from time to time.

➤ **FIT & PROPER CRITERIA:**

The Company shall have in place a Board approved policy for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. The Company must obtain a declaration and undertaking from the directors giving additional information on the directors and a Deed of Covenant signed by the directors, in the format prescribed. The Company shall furnish to RBI, a quarterly statement on change of directors, and a certificate that fit and proper criteria in selection of the directors has been followed. The statement must reach the Regional Office of the Department of Supervision of the Bank where the company is registered, within 15 days of the close of the respective quarter. The statement submitted by applicable NBFC for the quarter ending March 31, shall be certified by the auditors.

➤ **FAIR PRACTICES CODE:**

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company shall adopt a policy on Fair Practices Code which is posted on the website of the Company and also a regular review on the implementation of the same is conducted by Board.

➤ **DISCLOSURE AND TRANSPARENCY:**

The Company shall put up to the Board of Directors or its Committee, at regular intervals, as may be prescribed by the Board in this regard, 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.

The Company shall also disclose the following in their Annual Financial Statements:

- i registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
- ii ratings assigned by credit rating agencies and migration of ratings during the year;
- iii Penalties, if any, levied by any regulator;
- iv information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries and
- v Asset-Liability maturity, extent of financing of parent company products, credit impaired loans and movement of credit impaired loans, details of all off-balance sheet exposures, structured products issued by the Company as also securitization/ assignment transactions and other disclosures, as may be prescribed by Reserve Bank of India from time to time.

➤ **ROTATION OF THE STATUTORY AUDITORS AUDIT FIRM:**

The Company shall 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 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. These terms shall be incorporated appropriately in the letter of appointment of the firm of auditors.

These provisions shall be read with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs)' dated 27 April 2021, issued by Reserve Bank of India and as amended from time to time.

➤ **CEO/CFO CERTIFICATION:**

The Managing Director & CEO and the CFO shall, as per the provisions of the Act and applicable regulations of SEBI Listing Regulations, make the necessary certifications regarding the Financial Statements, internal controls, etc. to the Board. The Company shall abide by the RBI's directions on Internal Guidelines on Corporate Governance, Listing Regulations, and provisions of the Act pertaining to Corporate Governance.

➤ **REVIEW:**

The policies will be reviewed as and when required, to ensure compliance and also reflects the changes in the regulations/ corporate governance environment.