

Grievance Redressal Policy of Finstars Capital Limited

Overview

Customer service is extremely important for sustained business growth and, as an organization, Finstars Capital Limited (“Company”) strives to ensure that our customers receive exemplary service across all touch points.

Purpose

Customer complaints constitute an important voice of the customer. This policy details the complaint-handling process through a structured Grievance Redressal Framework. The grievance redressal process is supported by a review mechanism to minimize recurrence of similar issues in the future and to ensure continuous improvement in customer experience.

Principles of the Policy

- Customers are treated fairly and with respect.
- Complaints raised by customers are dealt with courtesy, transparency, and within defined timelines.
- Customers are informed of the avenues to escalate their complaints within the organization and of their rights if they are not satisfied with the resolution.
- Employees are expected to act in good faith and without prejudice towards the interests of the customers.

Internal Machinery to Handle Customer Complaints

The Company has developed a robust Customer Relationship Management (CRM) system to ensure timely resolution of customer grievances. The system records all complaints, tracks them against defined Turnaround Times (TATs), and escalates unresolved cases as per the escalation matrix. The Customer Service Department will be responsible for resolving customer complaints to their satisfaction within a period of seven (7) working days. Every effort will be made to provide customers with suitable and appropriate alternate solutions wherever possible. If a customer remains dissatisfied with the resolution, they may escalate the issue as per the Grievance Redressal Mechanism outlined below.

Time Frame

- All complaints will be acknowledged promptly upon receipt.
- The Company shall endeavour to resolve all complaints within seven (7) working days, depending on the complexity of the issue.

Registered Office:

701,7th Floor, Pinnacle Business Park, Opp. Royal orchid, Prahladnagar Auda Garden, Ahmedabad-380015, Gujarat Mobile No: 9998001396 Phone No: +91 79 48472300/2/3/4/5 Fax No: +91 79 4030 3249

Email Id: cs@finstarscapital.com CIN: U65100GJ1989PLC112111



- In case of any delay, customers will be informed of the reason and expected time for resolution.

Review and Monitoring

The Company shall conduct periodic reviews of complaints, their nature, frequency, and TAT adherence. Such reviews will help identify process gaps, if any, and implement corrective measures to enhance the overall customer experience.

Touch Points

Customers can raise concerns or queries pertaining to the Company's loan products, repayment schedules, processing fees, or any other service-related issues through the following channels:

Voice Support – Customers may contact our Customer Care at +91 9316629394, 8401515999 between 09:00 AM to 7:00 PM, Monday to Saturday.

Email Support – Customers may write to us at info@finstarscapital.com (Please mention your loan account number and registered contact number in the email).

The Company aims to respond to all emails within 7 business days. In certain cases, a longer time may be required depending on the complexity of the issue.

Escalation Matrix

Level 1 – Grievance Redressal Officer

If the customer is not satisfied with the initial resolution, the matter may be escalated to the Grievance Redressal Officer.

Grievance Redressal Officer – **Mr. Manish Pancholi**

Email: info@finstarscapital.com

Tel: **+91 9316629394, 8401515999**

Address: 701, 7th Floor, Pinnacle Business Park, Prahaladnagar, Ahmedabad -380015.

The Grievance Redressal Officer shall endeavour to resolve the grievance within seven (7) working days from the date of receipt.

Level 2 – Nodal Officer

If the customer does not receive a response from the Grievance Redressal Officer within seven (7) days or is not satisfied with the response, the matter may be escalated to the Nodal Officer.

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Nodal Officer – Mr. Barun More
Email: bm25121979@gmail.com
Tel: **+91 9316629394,9998001396**
Address: 701, 7th Floor, Pinnacle Business Park, Prahaladnagar, Ahmedabad -380015.

Complaints to the Ombudsman

If the customer does not receive a response from the Grievance Redressal Officer or the Nodal Officer within one month from the date of complaint, or if dissatisfied with the response, they may approach the Ombudsman in accordance with the “Reserve Bank – Integrated Ombudsman Scheme, 2021”.

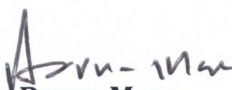
Address of Ombudsman Office:
Officer-in-Charge,
Department of Non-Banking Supervision,
Reserve Bank of India,
Near Gandhi Bridge, Income Tax Circle, Ashram Road, Ahmedabad - 380014
Phone: 079-27540955

A copy of the Ombudsman Scheme is available on the RBI website (www.rbi.org.in) and also on the Company’s website.

Policy Review

This Policy shall be reviewed periodically or as and when required by regulatory changes to ensure its continued effectiveness and alignment with the guidelines issued by the Reserve Bank of India (RBI).

For Finstars Capital Limited


Mr. Barun More
Director
Date: 30/05/2022



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The Reserve Bank- Integrated Ombudsman Scheme, 2021

Salient Features

In order to provide a system for redressal of complaints of the customers the Reserve Bank of India (RBI) has launched an “**Integrated Ombudsman Scheme, 2021**” (hereinafter referred to as “**the Integrated Scheme**”) for resolving customer grievances in relation to services provided by entities regulated by Reserve Bank of India in an expeditious and cost-effective manner.

The Scheme emphasizes on strengthening the grievance redress mechanism for consumers of various services provided by the RBI regulated entities. The Scheme adopts ‘One Nation One Ombudsman’ approach by making the RBI Ombudsman mechanism jurisdiction neutral.

The salient features of the Scheme are as under:

- It will no longer be necessary for a complainant to identify under which scheme he/she should file complaint with the Ombudsman.
- The Scheme defines ‘deficiency in service’ as the ground for filing a complaint, with a specified list of exclusions. Therefore, the complaints would no longer be rejected simply on account of “not covered under the grounds listed in the scheme”.
- The Scheme has done away with the jurisdiction of each ombudsman office.
- A Centralised Receipt and Processing Centre have been set up at RBI, Chandigarh for receipt and initial processing of physical and email complaints in any language.
- The responsibility of representing the Regulated Entity and furnishing information in respect of complaints filed by customers against the Regulated Entity would be that of the Principal Nodal Officer in the rank of a General Manager in a Public Sector Bank or equivalent.
- The Regulated Entity will not have the right to appeal in cases where an Award is issued by the ombudsman against it for not furnishing satisfactory and timely information/documents.

The Executive Director in charge of the Consumer Education and Protection Department of RBI would be the Appellate Authority under the Scheme. In accordance with paragraph 18 of the Scheme, we intend to ensure that our customers are aware of the purpose of the Scheme and the remedies available under it. The Integrated Scheme can be accessed [here](#).

Which complaints are not maintainable?

No complaint for deficiency in service shall be maintainable under the Scheme in matters involving:

- (1) No complaint for deficiency in service shall lie under the Scheme in matters involving:
 - commercial judgment/commercial decision of a Regulated Entity;
 - a dispute between a vendor and a Regulated Entity relating to an outsourcing contract;
 - a grievance not addressed to the Ombudsman directly;
 - general grievances against Management or Executives of a Regulated Entity;
 - a dispute in which action is initiated by a Regulated Entity in compliance with the orders of a statutory or law enforcing authority;
 - a service not within the regulatory purview of the Reserve Bank;
 - a dispute between Regulated Entities; and
 - a dispute involving the employee-employer relationship of a Regulated Entity.
- (2) A complaint under the Scheme shall not lie unless:
 - The complainant had, before making a complaint under the Scheme, made a written complaint to the Regulated Entity concerned and –
 - (i) the complaint was rejected wholly or partly by the Regulated Entity, and the complainant is not satisfied with the reply; or the complainant had not received any reply within 30 days after the Regulated Entity received the complaint; and



- (ii) the complaint is made to the Ombudsman within one year after the complainant has received the reply from the Regulated Entity to the complaint or, where no reply is received, within one year and 30 days from the date of the complaint.

• **The complaint is not in respect of the same cause of action which is already-**

- (i) pending before an Ombudsman or settled or dealt with on merits, by an Ombudsman, whether or not received from the same complainant or along with one or more complainants, or one or more of the parties concerned;
- (ii) pending before any Court, Tribunal or Arbitrator or any other Forum or Authority; or, settled or dealt with on merits, by any Court, Tribunal or Arbitrator or any other Forum or Authority, whether or not received from the same complainant or along with one or more of the complainants/parties concerned;
- the complaint is not abusive or frivolous or vexatious in nature;
 - the complaint to the Regulated Entity was made before the expiry of the period of limitation prescribed under the Limitation Act, 1963, for such claims;
 - the complainant provides complete information as specified in clause 11 of the Scheme;
 - the complaint is lodged by the complainant personally or through an authorised representative other than an advocate unless the advocate is the aggrieved person.

Explanation 1: For the purposes of sub-clause (2)(A), 'written complaint' shall include complaints made through other modes where proof of having made a complaint can be produced by the complainant.

Explanation 2: For the purposes of sub-clause (2)(b)(ii), a complaint in respect of the same cause of action does not include criminal proceedings pending or decided before a Court or Tribunal or any police investigation initiated in a criminal offence.

How can a customer lodge a complaint?

Complaints can continue to be filed online on <https://cms.rbi.org.in>.

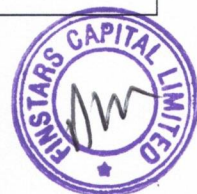
Complaints can also be filed through the dedicated e-mail "crpc@rbi.org.in" or sent in physical mode to the 'Centralised Receipt and Processing Centre' set up at Reserve Bank of India, 4th Floor, Sector 17, Chandigarh – 160017 in the format. Additionally, a Contact Centre with a toll-free number – 14448 (9:30 am to 5:15 pm).

A copy of the Scheme is available on the RBI website and on the CMS portal (<https://cms.rbi.org.in>). FINSTARS CAPITAL LIMITED, being a Non-Banking Financial Company, has also displayed the Integrated Ombudsman Scheme. The Scheme is effective from 12th November 2021. For any further details on complaint handling procedure, complaint form, etc., customer may refer to scheme displayed at its website.

Name and Contact details of the Principal Nodal Officer of the Company

Name	Office Address	Contact Number	Email id
Mr. Barun More	Regd. Office: 701 7th Floor, Pinnacle Business Park, Opp. Royal Orchid, Prahladnagar, Ahmedabad-380015	9316629394	Info@finstarscapital.com

Refer to <https://finstarscapital.com> and www.rbi.org for further details of the Scheme



**Policy on Prevention, Prohibition and Redressal of Sexual Harassment
at Workplace**

(POSH Policy)

Date of approval by the Board of Directors : April Month, 25th Day, 2024



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701 7th Floor, Pinnacle Business Park, Corporate Road, Prahaladnagar Auda Garden, Ahmedabad -380015 Gujarat

Mobile No. +91 93166 29394 • **Phone No.** +91 079 – 47651701

Email: info@finstarscapital.com • **CIN:** U65100GJ1989PLC112111

Document Identification Information

Document Name	Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace (POSH Policy)
No of Pages	11
Process owner	Internal Complaints Committee (ICC)
Recommended by	Additional Director; Mr. Miteshan Agarwal & Company Secretary (CS); Nikita Bhatia
Approving Authority	Board of Directors
Review Frequency	At least once a year or if significant changes occur to ensure its continuing suitability, adequacy, and effectiveness
Regulatory/Internal Circular Clause	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Implementation Details :

<u>Author</u>	<u>Reviewer</u>	<u>Version No</u>	<u>Effective Date</u>	<u>Description</u>
ICC	Board of Directors	1.2	25/04/2024	Changes in the Policy

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POLICY ON PREVENTION OF SEXUAL HARASSMENT (POSH POLICY)

This policy (hereinafter "the Policy") has been framed in accordance with the provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and rules framed thereunder (hereinafter "the Act"). Consequently, the Policy covers all the key aspects of the Act, however, for any further clarification, reference shall always be made to the Act and in the event of any conflict between the Policy and the provisions of the Act, the provisions of the Act shall prevail.

I. COMMITMENT

FCL is committed to create a secure work environment where all its stake holders such as Employees, Agents, Vendors and Partners can work and pursue business in an atmosphere free from any sexual harassment, exploitation and intimidation.

The policy aims at ensuring that all employees maintain appropriate standards of business and personal conduct with colleagues, clients and with the public at large. These policy guidelines will be subordinate to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the Rules passed there under.

The objective of this policy is to provide protection against Sexual Harassment of women at workplace.

II. SCOPE

The scope of this policy extends to all offices, branches, departments, units, project locations, as well as external locations used for work carried out by the Company and shall include any place visited by the employee in the course of employment including transportation provided by the employer for undertaking such journey.

Policy on "**Prevention of Sexual Harassment**" (POSH Policy) extends to all the employees of the Company, including those employed on a regular or temporary basis, ad-hoc or daily wage basis, either directly or through an agent, including a contractor, with or without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis with or whether the terms of employment are expressed or implied, and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name.

III. DEFINITION

a) "Aggrieved Person" means a person in relation to work place whether employed or not, who alleges to have been subject to any act of sexual harassment by the Respondent.

b) "Company" means 'Finstars Capital Limited, in short 'FCL'.

c) "Employee" means a person employed at a workplace for any work on a regular or temporary basis, ad-hoc or daily wage basis, either directly or through an agent, including a contractor, with or without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis with or whether the terms of employment are expressed or implied, and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name.

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d) "Employer" means Chairman and Managing Director of FCL or any other Officer declared as such in its service rules.

e) "FCL Internal Complaints Committee" (FICC) means a committee constituted by Company as per this policy.

f) "Respondent" means a person against whom the aggrieved person has made a complaint.

g) "Sexual Harassment" includes one or more of the following unwelcome acts or behaviour (whether directly or by implication) namely but not limited to:

- i. Physical contact and advances; or
- ii. a demand or request for sexual favours; or
- iii. making sexually coloured remarks; or
- iv. showing pornography or other offensive or derogatory pictures, cartoons, representations, graphics, pamphlets, or sayings; or
- v. any other unwelcome physical, verbal or non-verbal conduct of sexual nature;

In addition, the following acts circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behaviour of sexual harassment may amount to deemed sexual harassment:

- i. implied or explicit promise of preferential treatment in the employment;
- ii. Implied or explicit threat of detrimental treatment in the behaviour;
- iii. Implied or explicit threat about their present or future employment status;
- iv. Interfering with their work or intimidating or offensive or hostile work environment; humiliation treatment likely to affect their health or safety.
- v. humiliating treatment likely to affect the health and safety of the aggrieved person.
- vi. any other acts or behaviour, any reasonable person views as such

h) "Workplace includes all including all offices, branches, departments, units, project locations, as well as external locations used for work carried out by the Company and shall include any place visited by the employee in the course of employment including transportation provided by the employer for undertaking such journey.

i) Management : Management includes the person or board or committee responsible for formulation and administration of policies for the Company.

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IV. LEGAL BACKGROUND :

The Parliament of India enacted the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to lay down mechanisms for prevention of sexual harassment and redressal of Complaints, beside matters connected therewith or incidental thereto. This policy has been framed in accordance with the provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

V. RESPONSIBILITIES:

All employees of the Company have a personal responsibility to ensure that their behaviour is not contrary to this Policy concerning Sexual Harassment. All employees are encouraged to strengthen the maintenance of a work environment free from sexual harassment.

VI. INTERNAL COMPLAINTS COMMITTEE (FICC):

The Company has constituted an Internal Complaints Committee (ICC) in accordance with section 4 of the Act for redressal of sexual harassment complaint (made by the victim) and for ensuring time bound treatment of such complaints. The details of the committee members of ICC and changes therein will be notified from time to time.

The ICC comprises of:

1. Presiding Officer: A woman employed at a senior level in the organization or workplace.
2. At least 2 members from amongst employees, committed to the cause of women or who have had experience of social work or have legal knowledge.
3. One external member from amongst non-governmental organizations or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment.

Provided that at least one-half of the total Members so nominated shall be women.

The ICC will be responsible for:

1. Receiving complaints of sexual harassment at the workplace.
2. Initiating and conducting inquiry as per the established procedure.
3. Submitting findings and recommendations of inquiries.
4. Coordinating with the employer in implementing appropriate action.
5. Maintaining strict confidentiality throughout the process as per established guidelines.
6. Submitting annual reports in the prescribed format.

Currently, the ICC comprises of the following members.

Presiding Officer	Ms. Nikita Bhatia
Member	Mr. Miteshan Agarwal
Member	Ms. Sapna Patel
Member	Invited
External Member	Corporate Office :

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VII. COMPLAINT REDRESSAL MECHANISM

1. Any aggrieved person may make, in writing, a complaint of sexual harassment at workplace to FICC within a period of three months from the date of incident and in case of a series of incidents, within a period of three months from the date of last incident, which may further be extended for a period not exceeding three months by FICC by recording the reasons in writing, if circumstances were such which prevented the aggrieved from filing a complaint within the said period.
2. Provided that where such complaint cannot be made in writing, the Presiding Officer or any Member of FICC shall render all reasonable assistance to the aggrieved for making a complaint in writing.
3. Where the aggrieved employee is unable to make a complaint on account of their physical or mental incapacity or death or otherwise, (a) legal heir or friend; or (b) co-worker; or (c) an officer of the National Commission for Women or State Women's Commission; or (d) any person who has knowledge of the incident, with a written consent of the aggrieved women, legal representative; may make a complaint.
4. The FICC shall make a detailed inquiry into the complaint in accordance with the principles of natural justice.
5. The Complainant or person authorized on their behalf as per above provision, shall make a complaint to the FICC along with supporting documents and names and address of witnesses.
6. On receipt of such complaint, FICC shall provide a copy of such complaint along with supporting documents to the Respondent within 7 working days.
7. Respondent shall file reply to the complaint along with their list of documents, and names and addresses of witnesses, within a period not exceeding 10 ten working days from the date of receipt of the documents from FICC.
8. FICC shall investigate the complaint in detail by giving reasonable opportunities for both the parties. For the purpose of making an inquiry, under this policy, FICC have the power of a civil court, vested in it, in respect of:
 - a. Summoning and enforcing the attendance of any person and examining him under oath;
 - b. Requiring discovery and production of documents;
 - c. Any other prescribed matter.
9. During the enquiry process, the Complainant and the Respondent shall refrain from any form of threat, intimidation or influencing of Witnesses.
10. The Committee shall ensure confidentiality during the enquiry process and will ensure that sufficient care is taken to avoid any retaliation against the witnesses.
11. FICC shall have the right to terminate the enquiry or give ex-parte decision on the complaint, if the Respondent or complainant remains absent for 3 consecutive hearings, without sufficient cause, provided that such termination or ex-parte order may not be passed without giving a notice in writing, 15 days in advance, to the party concerned.

