



CREST VENTURES LIMITED

**INTERNAL GUIDELINES
ON CORPORATE
GOVERNANCE**

Document Name	Internal Guidelines on Corporate Governance
Original document Date	March 30, 2021
Review Version & Date	Version 1.1 dated March 29, 2022



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INTERNAL GUIDELINES ON CORPORATE GOVERNANCE

1. INTRODUCTION:

Crest Ventures Limited ("the Company or CVL") practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings. The Company believes that sound Corporate Governance is essential for enhancing long-term shareholder value and retaining investor trust. The Company manages its affairs with diligence, transparency, responsibility and accountability to generate long term value for its stakeholders on a continuous and sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

The Company's Governance processes and practices ensure that the interest of all stakeholders are taken into account in a balanced and transparent manner and are firmly embedded into the culture and ethos of the organization. The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties towards all its stakeholders with the Corporate Governance mechanism in place.

2. OBJECTIVE OF GUIDELINES ON CORPORATE GOVERNANCE:

CVL is a Non-Banking Financial Company ("NBFC") Company registered with Reserve Bank of India ("RBI"). This Policy has been framed in accordance with RBI Notification No. DNBR 019/CGM (CDS)-2015 dated April 10, 2015 read with Notification No. DNBR. 019/CGM (CDS)-2015 dated April 10, 2015 and Master Circular No. DNBR (PD) CC.No.053/03.10.119/2015-16 dated June 03, 2015 issuing directions on Corporate Governance known as Non-Banking Financial Companies Corporate Governance (Reserve Bank) Directions, 2015 read with all the amendments thereon, provisions of the Companies Act, 2013, SEBI Regulations and other best industry practices. In pursuance of the aforesaid directions issued by the RBI, the Internal Guidelines on Corporate Governance have been framed, with the following objectives:

- a) Greater transparency thereby enabling stakeholders in having a better understanding.
- b) Building investors confidence in the Company.
- c) Adopt best practices.



3. GOVERNANCE STRUCTURE

A. BOARD OF DIRECTORS

The Board of Directors along with its various Committees shall provide leadership and strategic guidance to the Company's management. The Company's management shall act in accordance with the supervision, control and direction by the Board of Directors of the Company. The Board has a vital role to play in the matters relating to policy formulation, implementation and strategic issues which are crucial for the long term development of the Company.

B. COMPOSITION

As per the Articles of Association of the Company, the Board of Directors shall comprise of minimum of three Directors and a maximum of fifteen Directors. The Board of Directors of the Company shall have an optimum combination of Executive, Non-Executive, Independent and Woman Directors, as per the Guidelines/ Regulations applicable to the Company. The Directors shall possess the requisite qualifications and experience in general corporate management, banking, finance, marketing and other allied fields which enable them to enhance their contribution effectively to the Company in their capacity as Directors of the Company.

The Directors shall act in accordance with the duties as provided under the Companies Act, 2013 ("**the Act**") and the Independent Directors shall abide by the Code for Independent Directors under Schedule IV of the Act.

C. BOARD MEETINGS

At least four Board Meetings shall be held in a year. The maximum time gap between any two meetings shall not be more than one hundred and twenty days. The minimum information to be statutorily made available to the Board pursuant to the applicable Guidelines and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the SEBI Listing Regulations**") and other information / documents relevant for enabling the Board for taking decisions on business and growth of the Company on sound lines shall be furnished to the Directors before or at the Board Meeting, as per prescribed norms.

D. CODE OF CONDUCT

The Board has laid down Code of Conduct for Board Members and for Senior Management and Employees of the Company ("**Code**"). The Board has also adopted a Code of Conduct for Independent Directors pursuant to section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company. These Codes are hosted on the Company's website at www.crest.co.in.



4. COMMITTEES OF THE BOARD

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board shall constitute a set of Committees with specific terms of reference/ scope.

The Committees shall operate as per their Terms of Reference as regulated and mandated or any other issue referred to by the Board.

In compliance with the applicable provisions of the Companies Act, RBI guidelines on Corporate Governance and in order to meet business exigencies, the Company has constituted several committees.