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12. The FICC must complete its investigation within a period of 90 days.
13. The Human Resource (HR) Department will extend full cooperation in facilitating to conduct the proceedings by the ICC.
14. The parties shall not be allowed to bring any legal practitioner to represent them in their case at any stage of the proceedings before the Internal Complaints Committee.
14. For conducting the enquiry, the quorum of the FICC shall be of 3 members including the presiding officer.
15. The FICC may before initiate an enquiry, and at the aggrieved party's request, attempt to settle the matter between them through conciliation. However, it shall ensure that:
- No monetary settlement made as a basis of conciliation.
 - Where a settlement has been arrived, the FICC record the settlement so arrived and forward the same to the employer HR to take action as specified in the recommendation. A copy of the same shall be provided to the aggrieved and the respondent. Where, a settlement is arrived as mentioned hereinabove, no further enquiry shall be conducted by the FICC.
16. During such enquiry, upon written request by the aggrieved person, the committee may at its discretion recommend:
- To transfer the aggrieved person or the respondent to any other workplace.
 - Grant leave to the aggrieved person, up to three months with salary which is in addition to leave to which he/she is otherwise entitled.

Provided, the aggrieved person has to tender justified reason for such transfer or leave, such as threat to work in the work place.

VIII. ACTIONS

- The committee shall on completion of the enquiry provide a report of its findings within 10 days from the date of completion of the enquiry to the Management and such report shall be made available to both Aggrieved and Respondent.
- If the allegation against the Respondent has not been proved, the Committee may recommend not to take any action in the matter.
- If the FICC arrives at the conclusion that the allegation against the Respondent has been proved, it shall recommend to the Management to consider sexual harassment as a misconduct and take action in accordance with the provisions of the Service Rules of the Company.
- Such action shall be taken within 60 days of the receipt of report.

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IX. FALSE ALLEGATIONS:

1. The complaint of sexual harassment made by any employee shall be taken up with utmost seriousness by Company. However, there shall be zero tolerance for any false accusation.
2. On inquiry, if the FICC comes to a conclusion that the allegation was made with malicious intent or the aggrieved person or any other person making the complaint on behalf of the aggrieved person produced false or forged or misleading documents to prove his/her case, the FICC may recommend to take action against the person who made the complaint as per Service Rules. In such a case, malicious intent has to be established after an enquiry in accordance with the procedure prescribed, before any action is recommended. A mere inability to substantiate a complaint or provide adequate proof would not attract action as provided herein. A similar recommendation for taking action would be recommended against any witness whom the FICC concludes, that he/she has given false evidence or produced forged or misleading documents.
3. The above provision is not to discourage employees from coming forward with complaints. FCL recognizes and expects certain claims may be difficult to prove or support, or may not in fact be found to raise to the level of seriousness deemed necessary to conclude as Sexual Harassment. Complaints falls under the above, shall not be considered to be false accusations.

X. EMPLOYER (MANAGEMENT OF THE ESTABLISHMENT) TO ENSURE:

- a) That in case there is a complaint against any of the FICC members, Management will have to reconstitute the FICC by removing from the FICC the member against whom there is complaint. In all cases, guidelines as defined by the above clauses would be exclusive of the time taken to reconstitute the said committee.
- b) The Management will provide assistance to the Complainant if she so chooses to file a police complaint in relation to the offence under the Indian Penal Code or any other law for the time being in force.
- c) The Management will also initiate action under the Indian Penal Code or any other law for the time being in force, against a perpetrator who is not an employee of the Establishment and there is complaint of Sexual Harassment against the said perpetrator in the workplace.
- d) The FICC will submit an annual report to the Management as outlined in the Act and the Management shall record the requisite information in the Company's Annual Report in the applicable format.
- e) The Management will assist in ensuring the attendance of the Respondent Employee and witnesses before the ICC as the case may be.
- f) The Management will monitor the timely submission of the reports. For this the Management will conduct periodic update meetings with the FICC and the HR department to ensure that the said policy is being implemented in letter and spirit.
- g) Provide safe working environment at the work place which shall include safety from persons coming into contact at work place.
- h) Display at a conspicuous place in the workplace the penal consequence of sexual harassment and the order constituting the Internal Committee.
- i) Organize workshop and awareness programs to educate women employees at regular intervals about the Act, Rules and relevant regulations.

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- j) Information regarding the constitution of ICC, details of email ID's, contact number of designated persons, procedure for submitting online complaints, rules, regulation and internal policies are to be made available on the website.

XI. APPEAL BY THE AGGRIEVED PERSON:

Any person aggrieved by any of the following may file an Appeal to the Managing Director of the Company (MD) or an official authorised by him:

- i) against the finding of the ICC that the allegations against the respondent has not been proved during the enquiry or
- ii) against the finding that the allegation is proved and that action for sexual harassment as misconduct should be taken as per service rules or for deduction of any sum from the salary of the respondent ,or
- iii) if the Management fails to implement the decisions based on the recommendations of the ICC, or
- iv) if the Management fails to recover from the Respondent the amount determined to be payable to the aggrieved employee or legal heir, or
- v) if the FICC concludes that the allegation of the aggrieved woman is malicious or the aggrieved woman has produced false evidence or forge documents, or
- vi) if the FICC arrived at a conclusion that during the enquiry any witness has given false evidence or produced any forged or misleading document, or
- vii) when persons entrusted with the duty to handle or deal with the complaint, the enquiry or recommendations, publish the contents of the complaint and the enquiry proceedings in contravention of S. 16 of the Act and are made liable for penalty for contravening S. 16 of the Act. An appeal shall be preferred by the aggrieved person to the Managing Director of the Company (MD) or an official authorised by him within 15 days from the receipt of the report of the FICC and such appeal shall be disposed off within 30 days from the receipt of the appeal by such authority. In case the aggrieved employee is not still satisfied by the outcome of the Appeal, he / she may proceed with legal action as provided under the Act or generally within a period of 90 days of the recommendations.

XII. AWARENESS:

All the Employees, Agents, Customers, Vendors, Partners and Visitors shall have access to this Policy at any given point of time and clarification related to this Policy shall be addressed by the Human Resource (HR) Department. The Company shall comply with all other details as set out under Section 19 of the Act to ensure that all employees are provided with the safe working environment at the workplace.

XIII. MISCELLANEOUS

1 Company with the approval of Competent Authority / Management may make any alteration or amendment or rescind any of the clauses of this Policy as and when it finds it necessary to do so as long as it complies the Act.

Corporate Office :

701 7th Floor, Pinnacle Business Park, Corporate Road, Prahaladnagar Auda Garden, Ahmedabad -380015 Gujarat

Mobile No. +91 93166 29394 • **Phone No.** +91 079 – 47651701

Email: info@finstarscapital.com • **CIN:** U65100GJ1989PLC112111

- 2 Any such alterations or amendment or rescinding will be intimated to the employees.
- 3 Nothing contained in these Policy shall operate in derogation of any law for the time being in force or to the prejudice of any right of any employee under any other Rules or Law.
- 4 The FICC shall prepare an annual report with the following details and shall submit the same to the Management to include in its annual report:
 - a. Number of Complaints of sexual harassment received during the year;
 - b. Number of complaints disposed of during the year;
 - c. Number of cases pending for more than 90 days;
 - d. Number of workshops or awareness program against sexual harassment carried out;
 - e. Nature of action taken by the employer.
5. The above Annual Report and the MIS should be prepared by the FICC and shall be submitted before the end of each financial year to the Senior Management of the Company.

VIX. CONCLUSION

- 1 Complaints relating to Sexual Harassment shall be handled and investigations will be conducted under the principles of natural justice, basis of fundamental fairness, in an impartial and confidential manner so as to protect the identity of all viz. the person filing the charge, potential witnesses, and the person accused of improper behaviour. Also, all efforts shall be taken to ensure objectivity and thoroughness throughout the process of investigation.
- 2 The identity and address of the aggrieved person, respondent and witnesses must not be published or disclosed to the public or media.
- 3 The decision of the Company shall be final and binding on all. However, the same is without prejudice to any recourse that Company or the individual concerned may have against the respondent and it shall not limit or restrict the rights of the Complainant and/or Company to pursue, nor shall they be precluded from pursuing, such further and other legal actions as may be available.

Note: The policy shall be overall governed by "The Sexual Harassment of Women at the Workplace (Prevention and Redressal) Act, 2013". Given below is a format to assist the aggrieved individual/victim/complainant in making a formal complaint to the Internal Complaints Committee (ICC).



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Annexure

Format of Complaint regarding Sexual Harassment at Workplace

To,
Finstars Capital Limited,
701, 7th Floor, Pinnacle Business Park,
Opp. Royal Orchid,
Corporate Road, Prahalad Nagar,
Ahmedabad, Gujarat-380 015.

Madam,

I am working as a _____ at _____ in the establishment. I am constrained to make a complaint of sexual harassment against _____ (full name, designation, place of work).

ADD THE DETAILS OF THE INCIDENT : on next Page (From Page No. 2 to ___)

I am making the above complaint for appropriate action as contemplated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and rules framed thereunder, and the Company's policy framed thereunder.

Dated this the _____ day of _____.

Yours faithfully,

(Signature)

Name, Status (Relationship) and
address of the Complainant.

Employee/Complainant on the bottom of every Page of the Complaint.

Page No : 1

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1



FinStars
Capital Limited

(Formerly Known as Gopalka Motor Finance Limited)

DELHI | KOLKATA | MUMBAI

FINSTARS CAPITAL LIMITED

KYC & AML POLICY

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1. BACKGROUND:

Finstars Capital Limited is the promoting NBFC institution. Finstars Capital Limited started its operations to provide financial services in its area of operations to the small scale businesses and individuals who are in need of capital.

With effect from March 06, 2020, Reserve Bank of India issued a certificate of Registration on shifting of Registered Office of the company i.e. Finstars Capital Limited (Non-Deposit taking NBFC) entity. All NBFCs are required to follow the Know Your Customer (KYC) Direction, 2016 issued and as amended from time to time by the Department of Banking Regulation, Reserve Bank of India.

Prevention of Money Laundering Act, 2002 (PMLA) is enacted to prevent money laundering and provides for confiscation of property derived from, or involved in money laundering. The Act initially came into force from July 1, 2005 and was amended vide the Prevention of Money Laundering (Amendment) Act, 2012 (PMLA) and by Ministry of Finance, Department of Revenue vide Gazette notification dated June, 01 2017.

Reserve Bank of India (RBI), the regulator for Banks and Non-Banking Financial Companies in India formulates guidelines on Anti Money Laundering (AML) / Know Your Customer (KYC) / Combating the Financial Terrorism (CFT) standards for banks and financial institutions, based on obligations of banks under PMLA, Recommendations made by the Financial Action Task Force (FATF) on AML / CFT, and the paper issued on Customer Due Diligence (CDD) for banks, by the Basel Committee on Banking Supervision. Securities and Exchange Board of India (SEBI), the regulator for financial intermediaries also issues guidelines on AML/KYC/CFT.

Financial Intelligence Unit-India (FIU-IND) (FIU) a Government of India body is primarily responsible for coordinating and strengthening efforts of national and international intelligence, investigation and enforcement in pursuing global efforts against money laundering and related crimes. Indian Banking Association, a voluntary association of banks in India also issues guidance / consultation papers on the subject of AML/KYC/CFT.

The company's policy on Know Your Customer (KYC) Norms / Anti-Money Laundering (AML) Measures / Combating the Financing of Terrorism (CFT) / Obligations is in line with the regulatory expectations and guidelines issued in this context issued by regulators and law agencies, from time to time.

2. OTHER APPLICABLE LAWS AND REGULATIONS

KYC / AML as a theme have been covered by various other regulations which would apply to Banks and NBFCs. The company would comply with the applicable guidelines related to AML / KYC / CFT and would also include requirements of various regulations issued from time to time.

3. SCOPE & OBJECTIVE OF THE POLICY

Scope

This Policy outlines the minimum general unified standards of internal KYC / AML control which would be adhered to by the company in order to mitigate the legal, regulatory, reputational, operational, and as a consequence financial risks.

Objectives

The objective of the guidelines is to prevent the company from being used, intentionally or unintentionally, by criminal elements for money laundering or terrorist financing activities. The Policy also enables the company to know / understand the KYC status of its Investors / Clients / Vendors and their financial dealings better, to manage risks including reputation.

4. KNOW YOUR CUSTOMER (KYC) / CUSTOMER DUE DILIGENCE (CDD) GUIDELINES

As per the mandate under PMLA, the company is required to obtain customer / investor information for performing all AML procedures. This serves as a critical element in effective management Money Laundering and Terrorist Financing (ML / TF) risks. As per the guidelines, the KYC / CDD measures include verification of the identity of the customers / investors and obtaining information on the purpose and intended nature of the business relationship, as the case may be.

The Policy would also ensure that a uniform standard procedure is followed while identifying investors.

4.1. CUSTOMER IDENTIFICATION & DUE DILIGENCE

Customer identification means identifying the customer / investor and verifying her / his identity, address and other requisite profile details by using reliable, independent source documents, data or information.

- i. The company would obtain documents and other information in respect of different categories of customers / investors depending on perceived risk and keeping in mind the requirements of PMLA and instructions / guidelines issued by regulators from time to time. The nature and extent of the due diligence shall depend on the risks perceived by the company.
- ii. The company would strictly adhere to the guidelines issued by regulators of obtaining valid documents for identification purpose;
- iii. A standard set of applicable identification documents for various categories of investors / customers is prepared and is part of KYC Manual. The KYC manual is enclosed with this policy as **Annexure I**
- iv. For customers / investors that are natural persons, the company shall obtain sufficient identification to verify the identity of the customer, her / his address / location, and also her / his recent photograph as per the instructions issued by

RBI through Know Your Customer (KYC) Direction, 2016, issued and as amended from time to time by the Department of Banking Regulation, Reserve Bank of India.

- v. For customers / investors that are legal persons or entities, the company shall
 - a. verify the legal status of the legal person / entities such as Trust / Society, Proprietorship Firm, Partnership, Private / Public Limited Company / Foreign Company through proper and relevant documents;
 - b. verify that any person purporting to act on behalf of the legal person / entity is so authorized and identify and verify the identity of that person;
 - c. understand the source of funds, ownership and control structure of the customer and determine who are the natural persons, who ultimately control the legal person.
- vi. The identity of the authorized signatories & the beneficial owners would be ascertained.

The company would take reasonable measures to identify the beneficial owner(s) of accounts / relations and verify her / his / their identity in a manner that it is satisfied that it knows who the beneficial owner(s) is / are. The beneficial owner is the natural person or persons who ultimately own, control or influence a customer and / or persons on whose behalf a transaction is being conducted. It also incorporates those persons who exercise ultimate effective control over a legal person or arrangement.

For the purpose of this sub-clause-

- a. "Controlling ownership interest" means ownership of / entitlement to more than 25 percent of the shares or capital or profits of the company.
- b. "Control" shall include the right to appoint majority of the Directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.
- c. Where the customer / investor is a partnership firm, the "beneficial owner" is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has / have ownership of / entitlement to more than 15 per cent of capital or profits of the partnership.
- d. Where the customer / investor is an unincorporated association or body of individuals, the "beneficial owner" is the natural person(s), who, whether acting alone or together, or through one or more juridical person, has / have ownership of / entitlement to more than 15 per cent of the property or capital or profits of the unincorporated association or body of individuals.

Explanation: Term 'body of individuals' includes societies, where no natural person is identified under (a), (b) or (c) above, the beneficial owner is the relevant natural person who holds the position of senior managing official.

- e. Where the customer / investor is a trust, the identification of beneficial owner(s) shall include identification of the author of the trust, the trustee, the beneficiaries with 15% or more interest in the trust and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

5. AML GOVERNANCE STRUCTURE & RISK MANAGEMENT MACHINERY

The Board of Directors of the company shall be ultimately responsible for effective implementation of its KYC / AML program. All employees shall ensure complete compliance with the Policy and all extant procedures.

Designated Director

The company shall appoint the WTD/MD as the 'Designated Director', to ensure overall compliance with the obligations under PMLA.

The company shall communicate the name, designation and address of the Designated Director to the Director, Financial Intelligence Unit – India (FIU-IND).

Principal Officer

The company shall appoint the WTD/MD or any other Senior Executive of the company as Principal Officer as per the requirements of PMLA who would be able to act independently and report directly to the senior management or to the Board of Directors.

The role and responsibilities of the Principal Officer shall include the following but not limited to:

- i. Overseeing and ensuring overall compliance with regulatory guidelines on KYC / AML issued from time to time and obligations under PMLA, rules and regulations made thereunder, as amended from time to time.
- ii. Review adequacy of AML systems and controls.
- iii. Monitoring of transactions, timely submission of various applicable reports & information to FIU-IND and regulators as per extant laws & regulations.
- iv. Close liaison with enforcement agencies, banks and any other institution which is involved in the fight against money laundering and combating the financing of terrorism.

Principal Officer and his team shall have timely access to AML / KYC / CFT related information in the company. Principal Officer's team shall formulate procedures and manuals related to their function, and the same shall also have mention of roles and responsibilities.

Escalation Process

All units / departments / offices /branches of the company shall escalate any identified suspicious activity or transaction to the Principal Officer, immediately after establishing reasonable grounds for suspicion. The Principal Officer shall report to the FIU-IND all suspicious activities / transactions in accordance with the PMLA rules, within 7 days from the date of arriving at such conclusion that any transaction, whether cash or non-cash, or a series of integrally connected transactions are of suspicious nature.

6. DATA MANAGEMENT & RECORD PRESERVATION

Section 12 of the PMLA, casts certain obligations on the Banking and Non-Banking Financial companies in regard to preservation and reporting of customer account information. The records and information shall be maintained and preserved by the company as per extant guidelines / laws, so that it can be retrieved easily and quickly whenever requested by internal competent authorities or regulators / government agencies. As per Rule 5 of PMLA, the company may maintain records of the identity of customers / investors, and records in respect of transactions of its customers in hard or soft format.

6.1. DATA MANAGEMENT AND REPOSITORY

The company shall preserve the KYC information / data of the customer including beneficial owners (wherever applicable) obtained while on boarding customer and during the course of business relationship, for at least 5 years after the business relationship is ended or account is closed, whichever is later.

The company shall have a system of maintaining and preserving all necessary information in respect of transactions, to permit reconstruction of individual transactions, including the following information but not limited to:

- i. the nature of the transactions;
- ii. the amount of the transaction and the currency in which it was denominated;
- iii. the date on which the transaction was conducted; and
- iv. the parties to the transaction.

As per SEBI guidelines, the company shall retain the following information of its customers/ investors in order to maintain a satisfactory audit trail:

- i. the beneficial owner;
- ii. the volume of the funds flowing; and
- iii. for selected transactions:
 - a. the origin of the funds;
 - b. the form in which the funds were offered or withdrawn, e.g. cheques, demand drafts etc.
 - c. the identity of the person undertaking the transaction;
 - d. the destination of the funds;
 - e. the form of instruction and authority.

The company shall retain certain records, e.g. customer identification, account files, and business correspondence, for periods which may exceed those required under the SEBI Act, Rules and Regulations framed there-under PMLA, other relevant legislations, Rules and Regulations or Exchange bye-laws or circulars.

In terms of the RBI master circular, records of all suspicious transactions, regulatory reports and due diligence / scrutiny conducted thereof shall be preserved for 10 years. As required by SEBI guidelines, in cases of records relating to on-going investigations or transactions which have been the subject of a suspicious transaction reporting, records would be retained until it is confirmed that the case has been closed.

The company shall co-operate with the regulators & designated law enforcement, local bodies and investigative agencies, as per extant laws and regulations.

7. EMPLOYEE HIRING / ACCOUNTABILITY

As one of the Human Resource functions, verifying identity of the potential employees (payroll / outsourced) and screening their names against negative / criminal lists would be carried out such that the risk of criminal, entering as employee can be minimized to a large extent by the company.

Employees would be expected to adhere to the stipulated procedures / responsibilities efficiently. Any indifferent or suspicious behavior of an employee(s) shall be dealt suitably by the company.

8. REVIEW

This policy would be reviewed annually taking into account the various amendments to guidelines and regulations (if any), Business models and would be placed to Board for their approval. However, if there are any substantial changes in the guidelines by regulators, before the annual cycle, the company would take necessary steps and review the policy.

9. CONFIDENTIALITY

The information in this policy is strictly confidential to the company and should not be disclosed to any other person. It may not be reproduced in whole, or in part, nor may any of the information contained therein be disclosed without the prior consent of the Designated Director or Director in pdf format.

Any form of reproduction, dissemination, copying, disclosure, modifications, distribution and / or publication of this material is strictly prohibited.

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FINSTARS CAPITAL LIMITED

RISK MANAGEMENT POLICY



INTRODUCTION

The Risk Management Policy of Finstars Capital Limited is a cornerstone of the business model of the company which aspires to fulfil its Mission, Vision and Values.

VISION

- To be the leader in SME, underserved and organised and unorganised sectors Finance in the country
- To maximise wealth.
- To create value for all stakeholders by building a profitable business providing financial access for housing, commercial space and business sustenance in hitherto underserved areas

VALUES

- To place the customer's interest first
- To be transparent and ethical in approach in all dealings
- To be sensitive towards social and environmental concerns
- To encourage teamwork, professionalism and a culture of learning & innovation

Non Banking Financial companies (NBFCs) form an integral part of the Indian financial system. NBFCs are required to ensure that a proper policy framework on Risk Management Systems with the approval of the Board is formulated and put in place.

The purpose of the Policy is to set out the broad risk guidance and guide the company in effectively supervising, monitoring and managing its Risks arise from Lending Portfolio and Market Volatility. The policy is framed to allow for sufficient flexibility in the management and oversight process while setting forth reasonable parameters to ensure prudence and care in the execution of its lending plan. The policy is consistent with the prescribed regulatory framework; however, in case of any contradiction, the regulatory requirement will prevail.

Risk Management system is a scientific process to be implemented by company to prevent company from known and unknown risks, either internal or external. The Board will from time to time review the current situations and bring necessary changes and risk mitigation process and procedures in place.

Any deviation from the policy would require approval by the Board.

GENERAL PROVISIONS

This Policy represents the basic standards of Risk Assessment to be followed by the Company. Changes in the Policy will become effective upon approval by the Board of Directors of the Company.



RISK MANAGEMENT

Risk management is a business facilitator by making more informed decision with balanced risk-reward paradigm. The Company shall follow a disciplined risk management process and has been taking business decisions, ensuring growth and balancing approach on risk reward matrix.

There are mainly three types of risk associated with our business which are detailed as under:

Credit Risk

A risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying his debt as per the agreed terms, is commonly known as risk of default.

Risk Mitigation

- Credit risk shall be managed using a set of credit norms and policies. The Company shall have defined roles and responsibilities for originators and approvers. All credit exposure limits shall be approved by authorized persons of the Company.
- There shall be a structured and standardized credit approval process to ascertain the credit worthiness of the borrower.
- The Company shall develop internal evaluation team to make credit decisions more robust and in line to manage collateral risk.
- The Company shall follow a process of time-to-time revisiting the credit policy and processes, on the basis of experience and feedback.

Operational Risk

Any eventuality arising from the act relating to people, technology, infrastructure and external factors, which can give rise to some type of loss in the organisation, is termed as Operational Risk. Majorly it is internal and unknown.

Issuance of clear operational guideline, vigilance on personnel, obtaining insurance for risks where available credit and general insurance where possible, ensuring adherence to guidelines, quick reconciliation of cash receipts, exchange of information with borrowers etc. are some of the measures to mitigate operational risks. Therefore, the persons responsible shall keep continuous watch and shall gather the symptoms/warning signals to manage Operational risk.

We have identified Title risk whereby Non-availability of legal and proper title deeds is the biggest stumbling block in providing loans against property to the borrowers. Even when formal titles have been issued and registered many of the property rights revert to informality as subsequent titles and transfers from inheritances are not documented in the registry. So abstention of paralegal documents and registration in Panchayat Records can mitigate this defect. Further formally registering these documents with the offices of Sub-registrar will bring such properties into the main foray of creation of tenure records with the govt authorities.



Market risk

This is majorly external market dynamics, which gives rise to Risks like Liquidity risk, Interest Rate risk and Funding risk. Liquidity risk is the inability to meet financial obligations in a timely manner and without stress. The Company shall resort to proper ways to manage such risks.

Any exposures taken on behalf of the client are ensured by the adequate margin based on the internal RMS process of the company. Additional margin calls are made in event of volatility and appropriate action to be taken by the dealing team as per the internal RMS process.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin.

Risk Mitigation

As a contingency plan the Company shall maintain sufficient approved but undrawn credit lines on a continuous basis as buffer to manage eventuality of liquidity constraints.

The Company shall be compliant in terms of regulatory norms and therefore shall effectively manage regulatory risk. Effective Customer redressal mechanism and fair practices shall keep legal risk under control.

The Company shall have processes in place, to manage the risk of fraud and the suspected frauds are reported, wherever necessary.

RISK ASSESSMENT OF BORROWERS

It is generally recognized that certain borrowers may be of a higher or lower risk category depending on the customer's background, type of business, our references, borrowers net worth and the ability to fund and pay interest etc. As such, based on the due diligence measures on risk sensitive basis each of the customers shall be divided in three categories HIGH, MEDIUM AND LOW which shall be reviewed every year. Initially, all the new clients are to be marked as high – risk category, however they may be subsequently recategorized depending on their performance based on our own experiences. The basic principle enshrined in this approach is that the concerned persons should adopt an enhanced customer due diligence process for higher risk customers. Conversely, a simplified customer due diligence process may be adopted for lower risk of categories of customers. In line with risk based approach, the type and amount of information and documents shall vary depending on the risk category of a particular borrower and should be collected from the client. The beneficial owners working should be done for all corporate clients and background check of all directors. In case of a borrower who subsequently has turned out to be a Politically Exposed person, proper risk management system should be put in place to determine the beneficial ownership from such clients or potential clients. Once we are privy to such publicly available information or the commercial electronic database of PEPs, we should seek additional relevant information from such client pertaining to ownership issues and other risks associated with such persons and take call whether such exposure to him or his company we should continue or terminate the relationship after giving notice in advance. As a policy without concurrence of top management, no such identified PEP account is to be granted loan.



BOARD OF DIRECTORS MEETINGS AND REVIEW

The Board of Directors, in their board meetings, will oversee the implementation of the system and review its functioning periodically.

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FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

FAIR PRACTICES CODE.

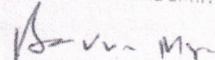
(In Terms Of Master Direction Dnbr.Pd.007/03.10.119/2016-17 Dated 1st September, 2016)

NOTE : THE COMPANY DOES NOT LEND ANY VEHICLE LOAN AND GOLD LOAN.

(i) APPLICATIONS FOR LOANS AND THEIR PROCESSING:

- (a) The Loan application forms will be in English - for all corporate and business class borrowers and also for individuals.
- (b) The Loan application form will be submitted in the vernacular language of the place where the office including branch office of the Company is situated in the event the individual borrower does not understand English.
- (c) Application form for loans will include necessary information which affects the Interest of the borrower; all the terms and conditions for loans to be advanced will be detailed in the application form itself.
- (d) The loan application form will indicate the documents required to be submitted for processing the application.
- (e) The Company will issue acknowledgment for receipt of all loan applications and such acknowledgement will also indicate the date within which the application will be disposed off which in normal case shall not exceed 30 working days from the date of receipt of the completed form.
- (f) The Company will inform in writing to the borrower by means of a sanction letter the amount of loan sanctioned and all the terms and conditions including annualized rate of interest and method of application thereof. The company will keep the acceptance of these terms and conditions by the borrower on its record. The loan shall be disbursed only on receipt of such acceptance.
- (g) Interest will be Charged as per loan agreement depending on categories of Borrowers. Interest rate will be revised in the event there is any upward revision in the rates by the regulator. Such changes and period will be communicated to the borrower by the lender.

FOR, FINSTARS CAPITAL LIMITED


DIRECTOR/ AUTHORISED SIGNATORY

Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006, West Bengal. **Mobile-** +91 99980 01396
Email : bm25121979@gmail.com **CIN :** U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

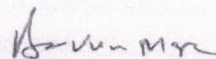
(ii) **DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS:**

- (a) The Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Any change in interest rates and charges shall be effective only prospectively. An express condition in this regard will be incorporated in the loan agreement.
- (b) Any decision to recall/accelerate payment or performance under the agreement will be in consonance with the loan agreement.
- (c) The company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim, the company may have against borrower. If such right of set off is to be exercised the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the company is entitled to retain the securities till the relevant claim is settled/paid.

iii) **GENERAL:**

- (i) The company will not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the lender).
- (ii) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- (iii) In the matter of recovery of loans, the company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- (iv) The Board of Directors of the company will constitute a grievance redressal committee comprising of one of the directors to resolve disputes arising in this regard. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

FOR, FINSTARS CAPITAL LIMITED



Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006, West Bengal. Mobile- +91 99980 01396
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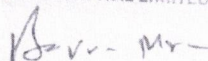
FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

- (v) The Company is not a NBFC-MFI company and therefore the clause is not applicable to the Company.
- (vi) At present the Company does not given loans against collateral of gold jewellery. However, the Company shall comply with Fair Practice Code in this regard as and when it starts lending against collateral of Gold Jewellery.
- a) **GRIEVANCE REDRESSAL POLICY:**
1. All grievance made by the customers will be recorded in the Register maintained by the Company which will be serially numbered and will be available at all times.
 2. All grievances even if discharged orally for the time being a written reply will be made duly appreciating their issues and the initiative by the company for addressing their issues.
 3. A Grievance Redressal meeting will be held at the end of every six month and all customers will be invited to the said meeting so that their grievances are heard for betterment of services to them.
 4. The grievance redressal officer will be available to hear the issues of all customers between 3.00 P.M. and 5.00 P.M. daily. In the event of him not being available the immediate senior officer in the Company will attend the customer.
 5. A Display Board will be kept at the Office of the Company which will show:

1	GRIEVANCES AT THE BEGINNING OF THE MONTH	NIL
2	GRIEVANCES RECEIVED DURING THE MONTH	NIL
3	GRIEVANCES RESOLVED DURING THE MONTH	NIL
4	GRIEVANCES AT THE END OF THE MONTH	NIL

FOR, FINSTARS CAPITAL LIMITED


DIRECTOR/ AUTHORISED SIGNATORY

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FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

(SPECIMEN)
LOAN APPLICATION FORM

(FOR CORPORATES)

To,
The Director,

Place:

Date:

Dear Sir,

We hereby apply for a loan of Rs. _____

Purpose of Loan _____

Name of the Company _____

Address _____

Date of Registration _____

Registration No _____

PAN No _____

Name of Directors _____

Address of Directors _____

PAN no of Directors _____

Nature of Business of Company _____

FOR, FINSTARS CAPITAL LIMITED

S. V. M. M. M.
DIRECTOR/ AUTHORISED SIGNATORY

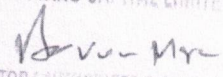
Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006, West Bengal. Mobile- +91 99980 01396
Email : bm25121979@gmail.com CIN : U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

- 8) PAN cards of Directors & Company
- 9) Detail report on projects
- 10) Photo of Directors
- 11) Initially Xerox copy of title deed if security is immovable property like land
- 12) Residential proof of Directors
- 13) Signature proof of directors from bank.
- 14) Other documents if any after processing above application.

FOR, FINSTARS CAPITAL LIMITED


DIRECTOR/ AUTHORISED SIGNATORY

Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006 ,West Bengal. **Mobile-** +91 99980 01396
Email : bm25121979@gmail.com **CIN :** U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

(SPECIMEN)

LOAN APPLICATION FORM

(FOR INDIVIDUALS)

To,

The xyz,

Place:

Date:

Dear Sir,

We hereby apply for a loan of Rs. _____

Purpose of Loan _____

Name of the Borrower _____

Address _____

Nationality

Residential Status

Religion

Date of Birth _____

PAN No _____

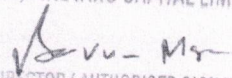
VOTER ID CARD NO _____

Occupation of the borrower

INCOME OF THE BORROWER AS PER FORM - 16 / IT RETURN _____

Nature of Securities to be provided _____

FOR, FINSTARS CAPITAL LIMITED


DIRECTOR / AUTHORISED SIGNATORY

Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006, West Bengal. Mobile- +91 99980 01396
Email : bm25121979@gmail.com CIN : U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

Details of Other loan availed _____

Details of Bank Accounts _____

I, _____ SON of _____
_____ do hereby declare that the information provided above are true and correct.

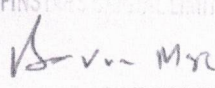
Signature _____

Documents required duly certified :

1. Request Letter for Loan stating the purpose
2. Xerox Copy of Pass Book for last Six Months
3. It return Copies for last 3 Years
4. Copy of Form - 16 in case of salaried person
5. Audited Balance sheet for last three years - for small traders
6. Proforma Balance Sheet - not older than 2 months .
7. PAN card
8. Voter I card
9. Adhar card (optional)
10. Photograph of the borrower
11. Initially Xerox copy of title deed if security is immovable property like land
12. Residential proof
13. Signature proof from bank.
14. Other documents if any after processing above application.

Acknowledgement

We acknowledge the receipt of loan application from _____
_____ which would be processed by us within 30 days of the date of this
acknowledgement.

FOR, FINSTARS CAPITAL LIMITED

AUTHORIZED SIGNATORY

Registered Office: Office no.5B, 232 Chitranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal
Jewellery, Kolkata-700006 ,West Bengal. **Mobile-** +91 99980 01396
Email : bm25121979@gmail.com **CIN :** U65100WB1989PLC046283

GRIEVANCE REDRESSAL POLICY:

1. All grievance made by the customers will be recorded in the Register maintained by the Company which will be serially numbered and will be available at all times.
2. All grievances even if discharged orally for the time being a written reply will be made duly appreciating their issues and the initiative by the company for addressing their issues.
3. A Grievance Redressal meeting will be held at the end of every six month and all customers will be invited to the said meeting so that their grievances are heard for the betterment of services to them.
4. The grievance redressal officer will be available to hear the issues of all customers between 3.00 P.M. and 5.00 P.M. daily. In the event of him not being available the immediate senior officer in the Company will attend the customer.
5. A Display Board will be kept at the Office of the Company which will show:

1	GRIEVANCES AT THE BEGINNING OF THE MONTH	NIL
2	GRIEVANCES RECEIVED DURING THE MONTH	NIL
3	GRIEVANCES RESOLVED DURING THE MONTH	NIL
4	GRIEVANCES AT THE END OF THE MONTH	NIL

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FINSTARS CAPITAL LIMITED
INVESTMENT POLICY



FINSTARS CAPITAL LIMITED

INVESTMENT POLICY

FINSTARS CAPITAL LIMITED
INVESTMENT POLICY

1. Introduction:

Finstars Capital Limited (hereafter called "The Company") being a NBFC-ND, has to be very cautious in making investment decisions and making use of the surplus funds.

Further as per the Notification issued by the Reserve Bank of India regarding NBFC Prudential Norms vide notification no. RBI/2015-16/13DNBR (PD) CC.No.043/03.10.119/2015-16 July 01, 2015(Updated as on April 11, 2016) and RBI/2012-13/37 DNBS (PD) CC No. 279 / 03.02.001 / 2012-13, all Non deposit taking NBFCs are required to frame an investment policy and implement the same.

Hence it becomes imperative for the company to have a prudent investment policy to safeguard the Company's funds and at the same time maximize income.

2. About the Policy:

This document lays down the policy of the Company and the guidelines to be adhered to while undertaking investment transactions for deployment of funds and advancing loans, placing short/ long term deposits with body corporate and Banks etc.

3. Objectives of the Policy:

The policy is framed with the following objectives: -

1. Effectively manage and invest the funds in the Permitted investments for the duration available.
2. Effectively manage and invest the other surplus funds which may be available comparatively for a longer period.
3. Effective management of interest rate risk by adopting certain maturity pattern, particularly when the funds are invested in Government Securities.
4. Effective Internal Control on the operations/execution of Investment Transactions.
5. Proper recording/accounting of the investment transactions.
6. Effective reporting of the Investment transaction to the Management

Surplus funds available for investment will be as far as possible deployed for the available duration in specific instruments or deployed in instruments which have high liquidity.