5. DETAILS OF THE VARIOUS COMMITTEES ARE AS UNDER:

I. AUDIT COMMITTEE:

Sr. No.	Particulars	Details
1.	Composition	<p>The composition of the Audit Committee of the Company shall be in accordance with the Guidelines on Corporate Governance issued by the RBI and the requirements of Section 177 of the Act and the Rules framed thereunder and Regulation 18 of the SEBI Listing Regulations, as amended from time to time.</p> <p>The updated composition of the Audit Committee of the Company shall be available on the website of the Company</p>
2.	Meetings	<p>The Audit Committee shall meet at least 4 (Four) times in a year and not more than 120 days shall elapse between the two meetings.</p> <p>The Audit Committee shall, at its discretion, meet with management, the internal and/or statutory auditor and any other such executives, as deemed fit by it.</p>
3.	Quorum	<p>The quorum for the Audit Committee Meeting shall either be two members or one third of the Members of the Audit Committee, whichever is greater, with presence of atleast two Independent Directors.</p>
4.	Terms of Reference	<p>The Terms of Reference of the Audit Committees shall be determined by the Board from time to time.</p>



II. NOMINATION AND REMUNERATION COMMITTEE:

Sr. No.	Particulars	Details
1.	Composition	<p>The composition of the Nomination and Remuneration Committee (“NRC”) shall be in accordance with the Guidelines on Corporate Governance issued by the RBI and the requirements of Section 178 of the Companies Act and the Rules framed thereunder and Regulation 19 of the SEBI Listing Regulations, as amended from time to time.</p> <p>The updated composition of the NRC of the Company is and shall, if amended by the Board from time to time, be available on the website of the Company.</p>
2.	Meetings	The meeting of the Committee shall be held at such regular intervals as may be required and at least once in a year.
3.	Quorum	The quorum for meeting of NRC shall be either two members or one third of the members of the NRC, whichever is greater, including at least one independent director in attendance.
4.	Terms of Reference	The Terms of Reference of the NRC shall be determined by the Board from time to time.

III. RISK MANAGEMENT COMMITTEE:

Sr. No.	Particulars	Details
1.	Composition	<p>The composition of (“RMC”) shall be in consonance with Regulation 21 of the SEBI Listing Regulations and in accordance with the Guidelines on Liquidity Risk Management Framework issued by RBI, as amended from time to time.</p> <p>The updated composition of the RMC of the Company is and shall, if amended by the Board from time to time, be available on the website of the Company.</p>
2.	Meetings	The meeting of the Committee shall be held at such regular intervals as may be required by committee members from time to time and at least twice in a year.
3.	Quorum	The quorum for meeting of RMC shall be either two members or one third of the members of RMC, whichever is greater including atleast one member of Board of Directors in attendance
4.	Terms of Reference	The Terms of Reference of the RMC shall be determined by the Board from time to time.



IV. ASSET LIABILITY MANAGEMENT COMMITTEE:

Sr. No.	Particulars	Details
1.	Composition	The composition of Asset Liability Management Committee (“ALMC”) shall be in consonance with the Guidelines on Liquidity Risk Management Framework issued by RBI, as amended from time to time. The updated composition of the ALMC of the Company is and shall, if amended by the Board from time to time, be available on the website of the Company.
2.	Meetings	ALMC shall meet as and when required, as may be mentioned in the respective policy.
3.	Quorum	The quorum for meeting of ALMC shall be at least two members.
4.	Terms of Reference	The Terms of Reference of the ALMC shall be determined by the Board from time to time.

V. CORPORATE SOCIAL RESPONSIBILITY (“CSR”) COMMITTEE

Sr. No.	Particulars	Details
1.	Composition	The composition of Corporate Social Responsibility Committee (“CSR Committee”) shall be in conformity with the requirements laid down under the Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”). The updated composition of the CSR Committee of the Company is and shall, if amended by the Board from time to time, be available on the website of the Company.
2.	Meetings	CSR Committee shall meet as and when required, but at least once in a year.
3.	Quorum	The quorum shall be either two members or one third of the members of the CSR Committee whichever is higher.
4.	Terms of Reference	The Terms of Reference of the CSR Committee shall be determined by the Board from time to time.