FINSTARS CAPITAL LIMITED
INVESTMENT POLICY

5. Investible Surplus:

Investible surplus is that amount which remains after all expenses and liabilities have been taken care of and therefore could be ploughed back into the business. Growth and business expansion is impossible without timely reinvestment and hence, any surplus should be dealt with appropriately.

6. Classification of investments:

Investments in securities shall be classified into current and long term, at the time of making each investment.

“Current Investment” means an investment which is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made.

“Long Term Investment” means an investment other than a current investment.

7. Finstars Investment policy

The Company shall make Investments in any of the following instruments as decided by the ~~Investment Committee~~ Board of Directors of the Company: -

1. Securities issued by the Central Government including Treasury Bills.
2. Securities issued by the State Governments
3. Securities issued by the Indian Financial Institutions
4. Term Deposits with Banks
5. Instruments issued by Government of India wholly owned Corporations with a rating of AA by CARE or P1 by CRISIL or equivalent rating by other rating agencies such as ICRA or D & P.
6. Mutual Funds – Debt Funds etc

Individual Product Guidelines

1. Central Government Securities including T Bills and State Government Securities: -

The decision as to which securities to invest in, depends upon the maturity and coupon rate of the security. If the investment is largely to meet statutory requirements, the Company shall avoid taking undue market risk and buy securities with shorter maturity. Within the shorter maturity range (say 5-10 years) the Company shall buy securities which are liquid, that is, securities which trade in relatively larger volumes in the market.

All investments shall be made in demat form only.

FINSTARS CAPITAL LIMITED
INVESTMENT POLICY

2. Corporate Debentures/CPs/Bonds

Investment shall be made subject to rating of P1 in the case of CPs and AA for debentures given by one of the rating agencies namely, CRISIL, ICRA, CARE or D & P.

3. Investments in units of Mutual Funds

Selection of Mutual Fund schemes in which the company shall invest depends on Past performance of the scheme, timing, and expense ratio of the fund and the NAV of the fund.

The maximum outstanding investment in units of debt schemes which includes, income, liquid, short term or any other such debt schemes should be within 30% of the corpus of the scheme as per last available fact sheet.

8. Accounting for Income from Investment:

- a. Income from bonds and debentures of corporate bodies and from Government securities/bonds may be considered on accrual basis:
Provided that the interest rate on these instruments is pre-determined and interest is serviced regularly and is not in arrears.
- b. Income on securities of corporate bodies or public sector undertakings, the payment of interest and repayment of principal of which have been guaranteed by Central Government or a State Government may be taken into account on accrual basis

9. Report to the Board:

~~The Investment Committee of the Company shall submit its report on the investment portfolio of the Company (including Nil report) on quarterly basis to the Board of Directors.~~

10.9. Policy Review:

The Investment Policy shall be reviewed by the Board once in every two years and make amendments if considered necessary.

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FINSTARS CAPITAL LIMITED
INVESTMENT POLICY

4. Authorization:

~~The Asset Liability Committee of the Management~~ The Board of Directors of the Company shall be responsible for determining the number of surplus funds that can be invested in the forms detailed in this policy. The duty and responsibility of utilizing the investible surplus to the maximum extent possible lies with the ~~Investment Committee constituted by the ALC~~ Board of Directors of the Company as given below:

~~The Investment Committee shall consist of 3 Members:~~

- ~~1. Vice President~~
- ~~2. Chief Finance Officer~~
- ~~3. Head of Treasury~~

~~The Vice President shall act as the Chairman of the committee.~~

The following activities shall be carried out by the Board of Directors of the Company responsibility of the ~~Investment Committee:~~

1. Fixing criteria for classifying the investments into current and long term investments,
2. Investment of funds as per the policy guidelines,
3. Day to day monitoring of Investment portfolio,
4. Disposal of securities and realization of proceeds and revenue dues,
5. Accounting of the Securities transactions and reconciliation thereof,
6. Review of portfolio as and when required.

~~The Investment Committee shall be fully authorized to invest the surplus funds of the company in any form of investment it considers to be beneficial to the company with in the framework approved by the Board of Directors.~~

~~The committee shall meet once in every Quarter to review the investment portfolio of the Company and the return earned by the company on the same, and make investment decisions as is considered necessary.~~

While making investment decisions, the following factors are to be taken into account-
The Investments should provide for:

- a. Liquidity
- b. Interest rate risk management
- c. Additional profits

FINSTARS CAPITAL LIMITED
INVESTMENT POLICY

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FINSTARS CAPITAL LIMITED

ANTI-SEXUAL HARRASSMENT POLICY

ANTI-SEXUAL HARASSMENT

POLICY

1. Introduction to the policy:

Finstars Capital Limited believes in equal employment opportunity. We do not tolerate verbal or physical conduct creating an intimidating, offensive, or hostile environment for employees. Harassment of any kind including sexual harassment is forbidden in the Company and every employee has the right to be protected against it.

We are committed to create a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company believes that all employees of the Company have the right to be treated with dignity.

The Anti Sexual Harassment Policy has been formed to prohibit, prevent and deter the commission of acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment.

2. Scope:

This policy is applicable to employees, workers, volunteers, probationer and trainees including those on deputation, part time, contract, working as consultants or otherwise (whether in the office premises or outside while on assignment). This policy shall be considered to be a part of the employment contract or terms of engagement of the persons in the above categories.

Where the alleged incident occurs to our employee by a third party while on a duty outside our premises, the Company shall perform all reasonable and necessary steps to support our employee.

3. What constitutes Sexual Harassment?

Sexual Harassment means such unwelcome sexually determined behavior (directly or through implication), like physical contact and advances by the employee(s) including:

A. Demand or request for sexual favors, sexually colored remarks, showing pornography, any other unwelcome physical conduct of sexual nature, lurid stares, physical contact or molestation, stalking, sounds, display of pictures, signs;

B. Eve teasing, innuendos and taunts, physical confinement against one's will;

C. A demand or request for sexual favors, whether verbally or non-verbally,

D. An act or conduct by a person in authority which makes the environment at workplace hostile or intimidating to a person or unreasonably interferes with the individual's privacy and productivity at work;

E. Verbal harassment of a sexual nature, such as lewd comments, sexual jokes or references, and offensive personal references; demeaning, insulting, intimidating, or sexually suggestive comments (oral or written) about an individual's personal appearance or electronically transmitted messages (Jokes, remarks, letters, phone calls);

F. Any other behavior which an individual perceives as having sexual overtones.

4. Redressal system:

If you are working for our Company and in the course of your work, you have been sexually harassed by anyone through means which are mentioned in Section 3.0, we urge you to come forward with a written complaint as early as you can. Your complaint will be taken seriously and confidentiality would be maintained by us in the matter. We will have zero tolerance towards such practices once they are proven.

A complaint with respect to sexual harassment may be made by a written or electronic application addressed to Grievance Cell Head. The Company may prescribe a format for filing complaints, which may be used by employees to make the process more efficient.

The Grievance Cell Head may administer a declaration form to verify that the contents of the complaint are true and genuine, before it proceeds further with the complaint. Where necessary (for example, when the complaint is incomplete), the complainant may be contacted to provide further details in relation to the complaint to enable the Grievance Cell Head to appreciate the situation more comprehensively.

The complaint must be given to the person specified above within 3 months of the occurrence (the complaint can be made within 6 months if the person is able to prove that there were some exceptional circumstances due to which complaint could not be made earlier) and we advise you to be vigilant and keep any document with you which can be used to substantiate an allegation. The redressal system will work based on other evidence if you cannot produce any documentary evidence.

If the complainant cannot make a written complaint because of physical or mental incapacity or death, the legal heirs can make the complaint on her behalf.

Redressal Mechanism:

Once the complaint is received by the Grievance Cell Head:

- i. The person who is accused by the complainant will be informed that a complaint has been filed against him (he will be made aware of the details of the allegation and also the name of the complainant as it would be necessary for proper inquiry) and no unfair acts of retaliation or unethical action will be tolerated.
- ii. The complainant has the opportunity to ask for conciliation proceedings by having communication with the accused in the presence of the Grievance Cell Head. Please note that in such conciliation the complainant cannot demand monetary compensation.
- iii. The Grievance Cell Head shall provide the copies of the settlement as recorded during conciliation to the aggrieved employee and the respondent.

If the matter has been settled by conciliation but the respondent is not complying with the terms and conditions, the aggrieved party can approach the Grievance Cell Head for Redressal.

The Grievance Cell Head will question both the complainant and the alleged accused separately. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily.

- iv. The Grievance Cell Head shall call upon all witnesses mentioned by both the parties.
- v. The Grievance Cell Head can ask for specific documents from a person if it feels that they are important for the purpose of investigation.
- vi. The complainant has the option to seek transfer or leaves so that the inquiry process can continue smoothly and to prevent recurrence of similar situations or discomfort to the complainant. Leave granted under this provision will be paid leave and will not be counted in the number of leaves that the complainant is statutorily entitled to. The complainant may be required to work from home, if it is practicable, keeping in mind the nature of work of the complainant, health and mental condition. However, the complainant is under a good faith obligation and shall not abuse the process to request unjustifiably long periods of leave, keeping in mind the economic effects of the leave to the organization. The Grievance Cell Head shall have the discretion to grant leave of an appropriate duration, depending on the facts and circumstances of the case, or grant an alternate measure such as transferring the employee or the accused, as it deems fit.

Where leave is granted to the complainant, the Grievance Cell Head shall make best attempts to ensure speedy completion of the inquiry process and to minimize adverse economic consequences to the Company arising out of the absence of the complainant from the workplace.

vii. The complainant and the accused shall be informed of the outcome of the investigation. The investigation shall be completed within 3 months of the receipt of the complaint. If the Investigation reveals that the complainant has been sexually harassed as claimed; the accused will be subjected to disciplinary action accordingly.

A. The report of the investigation shall be supplied to the employer, the accused and the complainant within 10 days of completion of the investigation.

B. The employer will act on the recommendations of the Grievance Cell Head within 60 days of the receipt of the report.

viii. The contents of the complaint made the identity and addresses of the aggrieved employee, respondent and witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the Grievance Cell Head and the action taken by the employer shall not be published, communicated or made known to the public, press and media in any manner.

C. Any party aggrieved by the report can prefer an appeal in the appropriate Court or Tribunal in accordance with the service rules within 90 days of the recommendation been given to the employer.

5. Disciplinary Action:

Where any misconduct is found by the Grievance Cell Head, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant.

If it is found out through evidence by the Grievance Cell Head that the complainant has maliciously given false complaint against the accused, disciplinary action shall be taken against the complainant as well.

Regardless of the outcome of the complaint made in good faith, the employee lodging the complaint and any person providing information or any witness, will be protected from any form of retaliation. While dealing with complaints of sexual harassment, the Grievance Cell Head shall ensure that the complainant or the witness are not victimized or discriminated against by the accused. Any unwarranted pressures, retaliatory or any other type of unethical behavior by the accused against the complainant while the investigation is in progress should be reported by the complainant to the Grievance Cell Head as soon as possible. Disciplinary action will be taken by the Grievance Cell Head against any such complaints which are found genuine.

This policy shall be disseminated to each employee of the company as well as new recruits who will have to acknowledge that they have read and understood the policy and that they shall abide by the policy.

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FinStars

Capital Limited

(Formerly Known as Gopalka Motor Finance Limited)

DELHI | KOLKATA | MUMBAI

FINSTARS CAPITAL LIMITED

OUTSOURCING POLICY

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1. **PREAMBLE:**

This Policy shall be termed as Outsourcing Policy of Finstars Capital Limited (FCL). The terms in this policy shall be considered as defined by the Reserve Bank of India in its various directions, guidelines as issued and may be issued from time to time and, or as defined herein below.

Outsourcing involves transferring a significant amount of management control and decision-making to the outside supplier. Buying products from another entity is not outsourcing or out-tasking, but merely a vendor relationship. Likewise, buying services from a provider is not necessarily outsourcing or out-tasking. Outsourcing always involves a considerable degree of two-way information exchange, coordination and trust.

Outsourced financial services include applications processing (loan origination), document processing, marketing and research, supervision of loans, data processing and back office related activities etc. Outsourcing business is often characterized by expertise not inherent to the core of the client organization.

2. **OUTSOURCING:**

Outsourcing may be defined as a Company's use of a third party (either an affiliated entity within a corporate group or an entity that is external to the corporate group) to perform activities on a continuing basis that would normally be undertaken by the Company itself, now or in the future. 'Continuing basis' would include agreements for a limited period. Reserve Bank of India has issued directions on Outsourcing of Financial Services by Non-Banking Financial Companies, facilitating adoption of sound and responsive risk management practices while outsourcing the activities.

The Company may outsource the following functions within the group/ conglomerate only:

- Internal Audit,
- Strategic and Compliance functions, and
- decision-making functions such as determining compliance with KYC norms for opening loan accounts, according sanction for loans (including retail loans) and management of investment portfolio.

3. **RBI GUIDELINES ON OUTSOURCING:**

The Reserve Bank of India vide its Notification No. DNBR.PD.CC.No.090/03.10.001/2017-18 dated November 09, 2017 has issued directions on Managing Risk and Code of Conduct in Outsourcing Financial Services by Non-Banking Financial Companies with a view to adopt sound and responsive risk management practices for effective oversight, due diligence and management of risk arising from outsourcing activities.

The Directions as aforesaid are applicable to material outsourcing arrangements as defined in Para 10 of this Policy which may be entered into by the Company with a service provider, who may be either a member of the group/ conglomerate to which the Company belongs or an unrelated party, located in India or elsewhere.

Such arrangements would be subject to on-site/ off-site monitoring and inspection/ scrutiny by the RBI.

4. **ACTIVITIES THAT SHOULD NOT BE OUTSOURCED:**

The Company shall not outsource core management functions including Internal Audit, Strategic and Compliance functions and decision-making functions such as determining compliance with KYC norms for opening loan accounts, according sanction for loans and management of investment portfolio. Subject to compliance with Para 17 of this Policy, the Company is entitled to outsource these functions in a group/ conglomerate, and while the internal audit function itself is a management process that is supervised by the Chief Risk Officer, the internal auditors can be on contract.

5. **MANAGEMENT OF RISK:**

- 5.1 The various risks involved in Outsourcing are Strategic Risk, Reputation Risk, Compliance Risk, Operational Risk, Legal Risk, Exit Strategy Risk, Counterparty Risk, Country Risk, Contractual Risk, Access Risk, Concentration and Systemic Risk.
- 5.2 The Key risk to be evaluated by the Company are:-
1. Strategic Risk - Where the service provider conducts business on its own behalf, inconsistent with the overall strategic goals of the Company.
 2. Reputation Risk - Where the service provided is poor and customer interaction is not consistent with the overall standards expected of the Company.
 3. Compliance Risk - Where privacy, consumer and prudential laws are not adequately complied with by the service provider.
 4. Operational Risk- Arising out of technology failure, fraud, error, inadequate financial capacity to fulfil obligations and/ or to provide remedies.
 5. Legal Risk - Where the Company is subjected to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements due to omissions and commissions of the service provider.
 6. Exit Strategy Risk - Where the Company is over-reliant on one firm, the loss of relevant skills in the Company itself preventing it from bringing the activity back in-house and where Company has entered into contracts that make speedy exits prohibitively expensive.
 7. Counter party Risk - Where there is inappropriate underwriting or credit assessments.
 8. Contractual Risk - Where the COMPANY may not have the ability to enforce the contract.

9. Concentration and Systemic Risk - Where the overall industry has considerable exposure to one service provider and hence the Company may lack control over the service provider.
 10. Country Risk - Due to the political, social or legal climate creating added risk.
- 5.3 The Company shall ensure sound and responsive risk management practices for effective oversight, due diligence and management of risks arising from the outsourced activities to avoid systemic risks and financial losses or loss of reputation for the Company in the event of failure of service provider to provide a specified service, breach in security/ confidentiality, or non-compliance with legal and regulatory requirements by the service provider.
- 5.4 The departments of the Company availing outsourcing activity shall look into the above broadly classified risks and also look into any other incidental risks attributable to it along with risk mitigation views and submit the same to Risk Management Committee for their necessary evaluation and clearance before final award of contract.

6. DISCRETION OF OUTSOURCED ACTIVITIES:

- 6.1 The discretion for outsourcing activities will rest with the Risk Management Committee, who will be responsible for the following:
1. evaluating the risks and materiality of all existing and prospective outsourcing, based on the framework approved by the Board;
 2. developing and implementing sound and prudent outsourcing policies and procedures commensurate with the nature, scope and complexity of the outsourcing activity;
 3. reviewing periodically the effectiveness of policies and procedures;
 4. communicating information pertaining to material outsourcing risks to the Board in a timely manner;
 5. ensuring that contingency plans, based on realistic and probable disruptive scenarios, are in place and tested;
 6. ensuring that there is independent review and audit for compliance with set policies; and
 7. undertaking periodic review of outsourcing arrangements to identify new material outsourcing risks as they arise.
- 6.2 No part of the outsourced activity shall be sub-contracted unless and otherwise specifically stipulated in the contract explicitly. Any proposal by service provider to subcontract, at a later stage, shall be after assessing various risks to which the activity is exposed to and with prior written approval of the Risk Management Committee of the Company.
- 6.3 Access to various data would be restricted to areas required to perform outsourced functions only and in no case should details of the customers and other sensitive data be shared with the agents so as to impair confidentiality.

- 6.4 A proper cost benefit analysis of the outsourced activity should be done before awarding the outsourcing contract; the decision to outsource or not should be taken with due regard to the cost benefit analysis so done.

7. **EXERCISING DUE-DILIGENCE:**

- 7.1 In considering or renewing an outsourcing arrangement, appropriate due diligence shall be performed to assess the capability of the service provider to comply with obligations in the outsourcing agreement. Due diligence shall take into consideration qualitative and quantitative, financial, operational and reputational factors. The Company shall consider whether the service providers' systems are compatible with their own and also whether their standards of performance including in the area of customer service are acceptable to it. The Company shall also consider, while evaluating the capability of the service provider, issues relating to undue concentration of outsourcing arrangements with a single service provider. Where possible, the Company shall obtain independent reviews and market feedback on the service provider to supplement its own findings.
- 7.2 Due diligence shall involve an evaluation of all available information about the service provider, including but not limited to the following:
1. past experience and competence to implement and support the proposed activity over the contracted period;
 2. financial soundness and ability to service commitments even under adverse conditions;
 3. business reputation and culture, compliance, complaints and outstanding or potential litigation; and
 4. security and internal control, audit coverage, reporting and monitoring environment, business continuity management and ensuring due diligence by service provider of its employees.

8. **LEGAL OBLIGATIONS AND REGULATORY AND SUPERVISORY REQUIREMENTS:**

- 8.1 It should be ensured that the ultimate control of the outsourced activity rests with the Company. The following factors, inter alia, need to be specially looked into:
1. Contingency arrangements are in place for critical supplies, services and the outsourcing activity itself;
 2. Documentation of contingency plan available, if any; If contingency plan is not available:
 - a) identify alternative third party suppliers;
 - b) prescribe detailed arrangements; and
 - c) initiate actions and alternative approaches, should the suppliers' contingency arrangements fail or be delayed or the suppliers cease trading.

- 8.2 It will be obligatory on the part of service provider / outsourcing agent to inform change in management and the key persons monitoring the arrangements to ensure continuity of operations.
- 8.3 Due diligence in relation to outsourcing, to consider all relevant laws, regulations, guidelines and conditions of approval, licensing or registration should be done. Outsourcing arrangements should not affect the rights of a customer against the Company, including the ability of the customer to obtain Redressal as applicable under relevant laws.
- 8.4 Outsourcing, whether the service provider is located in India or abroad should not impede or interfere with the ability of the Company to effectively oversee and manage its activities or impede the RBI in carrying out its supervisory functions and objectives.
- 8.5 Grievance redressal mechanism shall be as per details specified in the Grievance Redressal Policy of the Company, which in no way should be compromised on account of outsourcing.
- 8.6 The service provider, if not a group Company of the Company, shall not be owned or controlled by any director of the Company or their relatives; these terms have the same meaning as assigned under Companies Act, 2013.

9. **AUDIT AND CONTROL:**

The Internal Auditor, while undertaking regular inspection, shall evaluate the selection of service providers, their performance, monitoring mechanism adopted by the concerned department and give suggestions for their improvement during the audit of the respective Departments / Offices.

10. **MATERIAL OUTSOURCING:**

Material outsourcing arrangements are those which, if disrupted, have the potential to significantly impact the business operations, reputation, profitability or customer service. Materiality of outsourcing would be based on:

1. the level of importance to the Company of the activity being outsourced as well as the significance of the risk posed by the same;
2. the potential impact of the outsourcing on the Company on various parameters such as earnings, solvency, liquidity, funding capital and risk profile;
3. the likely impact on the Company's reputation and brand value, and ability to achieve its business objectives, strategy and plans, should the service provider fail to perform the service;
4. the cost of the outsourcing as a proportion of total operating costs of the Company; and
5. the aggregate exposure to that particular service provider, in cases where the Company outsources various functions to the same service provider and the significance of activities outsourced in context of customer service and protection.

11. OUTSOURCING AGREEMENT:

The terms and conditions governing the contract between the Company and the service provider shall be carefully defined in written agreements and vetted by Company's legal counsel on their legal effect and enforceability. Every such agreement shall address the risks and risk mitigation strategies. The agreement shall be sufficiently flexible to allow the Company to retain an appropriate level of control over the outsourcing and the right to intervene with appropriate measures to meet legal and regulatory obligations. The agreement shall also bring out the nature of legal relationship between the parties - i.e. whether agent, principal or otherwise. Some of the key provisions of the contract shall be the following:

1. the contract shall clearly define what activities are going to be outsourced including appropriate service and performance standards;
2. the Company must ensure it has the ability to access all books, records and information relevant to the outsourced activity available with the service provider;
3. the contract shall provide for continuous monitoring and assessment by the Company of the service provider so that any necessary corrective measure can be taken immediately;
4. a termination clause and minimum period to execute a termination provision, if deemed necessary, shall be included;
5. controls to ensure customer data confidentiality and service providers' liability in case of breach of security and leakage of confidential customer related information shall be incorporated;
6. there must be contingency plans to ensure business continuity;
7. the contract shall provide for the prior approval/ consent by the Company of the use of subcontractors by the service provider for all or part of an outsourced activity;
8. it shall provide the Company with the right to conduct audits on the service provider whether by its internal or external auditors, or by agents appointed to act on its behalf and to obtain copies of any audit or review reports and findings made on the service provider in conjunction with the services performed for the Company;
9. outsourcing agreements shall include clauses to allow the RBI or persons authorised by it to access the Company's documents, records of transactions, and other necessary information given to, stored or processed by the service provider within a reasonable time;
10. outsourcing agreement shall also include a clause to recognize the right of the RBI to cause an inspection to be made of a service provider of an Company and its books and account by one or more of its officers or employees or other persons;
11. the outsourcing agreement shall also provide that confidentiality of customer's information shall be maintained even after the contract expires or gets terminated and the Company shall have necessary provisions to ensure that the service provider preserves documents as required by law and take suitable steps to ensure that its interests are protected in this regard even post termination of the services.

12. CONFIDENTIALITY AND SECURITY:

- 12.1 Public confidence and customer trust in the Company is a prerequisite for the stability and reputation of the Company. Hence, the Company shall seek to ensure the preservation and protection of the security and confidentiality of customer information in the custody or possession of the service provider.
- 12.2 Access to customer information by staff of the service provider shall be on 'need to know' basis i.e., limited to those areas where the information is required in order to perform the outsourced function.
- 12.3 The Company shall ensure that the service provider is able to isolate and clearly identify the Company's customer information, documents, records and assets to protect the confidentiality of the information. In instances, where service provider acts as an outsourcing agent for multiple Companies/ NBFC's, care shall be taken to build strong safeguards so that there is no comingling of information/ documents, records and assets.
- 12.4 The Company shall review and monitor the security practices and control processes of the service provider on a regular basis and require the service provider to disclose security breaches.
- 12.5 The Company shall immediately notify RBI in the event of any breach of security and leakage of confidential customer related information. In these eventualities, the Company would be liable to its customers for any damages.

13. OFF SHORE OUTSOURCING OF FINANCIAL SERVICES:

- 13.1 The engagement of service providers in a foreign country exposes the Company to country risk-economic, social and political conditions and events in a foreign country that may adversely affect the Company. To manage the country risk involved in such outsourcing activities, the Company shall take into account and closely monitor government policies and political, social, economic and legal conditions in countries where the service provider is based, both during the risk assessment process and on a continuous basis, and establish sound procedures for dealing with country risk problems. This includes having appropriate contingency and exit strategies. In principle, arrangements shall only be entered into with parties operating in jurisdictions generally upholding confidentiality clauses and agreements. The governing law of the arrangement shall also be clearly specified.
- 13.2 The activities outsourced outside India shall be conducted in a manner so as not to hinder efforts to supervise or reconstruct the India activities of the Company in a timely manner.
- 13.3 As regards the off-shore outsourcing of financial services relating to Indian Operations, the Company shall additionally ensure that:
 1. Where the off-shore service provider is a regulated entity, the relevant off-shore regulator will neither obstruct the arrangement nor object to RBI inspection visits/ visits of Company's internal and external auditors.

2. The availability of records to management and the RBI will withstand the liquidation of either the offshore custodian or the Company in India.
3. The regulatory authority of the offshore location does not have access to the data relating to Indian operations of the Company simply on the ground that the processing is being undertaken there (not applicable if off shore processing is done in the home country of the Company).
4. The jurisdiction of the courts in the off shore location where data is maintained does not extend to the operations of the COMPANY in India on the strength of the fact that the data is being processed there even though the actual transactions are undertaken in India and
5. All original records continue to be maintained in India.

14. MONITORING AND CONTROL OF OUTSOURCED ACTIVITIES:

- 14.1 The Company shall have in place a management structure to monitor and control its outsourcing activities. It shall ensure that outsourcing agreements with the service provider contain provisions to address their monitoring and control of outsourced activities.
- 14.2 A central record of all material outsourcing that is readily accessible for review by the Board and senior management of the Company shall be maintained. The records shall be updated promptly and half yearly reviews shall be placed before the Board or Risk Management Committee.
- 14.3 Regular audits by either the internal auditors or external auditors of the COMPANY shall assess the adequacy of the risk management practices adopted in overseeing and managing the outsourcing arrangement, the Company's compliance with its risk management framework and the requirements of these policy and relevant RBI Directions issued by RBI in this regard.
- 14.4 The Company shall at least on an annual basis, review the financial and operational condition of the service provider to assess its ability to continue to meet its outsourcing obligations. Such due diligence reviews, which can be based on all available information about the service provider shall highlight any deterioration or breach in performance standards, confidentiality and security, and in business continuity preparedness.
- 14.5 In the event of termination of the outsourcing agreement for any reason in cases where the service provider deals with the customers, the same shall be publicized by displaying at a prominent place in the branch, posting it on the web-site, and informing the customers so as to ensure that the customers do not continue to deal with the service provider.
- 14.6 A robust system of internal audit of all outsourced activities shall also be put in place and monitored by the Audit Committee of the Company.

15. **REDRESSAL OF GRIEVANCES RELATED TO OUTSOURCED ACTIVITIES:**

- 15.1 The Company has constituted a Grievance Redressal machinery and given wide publicity to it through electronic and print media. The name and contact number of designated grievance redressal officer of the Company is made known and widely publicised. The designated grievance officer should ensure that genuine grievances of customers are redressed promptly without involving delay and will also deal with the issues relating to services provided by the outsourced agency.
- 15.2 Time limit of 30 (thirty) days may be given to the customers for preferring their complaints/ grievances. The grievance redressal procedure of the Company and the time frame fixed for responding to the complaints are well defined in the Company's Grievance Redressal Policy.

16. **REPORTING REQUIREMENTS:**

The Company would be responsible for making Suspicious Transactions Reports to FIU or any other competent authority in respect of the Company's customer related activities carried out by the service providers.

17. **OUTSOURCING WITHIN THE GROUP / CONGLOMERATE:**

- 17.1 In a group structure, the Company may have back-office and service arrangements/ agreements with group entities e.g. sharing of premises, legal and other professional services, hardware and software applications, centralize back-office functions, outsourcing certain financial services to other group entities, etc. Any service level agreements/ arrangements to be executed between the Company and the group entities, shall be guided within the terms and conditions mentioned in this Policy with precise demarcation of sharing resources, i.e., premises, personnel, etc., subject to prior approvals as per the Companies Act, 2013 (including any enactments/ amendments thereof) required to enter into such related party agreements/ arrangements. Moreover the customers shall be informed specifically about the Company which is actually offering the product/ service, wherever there are multiple group entities involved or any cross selling observed.
- 17.2 While entering into such arrangements, Company shall ensure that these:
1. are appropriately documented in written agreements with details like scope of services, charges for the services and maintaining confidentiality of the customer's data;
 2. do not lead to any confusion to the customers on whose products/ services they are availing by clear physical demarcation of the space where the activities of the COMPANY and those of its other group entities are undertaken;
 3. do not compromise the ability to identify and manage risk of the COMPANY on a stand-alone basis;

4. do not prevent the RBI from being able to obtain information required for the supervision of the COMPANY or pertaining to the group as a whole; and
 5. incorporate a clause under the written agreements that there is a clear obligation for any service provider to comply with directions given by the RBI in relation to the activities of the Company.
-
- 17.3 The Company shall ensure that their ability to carry out their operations in a sound fashion would not be affected if premises or other services (such as IT systems, support staff) provided by the group entities become unavailable.
 - 17.4 If the premises of the Company are shared with the group entities for the purpose of cross-selling, Company shall take measures to ensure that the entity's identification is distinctly visible and clear to the customers. The marketing brochure used by the group entity and verbal communication by its staff / agent in the Company premises shall mention nature of arrangement of the entity with the Company so that the customers are clear on the seller of the product.
 - 17.5 The Company shall not publish any advertisement or enter into any agreement stating or suggesting or giving tacit impression that they are in any way responsible for the obligations of its group entities.
 - 17.6 The risk management practices expected to be adopted by the Company while outsourcing to a related party (i.e. party within the Group / Conglomerate) would be identical to those specified in this Policy and directions as may be issued by Reserve Bank of India from time to time.

18. GENERAL

This Policy will be reviewed periodically, atleast on annual basis, based on the emerging environment.

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FINSTARS CAPITAL LIMITED

POLICY OF INFORMATION TECHNOLOGY FRAMEWORK

Introduction

Reserve Bank of India (RBI) on June 08, 2017 (bearing ref no. RBI/DNBS/2016-17/53 Master Direction DNBS.PPD. No.04/66.15.001/2016-17 notified the **Information Technology Framework**, inter alia, directing that every Regulated NBFCs may start with developing basic IT systems mainly for maintaining the database. NBFCs having asset size below ₹ 500 crores shall have a Board approved Information Technology policy/Information system policy. This policy may be designed considering the undermentioned basic standards.

Finstars Capital Limited(FCL)is essentially a n NBFC company. It is categorized as a non-Systemically Important Non-deposit taking NBFC (Regulated Entity as defined under these RBI'S Directions).

Accordingly, the following **Information Technology Framework** has been adopted by the Board suitably, superseding the existing **Information Technology Framework** of the Company, as amended from time to time.

The Information Security Policy provides an integrated set of protection measures that must be uniformly applied across Finstars Capital Limited(FCL) to ensure a secure operating environment for its business operations.

Customer Information, organizational information, supporting IT systems, processes, and people that are generating, storing, and retrieving information are important assets of the FCL . The availability, integrity, and confidentiality of information are essential in building and maintaining our competitive edge, cash flow, profitability, legal compliance, and respected company image.

Scope

- I. This policy applies to all employees, contractors, partners, Interns/Trainees working in the FCL. Third-party service providers providing hosting services or wherein data is held outside FCL premises, shall also comply with this policy.
- ii. Scope of this Information security Policy is the Information stored, communicated, and processed within FCL and FCL's data across outsourced locations.

Objectives

The objective of the Information Security Policy is to provide FCL, an approach to managing information risks and directives for the protection of information assets to all units, and those contracted to provide services

Ownership

The Board of Directors of the FCL is the owner of this policy and ultimately responsible for information security.

The Company's Policy lays down the criteria for **Information Technology Policy**. The guidelines in respect of **Information Technology Policy** in the Company broadly includes the following:

1. Basic security aspects such as physical/ logical access controls and well-defined password policy

The confidentiality, integrity, and availability of information can be impaired through Physical /Logical Access Controls and damage or destruction to physical components. FCL requires creating a protected environment for the physical security of IS Assets such as the secure location of critical data, restricted access to sensitive areas like a data centre.

The purpose of this policy is to establish a standard for the creation of strong passwords, the protection of those passwords, and the frequency of change All Application software in FCL.

2. A well-defined user role

Access to information should be based on well-defined user roles (system administrator, user manager, application owner, etc.), FCL shall avoid dependence on one or few persons for a particular job. There should be a clear delegation of authority for the right to upgrade/change user-profiles and permissions and also key business parameters (e.g. interest rates) which should be documented.

3. A Maker-checker concept to reduce the risk of error and misuse and to ensure the reliability of data/information.

Maker-checker is one of the important principles of authorization in the information systems of financial entities. It is to reduce the risk of error and misuse and to ensure the reliability of data/information. For each transaction, there must be at least two individuals necessary for its completion as this will reduce the risk of error and will ensure the reliability of the information.

4. Information Security and Cyber Security.

Incident management is required and needs to be established to ensure a quick, effective, and orderly response to security incidents. Such a policy would vary in scope depending on the sensitivity and size of the information systems being managed. A companywide incident management policy has been established for all systems.

Information is an asset, and Information Security (IS) refers to the protection of these assets to achieve organizational goals. The purpose of IS is to control access to sensitive information, ensuring use only by legitimate users so that data cannot be read or compromised without proper authorization.

This Information Security Policy addresses the information security requirements of:

- i. **Confidentiality:** Protecting sensitive information from disclosure to unauthorized individuals or systems;
- ii. **Integrity:** Safeguarding the accuracy, completeness, and timeliness of information;
- iii. **Availability:** Ensuring that information and vital services are accessible to authorized users when required

Other principles and security requirements such as Authenticity, Non-repudiation, Identification, Authorization, Accountability, and audit ability are also addressed in this policy.

Cyber-Security Awareness Among Stakeholders / Top Management / Board

It should be realized that managing cyber risk requires the commitment of the entire organization to create a cyber-safe environment. This will require a high level of awareness among staff at all levels. Top Management and Board should also have a fair degree of awareness of the fine nuances of the threats and appropriate familiarisation may be organized. NBFCs should proactively promote, among their customers, vendors, service providers, and other relevant stakeholders an understanding of their cyber resilience objectives and require and ensure the appropriate action to support their synchronized implementation and testing.

5. Requirements as regards Mobile Financial Services, Social Media and Digital Signature Certificates

FCL that is already using or intending to use Mobile Financial Services should develop a mechanism for safeguarding information assets that are used by mobile applications to provide services to customers. The technology used for mobile services should ensure confidentiality, integrity, authenticity, and must provide for end-to-end encryption.

Social Media Risks

FCL using Social Media to market their products must be well equipped in treating social media risks and threats. As Social Media is vulnerable to account takeovers and malware distribution, proper controls, such as encryption and secure connections, should be prevalent to mitigate such risks.

Digital Signatures

A Digital Signature Certificate authenticates an entity's identity electronically. It also provides a high level of security for online transactions by ensuring absolute privacy of the information exchanged using a Digital Signature Certificate. FCL may consider the use of digital signatures to protect the authenticity and integrity of important electronic documents and also for high-value fund transfer.

6. System-generated reports for Top Management summarising financial position including operating and non-operating revenues and expenses, cost-benefit analysis of segments/verticals, cost of funds, etc.;

IT function of an FCL should support a robust and comprehensive Management Information System (MIS) in respect of various business functions as per the needs of the business. A good MIS should take care of information needs at all levels in the business including top management.

FCL should put in place MIS that assists the Top Management as well as the business heads in decision making and also to maintain oversight over operations of various business verticals. With robust IT systems in place, the FCL should have the following as part of an effective system generated MIS (indicative list)

- A dashboard for the Top Management summarising financial position vis-à-vis targets. It may include information on-trend on returns on assets across categories, major growth business segments, movement of net-worth, etc.
- The system enabled identification and classification of Special Mention Accounts and NPA, as well as generation of MIS, reports in this regard.
- The MIS should facilitate the pricing of products, especially large ticket loans.
- The MIS should capture regulatory requirements and compliance.