VI. STAKEHOLDERS RELATIONSHIP COMMITTEE

Sr. No.	Particulars	Details
1.	Composition	<p>The composition of Stakeholders Relationship Committee (“SRC”) shall be in compliance with the provisions of section 178(5) of the Companies Act, 2013 and the Rules framed thereunder and Regulation 20 of the SEBI Listing Regulations, as amended from time to time.</p> <p>The updated composition of the SRC Committee of the Company is and shall, if amended by the Board from time to time, be available on the website of the Company.</p>
2.	Meetings	SRC shall meet as and when required, but at least once in a year.
3.	Quorum	The quorum for meeting of SRC shall be at least two members.
4.	Terms of Reference	The Terms of Reference of the SRC Committee shall be determined by the Board from time to time.

VII. MANAGEMENT COMMITTEE:

Sr. No.	Particulars	Details
1.	Composition	<p>The composition of Management Committee shall be as decided by the Board from time to time.</p> <p>The updated composition of the Management Committee of the Company is and shall, if amended by the Board from time to time, be available on the website of the Company.</p>
2.	Meetings	Management Committee shall meet as and when required, but at least once in a year.
3.	Quorum	The quorum for meeting of Management Committee shall be at least two members.
4.	Terms of Reference	The Terms of Reference of the Management Committee shall be determined by the Board from time to time.



6. FIT AND PROPER CRITERIA FOR DIRECTORS:

The Board of CVL shall adopt a mechanism with regards to ascertaining the “Fit and Proper” criteria of Directors at the time of their appointment and on continuing basis and evaluation of their performance at least once a year. This Policy is to ensure that the Directors of the Company who are responsible for steering the affairs of the Company are fit and proper, besides having the necessary qualifications.

“Fit and Proper” criteria for the Directors of CVL has been framed as required under “Revised Regulatory Framework for NBFC” issued by the Reserve Bank of India (“RBI”) vide its circular no. RBI/2014- 15/299 DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 (“RBI Circular”).

A) PURPOSE/ OBJECTIVE:

The Objective and purpose of this policy is:

- This Policy intends to establish a system/process in place for undertaking due diligence of persons before appointing them on the Board and on continuing basis by ascertaining their suitability for the post on basis their qualifications, technical expertise, track record, integrity etc.;
- The Candidate at the time of appointment and at the time of the renewal of Directorship shall fill in such form as approved by NRC to enable the Committee undertake such exercise of ensuring the ‘Fit and Proper Criteria’;
- To frame fit and proper standards and measures for the Directors and lay down the internal procedures for the implementation of the said standards and measures in order to comply with above said RBI Circular;
- To ensure that each director to be appointed or already appointed understands, the fit and proper criteria policy and their obligation to continue to meet the fit and proper requirements on an on-going basis.

The NRC shall:

- review the appointment/ re-appointment of Directors considering their qualifications, expertise, track record, integrity and other ‘fit and proper’ criteria;
- put in place objective of ascertaining the fit and proper criteria to an internal supervisory process on a continuing basis;
- determine the suitability of the person for appointment/ continuing to hold appointment as a Director on the Board of the Company as per the indicative criteria set out in Annexure-I to this Policy;
- undertake such due diligence exercise at the time of appointment of the directorships of the incumbent;



- to comply with the above, the necessary information and declaration from the proposed/ existing Directors shall be obtained in the format given at Annex-2 to the RBI Circular or such other format (where applicable) which may be prescribed for the aforesaid purpose by RBI from time to time. The Declaration and Undertaking shall be obtained from the directors within the timeline specified by the RBI;
- ensure in public interest that the nominated/ elected directors execute the deeds of covenants in the format given in Annex-3 to the RBI Circular or such other format (where applicable) which may be prescribed for the aforesaid purpose by RBI from time to time. The Director Covenant in respect of the directors on the Board shall be executed between the Company and such directors within the timeline specified by RBI;
- Without limiting the generality of the foregoing paragraphs:
 - the age limits with reference to the appointment of Independent/Non-Executive Directors, shall be in accordance to the provisions of Companies Act, 2013 and the Rules contained thereunder; and
 - no person will be considered for appointment as a director if such person is disqualified to act as director under any other applicable law.
- ensure that the person either:
 - has no conflict of interest in performing such person's duties as a director on the Board; or
 - if the person has a conflict of interest, it would be prudent to conclude that the conflict will not create a material risk that the person will fail to perform such person's duties properly and adequate disclosures are made by the person in this regard.
- shall scrutinize each Declaration and Undertaking received and after considering the information provided, decide on and recommend to the Board the acceptance or otherwise of the potential new directors or existing directors whose appointment is to be continued or renewed, as the case may be.