- Financial Reports including operating and non-operating revenues and expenses, cost-benefit analysis of segments/verticals, cost of funds, etc. (also regulatory compliance at transaction level)

7. Adequacy to file regulatory returns to RBI (COSMOS Returns);

NBFCs' management is responsible for deciding the appropriate action to be taken in response to reported observations and recommendations during compliance. Responsibilities for compliance/sustenance of compliance, reporting lines, timelines for submission of compliance, authority for accepting compliance should be delineated in the framework.

8. A policy duly approved by the Board ensuring regular oversight of the Board by way of periodic reports (at least once every year);

FCL should undertake a comprehensive risk assessment of their IT systems at least every year. The assessment should analyze the threats and vulnerabilities to the information technology assets of the FCL and its existing security controls and processes. The outcome of the exercise should be to find out the risks present and to determine the appropriate level of controls necessary for appropriate mitigation of risks.

The policy should be Board Approved. and it shall be reviewed every year or at the time of any major change in the existing IT environment affecting policy and procedures, by and placed to Board for approval.

9. Arrangement for backup of data with periodic testing.

All of the records are to be maintained within the Company's centralized electronic record software database, A backup of all of the data with periodic testing. shall take periodically for the preservation of Data.

Finstars Capital Limited

Policy Name: Nomination and Remuneration Policy

Version: 1.0

Date of Approval / Review : 01-07-2024

NOMINATION & REMUNERATION POLICY

1. Introduction

This Nomination & Remuneration Policy ("Policy") of Finstars Capital Limited ("FCL" or "Company") is formulated under the Companies Act, 2013 ("Act") and RBI Notification No. RBI/DoR/2023-24/106 Master Direction-RBI (Non-Banking Financial Company-Scale Based Regulation) Direction 2023 DoR.FIN.REC.No.45/03.10.119/2023-24 dated 19th October 2023 and updated as on March 21, 2024 and as amended from time to time, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel ("KMP") and the Senior Managerial Personnel ("SMP") has been formulated by the Nomination and Remuneration Committee of Board ("NRCB" or "the Committee") and approved by the Board of Directors of the Company ("the Board").

2. Purpose and Objective

The purpose and objective of this policy are:

- 2.1 To formulate the criteria for determining inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal, and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.
 - 2.2. To recommend candidates for appointment as Directors, Key Managerial Personnel ("KMP") and Senior Management;
 - 2.3. To establish and review succession plans of the Board of Directors of the Company ("Board"), KMP and Senior Management;
 - 2.4. To recommend policy relating to appointment and removal of Directors, KMP and Senior Management.
 - 2.5. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management/ other employees to the Board;
- To review and approve corporate goals and objectives relevant to the compensation of the whole-time directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board),

Registered & Corporate Office:
701,7th Floor, Pinnacle Business Park, Opp. Royal orchid, Prahladnagar Auda Garden, Ahmedabad-380015
Mobile No: 9998001396 Phone No:+91 79 48472300/2/3/4/5 Fax No: +91 79 4030 3249
Email Id: info@finstarscapital.com CIN: U65100GJ1989PLC112111

- To determine and approve whole-time Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3. Key Considerations

Role and Procedure for appointment and compensation of Directors, Key Managerial Personnel and Senior Management Personnel.

4. Definitions/Abbreviations

- a. **'Board'** means Board of Directors of the Company.
- b. **'Directors'** means Directors of the Company.
- c. **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and other applicable Laws.
- d. **'Company'** means Finstars Capital Limited.
- e. **'Independent Director'** means a director referred to in Section 149(6) of the Act and rules thereunder, and Listing Regulations.
- f. **Key Managerial Personnel ('KMP')** means following people, which includes people identified by the Company under provisions of the Act.
- i) the Managing Director or Chief Executive Officer or manager
 - ii) Whole-time Director
 - iii) the Company Secretary;
 - iv) the Chief Financial Officer; and
 - v) any other person as defined under the Act from time to time
- g. **Senior Management** means officers/personnel of the Company and includes;
- i) KMP
 - ii) one level below the Chief Executive Officer and Managing Director who are members of the core management and functional heads
 - iii) any other officer as determined by the Committee and the Board 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 other applicable laws as may be amended from time to time shall have the same meaning respectively assigned to them therein.

5. Constitution of Nomination and Remuneration Committee (NRC)

5.1. The Board has constituted the Nomination and Remuneration Committee ("Committee") of the Board. The composition of the Committee is in line with the requirements under the Applicable Laws. This Policy is integral to the functioning of the Committee.

5.2. While formulating this Policy, the Committee has considered the factors laid down under Section 178(4) of the Act, which are as under:

- a) 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) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Board has authority to reconstitute this Committee from time to time.

6. 5. General

This Policy is divided into three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment, removal and remuneration of Directors, KMP and Senior Management;

Part – A

Matters to be dealt with, reviewed and recommended to the Board by the Committee

The following matters shall be dealt with by the Committee: -

(a) Identification and recommendation of candidates for appointment as Directors, KMP and Senior Management:

The Committee shall recognize persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy and recommend to the Board their appointment and removal. In this regard, the Committee may rely on the Company's management, or external search firm(s), or a mix of both, as the Committee deems fit from time to time.

(b) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to (i) have an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate its functions of governance and management and (ii) ensure that it is structured to make appropriate decisions, with appropriate perspectives and skills, in the best interests of the Company;

(c) Formulation of criteria and recommendation of Policy:

Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, KMP and other employees.

For every appointment of an independent director, the Committee 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. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- (i) use the services of an external agencies, if required;
- (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; also considering the time commitments of the candidates.

(d) Evaluation of plans:

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

(e) Performance Evaluation :

- (i) make recommendations to the Board on appropriate performance criteria for the Directors.
- (ii) formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.

(iii) identify ongoing training and education programs for the Board to ensure that non-executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- a. Remuneration of whole-time Directors to be presented for shareholders' approval including severance, if any.
- b. Individual and total remuneration of non-executive Directors and the chairperson (if non-executive), including any additional fees payable for membership of Board committees;
- c. the remuneration and remuneration policies for KMP and Senior Management having regard to the need to:
 - (i) attract and motivate talent to pursue the Company's long term growth;
 - (ii) demonstrate a clear relationship between executive compensation and performance;
 - (iii) be reasonable and fair, having regard to best governance practices and legal requirements and
 - (iv) balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals.
- d. the Company's incentive compensation and equity-based plans including a consideration of performance thresholds and regulatory and market requirements;

PART – B

Policy for appointment, removal and remuneration of Directors, KMP and Senior Management

- a) 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.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager 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.

d) Appointment of Independent Directors is subject compliance of provisions of section 149 of the Act, read with schedule IV and rules thereunder.

e) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

f) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that 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.

g) The Term/Tenure of the Directors shall be governed as per provisions of the Act, and rules made thereunder as amended from time to time.

Non-Executive Director

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. Whether they:

- a) act objectively and constructively while exercising their duties;
- b) exercise their responsibilities in a bona fide manner in the interest of the company;
- c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- e) refrain from any action that would lead to loss of his independence;
- f) inform the Board immediately when they lose their independence;
- g) assist the company in implementing the best corporate governance practices;
- h) strive to attend all meetings of the Board of Directors and the Committees;
- i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- j) strive to attend the general meetings of the company;
- k) keep themselves well informed about the company and the external environment in which it operates;
- l) do not to unfairly obstruct the functioning of an otherwise proper Board or Committee of

the Board;

m) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;

n) Abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct.

Removal

Due to reasons for any disqualifications mentioned in the Act, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

Matters relating to the remuneration, perquisites for the Whole-time Director, KMP and Senior Management Personnel

The remuneration/compensation/ profit-linked commission etc. to the Whole Time Director, Directors will be determined by the Committee and recommended to the Board for approval.

Increments to the existing remuneration/ compensation structure shall be approved by the Committee.

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability, in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Sitting Fees

The Non-executive/ Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and no sitting fee is paid to Non-Independent Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

Profit Linked Commission

The profit – linked Commission shall be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

Stock Options

Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and its Subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

Remuneration to Senior Management Personnel, Key Managerial Personnel and Other Employees

The Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and/ or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses, club fees etc. as per the Company's HR policies.

Minutes of the Committee Meetings:

Proceedings of all meetings of the Committee must be entered in the Minutes Book maintained for the purpose and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and the Committee meetings for approval/confirmation and/or record purposes.

Clarifications, Amendments and Updates and Policy review

(a) This Policy is framed based on the provisions of the Applicable Laws.

(b) In case of any subsequent changes in the provisions of the Applicable Laws which makes any of the provisions in the Policy inconsistent with such provision of the Applicable Laws, then such provisions of the Applicable Laws would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with Applicable Laws.

(c) This Policy shall be reviewed by the Committee, as required from time to time. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board for their approval.

Disclosure of the Policy

The Nomination & Remuneration Policy shall be placed on the website of the Company at and the salient features of this policy and changes therein along with the web address of the policy shall be disclosed in the Board's report.

BARUN
MORE

Digitally signed by
BARUN MORE
Date: 2024.07.03
14:47:37 +05'30'

Registered & Corporate Office:

701,7th Floor, Pinnacle Business Park, Opp. Royal orchid, Prahladnagar Auda Garden, Ahmedabad-380015
Mobile No: 9998001396 Phone No:+91 79 48472300/2/3/4/5 Fax No: +91 79 4030 3249
Email Id: info@finstarscapital.com CIN: U65100GJ1989PLC112111

FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

FAIR PRACTICES CODE.

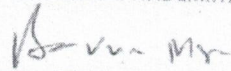
(In Terms Of Master Direction Dnbr.Pd.007/03.10.119/2016-17 Dated 1st September, 2016)

NOTE : THE COMPANY DOES NOT LEND ANY VEHICLE LOAN AND GOLD LOAN.

(i) APPLICATIONS FOR LOANS AND THEIR PROCESSING:

- (a) The Loan application forms will be in English – for all corporate and business class borrowers and also for individuals.
- (b) The Loan application form will be submitted in the vernacular language of the place where the office including branch office of the Company is situated in the event the individual borrower does not understand English.
- (c) Application form for loans will include necessary information which affects the Interest of the borrower; all the terms and conditions for loans to be advanced will be detailed in the application form itself.
- (d) The loan application form will indicate the documents required to be submitted for processing the application.
- (e) The Company will issue acknowledgment for receipt of all loan applications and such acknowledgement will also indicate the date within which the application will be disposed off which in normal case shall not exceed 30 working days from the date of receipt of the completed form.
- (f) The Company will inform in writing to the borrower by means of a sanction letter the amount of loan sanctioned and all the terms and conditions including annualized rate of interest and method of application thereof. The company will keep the acceptance of these terms and conditions by the borrower on its record. The loan shall be disbursed only on receipt of such acceptance.
- (g) Interest will be Charged as per loan agreement depending on categories of Borrowers. Interest rate will be revised in the event there is any upward revision in the rates by the regulator. Such changes and period will be communicated to the borrower by the lender.

FOR, FINSTARS CAPITAL LIMITED


DIRECTOR/ AUTHORISED SIGNATORY

Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006 ,West Bengal. **Mobile-** +91 99980 01396
Email : bm25121979@gmail.com **CIN :** U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

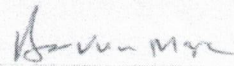
(formerly Known as Gopalka Motor Finance Limited)

- (ii) **DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS:**
- (a) The Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Any change in interest rates and charges shall be effective only prospectively. An express condition in this regard will be incorporated in the loan agreement.
 - (b) Any decision to recall/accelerate payment or performance under the agreement will be in consonance with the loan agreement.
 - (c) The company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim; the company may have against borrower. If such right of set off is to be exercised the borrower shall be given notice about the same with full particulars about the remaining claims and the conditions under which the company is entitled to retain the securities till the relevant claim is settled/paid.

iii) **GENERAL:**

- (i) The company will not interfere in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the lender).
- (ii) In case of receipt of request from the borrower for transfer of borrowal account, the consent or otherwise i.e. objection of the Company, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- (iii) In the matter of recovery of loans, the company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans etc.
- (iv) The Board of Directors of the company will constitute a grievance redressal committee comprising of one of the directors to resolve disputes arising in this regard. Such a mechanism should ensure that all disputes arising out of the decisions of lending institutions' functionaries are heard and disposed of at least at the next higher level. The Board of Directors should also provide for periodical review of the compliance of the fair practices code and the functioning of the grievances redressal mechanism at various levels of management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

FOR, FINSTARS CAPITAL LIMITED



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FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

- (v) The Company is not a NBFC-MFI company and therefore the clause is not applicable to the Company.
- (vi) At present the Company does not given loans against collateral of gold jewellery. However, the Company shall comply with Fair Practice Code in this regard as and when it starts lending against collateral of Gold Jewellery.

a) GRIEVANCE REDRESSAL POLICY:

1. All grievance made by the customers will be recorded in the Register maintained by the Company which will be serially numbered and will be available at all times.
2. All grievances even if discharged orally for the time being a written reply will be made duly appreciating their issues and the initiative by the company for addressing their issues.
3. A Grievance Redressal meeting will be held at the end of every six month and all customers will be invited to the said meeting so that their grievances are heard for betterment of services to them.
4. The grievance redressal officer will be available to hear the issues of all customers between 3.00 P.M. and 5.00 P.M. daily. In the event of him not being available the immediate senior officer in the Company will attend the customer.
5. A Display Board will be kept at the Office of the Company which will show:

1	GRIEVANCES AT THE BEGINNING OF THE MONTH	NIL
2	GRIEVANCES RECEIVED DURING THE MONTH	NIL
3	GRIEVANCES RESOLVED DURING THE MONTH	NIL
4	GRIEVANCES AT THE END OF THE MONTH	NIL

FOR, FINSTARS CAPITAL LIMITED


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Email : bm25121979@gmail.com CIN : U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

(SPECIMEN)

LOAN APPLICATION FORM

(FOR CORPORATES)

To,
The Director,

Place:

Date:

Dear Sir,

We hereby apply for a loan of Rs. _____

Purpose of Loan _____

Name of the Company _____

Address _____

Date of Registration _____

Registration No _____

PAN No _____

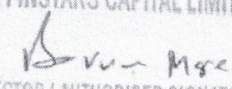
Name of Directors _____

Address of Directors _____

PAN no of Directors _____

Nature of Business of Company _____

FOR, FINSTARS CAPITAL LIMITED


DIRECTOR/ AUTHORISED SIGNATORY

Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006, West Bengal. Mobile- +91 99980 01396

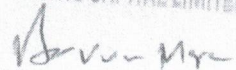
Email : bm25121979@gmail.com CIN : U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

- 8) PAN cards of Directors & Company
- 9) Detail report on projects
- 10) Photo of Directors
- 11) Initially Xerox copy of title deed if security is immovable property like land
- 12) Residential proof of Directors
- 13) Signature proof of directors from bank..
- 14) Other documents if any after processing above application.

FOR, FINSTARS CAPITAL LIMITED



DIRECTOR/AUTHORISED SIGNATORY

Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006 ,West Bengal. **Mobile-** +91 99980 01396
Email : bm25121979@gmail.com **CIN :** U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

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(SPECIMEN)

LOAN APPLICATION FORM

(FOR INDIVIDUALS)

To,

The xyz,

Place:

Date:

Dear Sir,

We hereby apply for a loan of Rs. _____

Purpose of Loan _____

Name of the Borrower _____

Address _____

Nationality _____

Residential Status _____

Religion _____

Date of Birth _____

PAN No _____

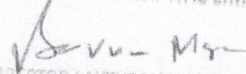
VOTER ID CARD NO _____

Occupation of the borrower _____

INCOME OF THE BORROWER AS PER FORM - 16 / IT RETURN _____

Nature of Securities to be provided _____

FOR, FINSTARS CAPITAL LIMITED


DIRECTOR / AUTHORISED SIGNATORY

Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal Jewellery, Kolkata-700006, West Bengal, Mobile- +91 99980 01396
Email : bm25121979@gmail.com CIN : U65100WB1989PLC046283

FINSTARS CAPITAL LIMITED

(formerly Known as Gopalka Motor Finance Limited)

Details of Other loan availed _____

Details of Bank Accounts _____

I, _____ SON of _____

_____ do hereby declare that the information provided above are true and correct.

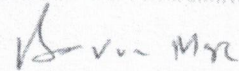
Signature _____

Documents required duly certified :

1. Request Letter for Loan stating the purpose
2. Xerox Copy of Pass Book for last Six Months
3. It return Copies for last 3 Years
4. Copy of Form - 16 in case of salaried person
5. Audited Balance sheet for last three years - for small traders
6. Proforma Balance Sheet - not older than 2 months .
7. PAN card
8. Voter I card
9. Adhar card (optional)
10. Photograph of the borrower
11. Initially Xerox copy of title deed if security is immovable property like land
12. Residential proof
13. Signature proof from bank.
14. Other documents if any after processing above application.

Acknowledgement

FOR, FINSTARS CAPITAL LIMITED



DIRECTOR, AUTHORISED SIGNATORY

We acknowledge the receipt of loan application from _____
_____ which would be processed by us within 30 days of the date of this
acknowledgement.

Registered Office: Office no.5B, 232 Chittranjan Avenue, Intellect Heights Girish Park Crossing, Nr Bengal
Jewellery, Kolkata-700006, West Bengal. Mobile- +91 99980 01396
Email : bm25121979@gmail.com CIN : U65100WB1989PLC046283

Policy on Prevention, Prohibition and Redressal of Sexual Harassment
at Workplace

(POSH Policy)

Date of approval by the Board of Directors : April Month, 25th Day, 2024



Corporate Office :

701 7th Floor, Pinnacle Business Park, Corporate Road, Prahaladnagar Auda Garden, Ahmedabad -380015 Gujarat

Mobile No. +91 93166 29394 • **Phone No.** +91 079 – 47651701

Email: info@finstarscapital.com • **CIN:** U65100GJ1989PLC112111

Document Identification Information

Document Name	Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace (POSH Policy)
No of Pages	11
Process owner	Internal Complaints Committee (ICC)
Recommended by	Additional Director; Mr. Miteshan Agarwal & Company Secretary (CS); Nikita Bhatia
Approving Authority	Board of Directors
Review Frequency	At least once a year or if significant changes occur to ensure its continuing suitability, adequacy, and effectiveness
Regulatory/Internal Circular Clause	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Implementation Details :

<u>Author</u>	<u>Reviewer</u>	<u>Version No</u>	<u>Effective Date</u>	<u>Description</u>
ICC	Board of Directors	1.2	25/04/2024	Changes in the Policy

Table of Contents

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2	Scope
3	Definition
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5	Responsibilities
6	Internal Complaints Committee (FICC)
7	Complaint Redressal Mechanism
8	Actions
9	False Allegations
10	Employer
11	Appeal by the Aggrieved Person
12	Awareness
13	Miscellaneous
14	Conclusion
15	Format of Complaint

AW

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Email: info@finstarscapital.com • CIN: U65100GJ1989PLC112111

POLICY ON PREVENTION OF SEXUAL HARASSMENT (POSH POLICY)

This policy (hereinafter "the Policy") has been framed in accordance with the provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and rules framed thereunder (hereinafter "the Act"). Consequently, the Policy covers all the key aspects of the Act, however, for any further clarification, reference shall always be made to the Act and in the event of any conflict between the Policy and the provisions of the Act, the provisions of the Act shall prevail.

I. COMMITMENT

FCL is committed to create a secure work environment where all its stake holders such as Employees, Agents, Vendors and Partners can work and pursue business in an atmosphere free from any sexual harassment, exploitation and intimidation.

The policy aims at ensuring that all employees maintain appropriate standards of business and personal conduct with colleagues, clients and with the public at large. These policy guidelines will be subordinate to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the Rules passed there under.

The objective of this policy is to provide protection against Sexual Harassment of women at workplace.

II. SCOPE

The scope of this policy extends to all offices, branches, departments, units, project locations, as well as external locations used for work carried out by the Company and shall include any place visited by the employee in the course of employment including transportation provided by the employer for undertaking such journey.

Policy on "Prevention of Sexual Harassment" (POSH Policy) extends to all the employees of the Company, including those employed on a regular or temporary basis, ad-hoc or daily wage basis, either directly or through an agent, including a contractor, with or without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis with or whether the terms of employment are expressed or implied, and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name.

III. DEFINITION

a) "Aggrieved Person" means a person in relation to work place whether employed or not, who alleges to have been subject to any act of sexual harassment by the Respondent.

b) "Company" means 'Finstars Capital Limited, in short 'FCL'.

c) "Employee" means a person employed at a workplace for any work on a regular or temporary basis, ad-hoc or daily wage basis, either directly or through an agent, including a contractor, with or without the knowledge of the principal employer, whether for remuneration or not, or working on a voluntary basis with or whether the terms of employment are expressed or implied, and includes a co-worker, a contract worker, probationer, trainee, apprentice or called by any other such name.

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d) "Employer" means Chairman and Managing Director of FCL or any other Officer declared as such in its service rules.

e) "FCL Internal Complaints Committee" (FICC) means a committee constituted by Company as per this policy.

f) "Respondent" means a person against whom the aggrieved person has made a complaint.

g) "Sexual Harassment" includes one or more of the following unwelcome acts or behaviour (whether directly or by implication) namely but not limited to:

- i. Physical contact and advances; or
- ii. a demand or request for sexual favours; or
- iii. making sexually coloured remarks; or
- iv. showing pornography or other offensive or derogatory pictures, cartoons, representations, graphics, pamphlets, or sayings; or
- v. any other unwelcome physical, verbal or non-verbal conduct of sexual nature;

In addition, the following acts circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behaviour of sexual harassment may amount to deemed sexual harassment:

- i. implied or explicit promise of preferential treatment in the employment;
- ii. Implied or explicit threat of detrimental treatment in the behaviour;
- iii. Implied or explicit threat about their present or future employment status;
- iv. Interfering with their work or intimidating or offensive or hostile work environment; humiliation treatment likely to affect their health or safety.
- v. humiliating treatment likely to affect the health and safety of the aggrieved person.
- vi. any other acts or behaviour, any reasonable person views as such

h) "Workplace includes all including all offices, branches, departments, units, project locations, as well as external locations used for work carried out by the Company and shall include any place visited by the employee in the course of employment including transportation provided by the employer for undertaking such journey.

i) Management : Management includes the person or board or committee responsible for formulation and administration of policies for the Company.

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IV. LEGAL BACKGROUND :

The Parliament of India enacted the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to lay down mechanisms for prevention of sexual harassment and redressal of Complaints, beside matters connected therewith or incidental thereto. This policy has been framed in accordance with the provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013".

V. RESPONSIBILITIES:

All employees of the Company have a personal responsibility to ensure that their behaviour is not contrary to this Policy concerning Sexual Harassment. All employees are encouraged to strengthen the maintenance of a work environment free from sexual harassment.

VI. INTERNAL COMPLAINTS COMMITTEE (FICC):

The Company has constituted an Internal Complaints Committee (ICC) in accordance with section 4 of the Act for redressal of sexual harassment complaint (made by the victim) and for ensuring time bound treatment of such complaints. The details of the committee members of ICC and changes therein will be notified from time to time.

The ICC comprises of:

1. Presiding Officer: A woman employed at a senior level in the organization or workplace.
2. At least 2 members from amongst employees, committed to the cause of women or who have had experience of social work or have legal knowledge.
3. One external member from amongst non-governmental organizations or associations committed to the cause of women or a person familiar with the issues relating to sexual harassment.

Provided that at least one-half of the total Members so nominated shall be women.

The ICC will be responsible for:

1. Receiving complaints of sexual harassment at the workplace.
2. Initiating and conducting inquiry as per the established procedure.
3. Submitting findings and recommendations of inquiries.
4. Coordinating with the employer in implementing appropriate action.
5. Maintaining strict confidentiality throughout the process as per established guidelines.
6. Submitting annual reports in the prescribed format.

Currently, the ICC comprises of the following members.

Presiding Officer	Ms. Nikita Bhatia
Member	Mr. Miteshan Agarwal
Member	Ms. Sapna Patel
Member	Invited
External Member	

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VII. COMPLAINT REDRESSAL MECHANISM

1. Any aggrieved person may make, in writing, a complaint of sexual harassment at workplace to FICC within a period of three months from the date of incident and in case of a series of incidents, within a period of three months from the date of last incident, which may further be extended for a period not exceeding three months by FICC by recording the reasons in writing, if circumstances were such which prevented the aggrieved from filing a complaint within the said period.
2. Provided that where such complaint cannot be made in writing, the Presiding Officer or any Member of FICC shall render all reasonable assistance to the aggrieved for making a complaint in writing.
3. Where the aggrieved employee is unable to make a complaint on account of their physical or mental incapacity or death or otherwise, (a) legal heir or friend; or (b) co-worker; or (c) an officer of the National Commission for Women or State Women's Commission; or (d) any person who has knowledge of the incident, with a written consent of the aggrieved women, legal representative; may make a complaint.
4. The FICC shall make a detailed inquiry into the complaint in accordance with the principles of natural justice.
5. The Complainant or person authorized on their behalf as per above provision, shall make a complaint to the FICC along with supporting documents and names and address of witnesses.
6. On receipt of such complaint, FICC shall provide a copy of such complaint along with supporting documents to the Respondent within 7 working days.
7. Respondent shall file reply to the complaint along with their list of documents, and names and addresses of witnesses, within a period not exceeding 10 ten working days from the date of receipt of the documents from FICC.
8. FICC shall investigate the complaint in detail by giving reasonable opportunities for both the parties. For the purpose of making an inquiry, under this policy, FICC have the power of a civil court, vested in it, in respect of:
 - a. Summoning and enforcing the attendance of any person and examining him under oath;
 - b. Requiring discovery and production of documents;
 - c. Any other prescribed matter.
9. During the enquiry process, the Complainant and the Respondent shall refrain from any form of threat, intimidation or influencing of Witnesses.
10. The Committee shall ensure confidentiality during the enquiry process and will ensure that sufficient care is taken to avoid any retaliation against the witnesses.
11. FICC shall have the right to terminate the enquiry or give ex-parte decision on the complaint, if the Respondent or complainant remains absent for 3 consecutive hearings, without sufficient cause, provided that such termination or ex-parte order may not be passed without giving a notice in writing, 15 days in advance, to the party concerned.

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12. The FICC must complete its investigation within a period of 90 days.
13. The Human Resource (HR) Department will extend full cooperation in facilitating to conduct the proceedings by the ICC.
14. The parties shall not be allowed to bring any legal practitioner to represent them in their case at any stage of the proceedings before the Internal Complaints Committee.
14. For conducting the enquiry, the quorum of the FICC shall be of 3 members including the presiding officer.
15. The FICC may before initiate an enquiry, and at the aggrieved party's request, attempt to settle the matter between them through conciliation. However, it shall ensure that:
 - a. No monetary settlement made as a basis of conciliation.
 - b. Where a settlement has been arrived, the FICC record the settlement so arrived and forward the same to the employer HR to take action as specified in the recommendation. A copy of the same shall be provided to the aggrieved and the respondent. Where, a settlement is arrived as mentioned hereinabove, no further enquiry shall be conducted by the FICC.
16. During such enquiry, upon written request by the aggrieved person, the committee may at its discretion recommend:
 - a. To transfer the aggrieved person or the respondent to any other workplace.
 - b. Grant leave to the aggrieved person, up to three months with salary which is in addition to leave to which he/she is otherwise entitled.

Provided, the aggrieved person has to tender justified reason for such transfer or leave, such as threat to work in the work place.

VIII. ACTIONS

1. The committee shall on completion of the enquiry provide a report of its findings within 10 days from the date of completion of the enquiry to the Management and such report shall be made available to both Aggrieved and Respondent.
2. If the allegation against the Respondent has not been proved, the Committee may recommend not to take any action in the matter.
3. If the FICC arrives at the conclusion that the allegation against the Respondent has been proved, it shall recommend to the Management to consider sexual harassment as a misconduct and take action in accordance with the provisions of the Service Rules of the Company.
4. Such action shall be taken within 60 days of the receipt of report.

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IX. FALSE ALLEGATIONS:

1. The complaint of sexual harassment made by any employee shall be taken up with utmost seriousness by Company. However, there shall be zero tolerance for any false accusation.
2. On inquiry, if the FICC comes to a conclusion that the allegation was made with malicious intent or the aggrieved person or any other person making the complaint on behalf of the aggrieved person produced false or forged or misleading documents to prove his/her case, the FICC may recommend to take action against the person who made the complaint as per Service Rules. In such a case, malicious intent has to be established after an enquiry in accordance with the procedure prescribed, before any action is recommended. A mere inability to substantiate a complaint or provide adequate proof would not attract action as provided herein. A similar recommendation for taking action would be recommended against any witness whom the FICC concludes, that he/she has given false evidence or produced forged or misleading documents.
3. The above provision is not to discourage employees from coming forward with complaints. FCL recognizes and expects certain claims may be difficult to prove or support, or may not in fact be found to raise to the level of seriousness deemed necessary to conclude as Sexual Harassment. Complaints falls under the above, shall not be considered to be false accusations.

X. EMPLOYER (MANAGEMENT OF THE ESTABLISHMENT) TO ENSURE:

- a) That in case there is a complaint against any of the FICC members, Management will have to reconstitute the FICC by removing from the FICC the member against whom there is complaint. In all cases, guidelines as defined by the above clauses would be exclusive of the time taken to reconstitute the said committee.
- b) The Management will provide assistance to the Complainant if she so chooses to file a police complaint in relation to the offence under the Indian Penal Code or any other law for the time being in force.
- c) The Management will also initiate action under the Indian Penal Code or any other law for the time being in force, against a perpetrator who is not an employee of the Establishment and there is complaint of Sexual Harassment against the said perpetrator in the workplace.
- d) The FICC will submit an annual report to the Management as outlined in the Act and the Management shall record the requisite information in the Company's Annual Report in the applicable format.
- e) The Management will assist in ensuring the attendance of the Respondent Employee and witnesses before the ICC as the case may be.
- f) The Management will monitor the timely submission of the reports. For this the Management will conduct periodic update meetings with the FICC and the HR department to ensure that the said policy is being implemented in letter and spirit.
- g) Provide safe working environment at the work place which shall include safety from persons coming into contact at work place.
- h) Display at a conspicuous place in the workplace the penal consequence of sexual harassment and the order constituting the Internal Committee.
- i) Organize workshop and awareness programs to educate women employees at regular intervals about the Act, Rules and relevant regulations.

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701 7th Floor, Pinnacle Business Park, Corporate Road, Prahaladnagar Auda Garden, Ahmedabad -380015-Gujarat

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- j) Information regarding the constitution of ICC, details of email ID's, contact number of designated persons, procedure for submitting online complaints, rules, regulation and internal policies are to be made available on the website.

XI. APPEAL BY THE AGGRIEVED PERSON:

Any person aggrieved by any of the following may file an Appeal to the Managing Director of the Company (MD) or an official authorised by him:

- i) against the finding of the ICC that the allegations against the respondent has not been proved during the enquiry or
- ii) against the finding that the allegation is proved and that action for sexual harassment as misconduct should be taken as per service rules or for deduction of any sum from the salary of the respondent , or
- iii) if the Management fails to implement the decisions based on the recommendations of the ICC, or
- iv) if the Management fails to recover from the Respondent the amount determined to be payable to the aggrieved employee or legal heir, or
- v) if the FICC concludes that the allegation of the aggrieved woman is malicious or the aggrieved woman has produced false evidence or forge documents, or
- vi) if the FICC arrived at a conclusion that during the enquiry any witness has given false evidence or produced any forged or misleading document, or
- vii) when persons entrusted with the duty to handle or deal with the complaint, the enquiry or recommendations, publish the contents of the complaint and the enquiry proceedings in contravention of S. 16 of the Act and are made liable for penalty for contravening S. 16 of the Act. An appeal shall be preferred by the aggrieved person to the Managing Director of the Company (MD) or an official authorised by him within 15 days from the receipt of the report of the FICC and such appeal shall be disposed off within 30 days from the receipt of the appeal by such authority. In case the aggrieved employee is not still satisfied by the outcome of the Appeal, he / she may proceed with legal action as provided under the Act or generally within a period of 90 days of the recommendations.

XII. AWARENESS:

All the Employees, Agents, Customers, Vendors, Partners and Visitors shall have access to this Policy at any given point of time and clarification related to this Policy shall be addressed by the Human Resource (HR) Department. The Company shall comply with all other details as set out under Section 19 of the Act to ensure that all employees are provided with the safe working environment at the workplace.

XIII. MISCELLANEOUS

1 Company with the approval of Competent Authority / Mangement may make any alteration or amendment or rescind any of the clauses of this Policy as and when it finds it necessary to do so as long as it complies the Act.

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- 2 Any such alterations or amendment or rescinding will be intimated to the employees.
- 3 Nothing contained in these Policy shall operate in derogation of any law for the time being in force or to the prejudice of any right of any employee under any other Rules or Law.
- 4 The FICC shall prepare an annual report with the following details and shall submit the same to the Management to include in its annual report:
 - a. Number of Complaints of sexual harassment received during the year;
 - b. Number of complaints disposed of during the year;
 - c. Number of cases pending for more than 90 days;
 - d. Number of workshops or awareness program against sexual harassment carried out;
 - e. Nature of action taken by the employer.
5. The above Annual Report and the MIS should be prepared by the FICC and shall be submitted before the end of each financial year to the Senior Management of the Company.

VIX. CONCLUSION

- 1 Complaints relating to Sexual Harassment shall be handled and investigations will be conducted under the principles of natural justice, basis of fundamental fairness, in an impartial and confidential manner so as to protect the identity of all viz. the person filing the charge, potential witnesses, and the person accused of improper behaviour. Also, all efforts shall be taken to ensure objectivity and thoroughness throughout the process of investigation.
- 2 The identity and address of the aggrieved person, respondent and witnesses must not be published or disclosed to the public or media.
- 3 The decision of the Company shall be final and binding on all. However, the same is without prejudice to any recourse that Company or the individual concerned may have against the respondent and it shall not limit or restrict the rights of the Complainant and/or Company to pursue, nor shall they be precluded from pursuing, such further and other legal actions as may be available.

Note: The policy shall be overall governed by "The Sexual Harassment of Women at the Workplace (Prevention and Redressal) Act, 2013". Given below is a format to assist the aggrieved individual/victim/complainant in making a formal complaint to the Internal Complaints Committee (ICC).



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Annexure

Format of Complaint regarding Sexual Harassment at Workplace

To,
Finstars Capital Limited,
701, 7th Floor, Pinnacle Business Park,
Opp. Royal Orchid,
Corporate Road, Prahalad Nagar,
Ahmedabad, Gujarat-380 015.

Madam,

I am working as a _____ at _____ in the establishment. I am constrained to make a complaint of sexual harassment against _____ (full name, designation, place of work).

ADD THE DETAILS OF THE INCIDENT : on next Page (From Page No. 2 to ____)

I am making the above complaint for appropriate action as contemplated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" and rules framed thereunder, and the Company's policy framed thereunder.

Dated this the _____ day of _____.

Yours faithfully,

(Signature)

Name, Status (Relationship) and
address of the Complainant.

Employee/Complainant on the bottom of every Page of the Complaint.

Page No : 1

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Finstars Capital Limited

Policy Name: Compliance Risk Management

Version: 1.0

Date of Approval / Review : 01-07-2024

BOARD APPROVED POLICY**1. Background :**

Finstars Capital Limited ("FCL" or "the Company") is committed to conducting its business operations and its activities lawfully and in a manner that is consistent with its compliance obligations. As part of the overall structure for Corporate Governance, Compliance Function serves a critical role. The Policy on Compliance Management has been framed and modified from time to time in accordance with the requirements of establishing a Compliance function.

2. Objective

The purpose of the Policy on Compliance Management is to establish the overarching principles and commitment of the company with respect to achieving compliance by:

- a. Company Secretary/Compliance Officer as designated by the Board to conduct immediately and update Board and Company about recent changes in RBI Regulations and other applicable statutory regulations.
- b. identifying a stable and clear compliance framework within which Finstars Capital Limited operates;
- c. promoting a consistent, rigorous and comprehensive approach to compliance throughout the organisation;
- d. developing and maintaining practices that facilitate and monitor compliance within the company;
- e. to ensure standards of good corporate governance, and ethics.
- f. Provoking a culture of compliance where every person within the company accepts personal responsibility for compliance and acts ethically and with integrity.