B) ANNUAL DECLARATION:

The Company shall require every director on the Board to annually provide not later than March 31, a simple declaration which either confirms that the information already provided to the Board in the Declaration and Undertaking has not undergone any change or where there is any change, specifies the requisite details of such change. Any declarations which indicate a change in the information provided in the original Declaration and Undertaking shall also be scrutinized by the NRC and the NRC shall keep the Board apprised of any such changes.



C) DISCLOSURE AND TRANSPARENCY:

The Company shall make the disclosures required to be made under the Guidelines on Corporate Governance issued by the RBI and such other laws and regulations as may be applicable to the Company from time to time. The Board of Directors of the Company or such other person authorized by the Board shall put at regular intervals in this regard:

- a) The progress made in putting in place a progressive Risk Management System and Risk Management Policy and Strategy followed by the Company;
- b) 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.;
- c) Disclosures in the Annual Financial Statements information as may be prescribed under the RBI Regulatory Framework from time to time.

D) ROTATION OF PARTNER(S) OF THE STATUTORY AUDITORS

The Board and the Audit Committee of the Company shall be responsible to appoint Statutory Auditors who demonstrate professional ability and independence. The Company shall review the independence and performance of the Statutory Auditors and the effectiveness of the audit process periodically. Declaration shall be obtained from the Auditors affirming their eligibility for being appointed as the Statutory Auditors of the Company.

The Company shall rotate the partner(s) of the Chartered Accountant Firm conducting the statutory audit of the Company, so that same partner does not conduct audit of the company continuously, in accordance to the provisions of Companies Act, 2013 and the Rules contained thereunder. 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. Further, the Company shall incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.

E) COMPLIANCE OFFICER

The Board of Directors shall designate a Compliance Officer to ensure compliance with applicable laws.

7. REVIEW AND AMENDMENTS:

The Board shall adopt such policies, as may be required to adopt under the such laws and regulations as may be applicable to the Company. The Board may also, establish further rules and procedures, from time to time or substitute any of the provision(s) with the new provision(s) or replace the policy(s) entirely with a new policy(s). The Policies adopted shall be reviewed by the Board from time to time.

Following is the list of current policies framed and adopted by the Board:

- Code for Insider Trading Policy
- Corporate Social Responsibility Policy
- Nomination and Remuneration Policy
- Policy for Determining Material Subsidiary
- Policy on Materiality of Related Party Transactions
- Whistle Blower Policy
- Documents Retention and Archival Policy
- Group Company Policy
- Determination and Disclosure of Materiality of Events Policy
- Directors Code of Conduct
- Senior Management Employees Code of Conduct
- Independent Directors Familiarisation Programme
- Independent Directors Compliance
- Asset Liability Management Policy
- Information Technology Policy
- Ombudsman Procedure
- Redress of Grievances related to Outsourced Services
- Policy on Risk Management
- Internal Guidelines on Corporate Governance
- Know Your Customer and Anti Money Laundering Policy (KYC & AML Policy)
- Fair Practices Code
- Investment Policy
- Policy on grant of Loans and Credit
- Interest Rate Policy



➤ Board Diversity Policy.

8. DISSEMINATION OF POLICY:

This policy shall be hosted on the intra-net and website of the Company and a web link thereto shall be provided in the annual report of the Company.



ANNEXURE-I

The indicative criteria for determining the 'fit and proper' criteria that the NRC shall consider to nominate a potential candidate for appointment/ re-appointment as a director on the Board are:

- Educational Qualification;
- Experience and field of Technical Expertise;
- Age Limit shall be in accordance to the provisions of Companies Act, 2013 and the Rules contained thereunder;
- Relevant Background and Integrity;
- Potential conflicts of Interest and Independence;
- Relevant records of professional Achievements;
- Legal Proceedings, if any, against the Candidate/ Director;
- Terms and Qualifications prescribed under other RBI Directives, Act or any other Statute as may be applicable;
- Signed Deeds and/ Declarations submitted by the Candidate/Director.