3. Creating the Culture of Compliance

Strong compliance culture is a pre-requisite for an effective compliance function. It is very important for the company to exemplify and demonstrate a good Compliance Culture to maintain the image and to earn the trust of customers, investors and regulators. Such culture is essential element in the safe and sound functioning of the company and if not followed effectively may adversely affect the company's risk profile. Finstars Capital Limited ensures the compliance with key components that is the laws, rules, regulations, and various codes of conducts and adherence with fair practice codes, managing conflict of interest. Compliance shall not be seen as an activity of the Compliance Department alone but as a culture that shall invade

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701,7th Floor, Pinnacle Business Park, Opp. Royal orchid, Prahladnagar Auda Garden, Ahmedabad-380015

Mobile No: 9998001396 Phone No: +91 79 48472300/2/3/4/5 Fax No: +91 79 4030 3249

Email Id: info@finstarscapital.com CIN: U65100GJ1989PLC112111

across the company. It is however, reiterated that compliance is a shared responsibility of the business units and the compliance function. Therefore, adherence to applicable statutory provisions and regulations needs to be the responsibility of each staff member of the company and it is the work of the compliance function to ensure the same.

4. Structure of Compliance Function :

The compliance function is an integral part of effective governance along with the internal control and risk management processes. The structural set up of the compliance function shall be consistent with the organisational needs. The Compliance function shall consist of such number of professionals other than the Compliance Officer as may be required to effectively manage the compliance obligations of the company. The Function shall include staff with basic qualifications and practical experience in business lines / audit & inspection functions, who are knowledgeable in legal cross regulation, policy and products. The Compliance responsibilities pertaining to the specific area of work shall be exercised by staff of the respective departments, viz. Operations, Accounts, IT, HR etc. The departments concerned shall hold the prime responsibility to ensure the adherence to the statutory provisions and regulations applicable to their role in the company. However, the Compliance Function would need to ensure overall oversight.

5. Role and Responsibilities of the Compliance Officer:

- a. Decide on key matters requiring RBI prior permission and guide Compliance officer for taking prior permission.
- b. Decide on recommendation of Nomination and Remuneration Committee.
- c. Action and approval on recommendation of Compliance officer with respect to Nomination and Remuneration committee with respect to RBI Regulations and guidelines.
- d. To assist, guide and suggest the Board and the Senior Management in supervising the implementation of Compliance Policy, including other required policies of the company.
- e. To assess and identify potential compliance risk within the company, develop proposals for dealing with and avoiding compliance risks.
- f. To inform and guide the board for conducting compliance related training session and awareness programme in company on quarterly basis and implement action plan as finally suggested and recommended by the Board .
- g. Ensuring the appropriate remedial action if breaches are identified. The disciplinary action on such breaches shall however remain within the scope of the management.

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- h. Ensuring the timely response / interactions thereof to the RBI inspection reports through the Compliance Function.
- i. Ensuring compliance of regulatory/ supervisory directions given by regulators including the Ministry of Corporate Affairs (MCA), Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) and Self-Regulatory Organisations (SROs), in both letter and spirit in a time-bound and sustainable manner.
- j. Attend to compliance with directions from regulators and ensure that discomfort conveyed to the company on any issue by the regulators, and action taken by any other authorities/law enforcement agencies, shall be brought to the notice of RBI.
- k. Directing for conducting Compliance and Secretarial Audit as deemed fit by the Board.

6. Identification & Monitoring Mechanism:

In order to perform its duties and take its decisions independently, the Compliance team shall be granted access to all the relevant and pertinent information maintained by other departments, which is necessary for them to discharge their functions effectively. The Compliance Officer shall have the authority to communicate with any staff member and have access to all records or files that are necessary to enable her / him to carry out entrusted responsibilities in respect of Compliance issues. The identification of the gaps in compliance of the regulatory requirements shall be made through the process of submission of periodical reports by the departmental heads of the departments which are directly involved in complying with the applicable statutory provisions relevant to the department concerned. Such reports shall be verified if required by the compliance officer and a summary report shall be placed before the Senior management / Board along with the discrepancies / non-compliance if any reported. In order to ensure the compliance with the regulatory framework, the compliance officer shall place before the Board / Committee all major regulatory guidelines issued and shall implement the directions of the board within the company. As a measure to manage the compliance gaps, the relevant discussions / observations of the Senior Management shall serve as a feedback mechanism for the department to review the control mechanisms and take remedial measures to avoid recurrence of such failures / breaches.

7. Authority of the Board of Directors / Committee's:

- a. The Board of Directors retains the ultimate authority for legal and regulatory compliance and overseeing, reviewing and ensuring the effectiveness of compliance systems. The board of directors has a fiduciary authority to oversee that the business is run in a profitable way within the bounds of the law.

The Board members shall remain empowered to the following functions:

- Review the Company's Internal financial controls and risk management policies/systems.
 - Review the status of compliance on a periodic basis, on the basis of quarterly compliance reports submitted by the Compliance Officer, covering compliance with all laws and regulations applicable to the company.
 - Review the Audit reports of internal and external auditors and audits/ inspections carried out by regulatory authorities and monitor the compliance of the observations highlighted in the audit and inspection reports
 - Review the effectiveness of the company's Legal Compliance System for monitoring and managing compliance with relevant laws and to give instructions on breaches of key compliance requirements, if any, and remedial measures to prevent the instances of non-compliance.
- b. The compliance risk shall be reviewed on a regular required basis wherein the compliance shall be analysed the reason for any non-compliance or delay in compliance shall be discussed at the committee /Board level.

8. Reporting Requirements

- a. **Reporting to RBI:** The company shall give prior intimation to RBI wherever required as per the governing laws.
- b. **Reporting to the Board:** Compliance should be a regularly scheduled agenda item at board meetings. Reports on compliance with statutory requirements shall be submitted to the Board, Audit Committee, Risk Management Committee and Nomination and Remuneration Committee.
- c. **Compliance Risk Review:** The internal audit shall cover the compliance function/risk in the internal audit reports. Further the Compliance Officer shall be kept informed of audit findings related to Compliance, which shall serve as a feedback mechanism for assessing the areas of Compliance failures.

9. Approval and Review :

- a. This policy is approved by the board of directors at the board Meetings held on 01st July, 2024.
- b. This policy shall be reviewed annually or may be required at any time necessitated by the Board.
- c. This policy is effective from 01st July, 2024.

**BARUN
MORE**

Digitally signed by BARUN MORE
Date: 2024.07.03 15:08:55 +05'30'

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701,7th Floor, Pinnacle Business Park, Opp. Royal orchid, Prahladnagar Auda Garden, Ahmedabad-380015
Mobile No: 9998001396 Phone No:+91 79 48472300/2/3/4/5 Fax No: +91 79 4030 3249
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FINSTARS CAPITAL LIMITED

RISK MANAGEMENT POLICY



INTRODUCTION

The Risk Management Policy of Finstars Capital Limited is a cornerstone of the business model of the company which aspires to fulfil its Mission, Vision and Values.

VISION

- To be the leader in SME, underserved and organised and unorganised sectors Finance in the country
- To maximise wealth.
- To create value for all stakeholders by building a profitable business providing financial access for housing, commercial space and business sustenance in hitherto underserved areas

VALUES

- To place the customer's interest first
- To be transparent and ethical in approach in all dealings
- To be sensitive towards social and environmental concerns
- To encourage teamwork, professionalism and a culture of learning & innovation

Non Banking Financial companies (NBFCs) form an integral part of the Indian financial system. NBFCs are required to ensure that a proper policy framework on Risk Management Systems with the approval of the Board is formulated and put in place.

The purpose of the Policy is to set out the broad risk guidance and guide the company in effectively supervising, monitoring and managing its Risks arise from Lending Portfolio and Market Volatility. The policy is framed to allow for sufficient flexibility in the management and oversight process while setting forth reasonable parameters to ensure prudence and care in the execution of its lending plan. The policy is consistent with the prescribed regulatory framework; however, in case of any contradiction, the regulatory requirement will prevail.

Risk Management system is a scientific process to be implemented by company to prevent company from known and unknown risks, either internal or external. The Board will from time to time review the current situations and bring necessary changes and risk mitigation process and procedures in place.

Any deviation from the policy would require approval by the Board.

GENERAL PROVISIONS

This Policy represents the basic standards of Risk Assessment to be followed by the Company. Changes in the Policy will become effective upon approval by the Board of Directors of the Company.



RISK MANAGEMENT

Risk management is a business facilitator by making more informed decision with balanced risk-reward paradigm. The Company shall follow a disciplined risk management process and has been taking business decisions, ensuring growth and balancing approach on risk reward matrix.

There are mainly three types of risk associated with our business which are detailed as under:

Credit Risk

A risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying his debt as per the agreed terms, is commonly known as risk of default.

Risk Mitigation

- Credit risk shall be managed using a set of credit norms and policies. The Company shall have defined roles and responsibilities for originators and approvers. All credit exposure limits shall be approved by authorized persons of the Company.
- There shall be a structured and standardized credit approval process to ascertain the credit worthiness of the borrower.
- The Company shall develop internal evaluation team to make credit decisions more robust and in line to manage collateral risk.
- The Company shall follow a process of time-to-time revisiting the credit policy and processes, on the basis of experience and feedback.

Operational Risk

Any eventuality arising from the act relating to people, technology, infrastructure and external factors, which can give rise to some type of loss in the organisation, is termed as Operational Risk. Majorly it is internal and unknown.

Issuance of clear operational guideline, vigilance on personnel, obtaining insurance for risks where available credit and general insurance where possible, ensuring adherence to guidelines, quick reconciliation of cash receipts, exchange of information with borrowers etc. are some of the measures to mitigate operational risks. Therefore, the persons responsible shall keep continuous watch and shall gather the symptoms/warning signals to manage Operational risk.

We have identified Title risk whereby Non-availability of legal and proper title deeds is the biggest stumbling block in providing loans against property to the borrowers. Even when formal titles have been issued and registered many of the property rights revert to informality as subsequent titles and transfers from inheritances are not documented in the registry. So abstention of paralegal documents and registration in Panchayat Records can mitigate this defect. Further formally registering these documents with the offices of Sub-registrar will bring such properties into the main foray of creation of tenure records with the govt authorities.



Market risk

This is majorly external market dynamics, which gives rise to Risks like Liquidity risk, Interest Rate risk and Funding risk. Liquidity risk is the inability to meet financial obligations in a timely manner and without stress. The Company shall resort to proper ways to manage such risks.

Any exposures taken on behalf of the client are ensured by the adequate margin based on the internal RMS process of the company. Additional margin calls are made in event of volatility and appropriate action to be taken by the dealing team as per the internal RMS process.

In case of exposure taken on the basis of shares margin the payment is required to be made before the exchange pay in date otherwise it will be liable to square off after the pay in time or any time due to shortage of margin.

Risk Mitigation

As a contingency plan the Company shall maintain sufficient approved but undrawn credit lines on a continuous basis as buffer to manage eventuality of liquidity constraints.

The Company shall be compliant in terms of regulatory norms and therefore shall effectively manage regulatory risk. Effective Customer redressal mechanism and fair practices shall keep legal risk under control.

The Company shall have processes in place, to manage the risk of fraud and the suspected frauds are reported, wherever necessary.

RISK ASSESSMENT OF BORROWERS

It is generally recognized that certain borrowers may be of a higher or lower risk category depending on the customer's background, type of business, our references, borrowers net worth and the ability to fund and pay interest etc. As such, based on the due diligence measures on risk sensitive basis each of the customers shall be divided in three categories HIGH, MEDIUM AND LOW which shall be reviewed every year. Initially, all the new clients are to be marked as high – risk category, however they may be subsequently recategorized depending on their performance based on our own experiences. The basic principle enshrined in this approach is that the concerned persons should adopt an enhanced customer due diligence process for higher risk customers. Conversely, a simplified customer due diligence process may be adopted for lower risk categories of customers. In line with risk based approach, the type and amount of information and documents shall vary depending on the risk category of a particular borrower and should be collected from the client. The beneficial owners working should be done for all corporate clients and background check of all directors. In case of a borrower who subsequently has turned out to be a Politically Exposed person, proper risk management system should be put in place to determine the beneficial ownership from such clients or potential clients. Once we are privy to such publicly available information or the commercial electronic database of PEPs, we should seek additional relevant information from such client pertaining to ownership issues and other risks associated with such persons and take call whether such exposure to him or his company we should continue or terminate the relationship after giving notice in advance. As a policy without concurrence of top management, no such identified PEP account is to be granted loan.



BOARD OF DIRECTORS MEETINGS AND REVIEW

The Board of Directors, in their board meetings, will oversee the implementation of the system and review its functioning periodically.

XXXXXXXXXX



FINSTARS CAPITAL LIMITED
INTEREST RATE POLICY

Policy on Interest Rate Model, Policies and Procedure on determining Interest Rates and other charges

Keeping in view the RBI's guidelines advising the Boards of NBFCs to lay out appropriate internal principles and procedures in determining interest rates, processing and other charges, the following internal guidelines, policies, procedures will be taken into account when determining interest rates or other charges:

- The interest rates applicable to loans will be approved by the management of the Company, from time to time
- These rates will be based on the cost of borrowed funds, matching tenor cost, market liquidity, RBI policies on credit flow, offerings by competition, market reputation, cost of disbursements, cost of capital required, inherent credit and default risk in the products and the profile of the customers, industry trends, ancillary business opportunities, future potential, group strength, overall customer yield, nature and value of primary and collateral securities, past repayment track record of the customers, external ratings of the customers etc. The rate of interest may be different for different customers depending upon an evaluation of the factors listed above.
- Interest rates will be intimated to the customers at the time of sanction of the loan and the interest and principal repayment schedule will be made available to the customer.
- The interest shall be deemed payable immediately on the due date as communicated and no grace period for payment of interest is allowed.
- Besides normal interest, the Company may levy additional interest for ad hoc facilities, penal interest for any delay or default in making payments of any dues. This additional or penal interest for different products or facilities will be approved by the management of the Company.
- Besides interest, other financial charges like late payments, RTGS / other remittance charges, etc. may be levied by the Company under due communication to the customer, wherever considered necessary. Any revision in these charges would be with prospective effect.
- Claims for refund or waiver of charges / penal interest / additional interest will normally not be entertained by the Company and it is the sole discretion of the Company to deal with such requests, if any.
- The interest re-set period will be decided by the Company from time to time and communicated to the customer.
- The interest rate policy will be available on the website and updated from time to time.

Barun More

Mr. Barun More

Chairman & Managing Director

Finstars Capital Limited



FINSTARS CAPITAL LIMITED

POLICY FOR - DOCUMENT RETENTION AND ARCHIVAL OF DOCUMENTS

Policy on Preservation of documents and archival of the documents in the website (Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

1. **INTRODUCTION**

The purpose of this document is to present policy statement for Finstars Capital Limited ('Company') regarding preservation of its documents and archival of documents in the website in accordance with the provisions of the Companies Act, 2013 and Regulation 9 and 30(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). The policy is framed for the purpose of systematic identification, categorization, maintenance, review, retention and destruction of documents received or created in the course of business. The policy gives guidelines on how to identify documents that need to be maintained, how long certain documents should be retained, how and when those documents should be disposed of, if no longer needed and how the documents should be accessed and retrieved when they are needed.

2. **PURPOSE OF THE POLICY**

The policy on preservation of documents and archival is mandated by the provisions of regulation 9 of Chapter III of LODR, 2015. As per the requirement of Regulation of 30(8) of LODR, the Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s) under LODR, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website Under Chapter III of LODR, the Company has to ensure that significant documents are safeguarded and preserved including those in electronic mode.

3. **DEFINITIONS** "Policy" means this Policy on preservation of documents and archival of documents in the website.

4. **CLASSIFICATION OF DOCUMENTS TO BE PRESERVED / RETAINED**

The Company's physical and electronic documents shall be classified for the purpose of preservation as follows:

- A. Documents whose preservation shall be permanent in nature;
- B. Documents whose preservation period shall not be less than eight years after completion of the relevant transactions.



The documents as specified in A and B above may be kept in electronic mode also. The list of documents for the above categories is given in the "Annexure" to this Policy.

5. **RESPONSIBILITY OF EMPLOYEES FOR PRESERVATION OF DOCUMENTS**

All the Employees on the permanent rolls of the Company are responsible for taking into account the potential impact on preservation of the documents in their work area and their decision to retain/preserve or destroy documents pertaining to their area.

6. **SUSPENSION OF RECORD DISPOSAL IN THE EVENT OF LITIGATION OR CLAIMS :**

In case the Company is served with any notice for request of documents or any employee becomes aware of a governmental investigation or audit concerning the Company or commencement of any litigation against the Company, any further disposal of documents connected with the matter shall be suspended until such time the investigation / litigation end.

7. **STATUTORY REQUIREMENTS:**

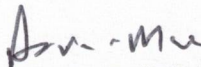
If as per any other law of land including Information Technology Act, a physical or electronic record should be preserved for a longer period than what has been stipulated in this policy, then the document shall be preserved as per the applicable statutory stipulations.

8. **WEB ARCHIVAL POLICY :**

The Company shall disclose on its website all events or information which has been disclosed to Stock Exchange(s) and retain the same for period of five years. At the end of five years, the information shall be archived and preserved for a further period of three years.

9. **POLICY REVIEW**

The Managing Director of the Company is authorized to periodically review the policy and make such changes as considered necessary.


For Finstars Capital Limited
Mr. Barun More
Chairman & Managing Director



FINSTARS CAPITAL LIMITED

ANNEXURE-1

A. DOCUMENTS WHOSE PRESERVATION SHALL BE PERMANENT IN NATURE:

1. Accounting and Finance records including Annual Financial statements and Audit Reports;
2. Investment records;
3. Tax records including annual returns;
4. Property records including purchase and sale deeds, licences, copyrights, patents & trademarks;
5. Corporate Records including Certificate of Incorporation, Common Seal, Minutes of Board, Committee and Shareholders' Meetings, Register of Members and other Statutory Records; Registration Certificates with any other Regulatory bodies .
6. Personal files of individual employees (Payroll Records, Employee deduction authorisations, attendance records, employee medical records, leave records, Pension and retirement related Records, etc);
7. Any other record as may be decided by any KMP (as per Companies Act 2013) or the Managing Director or the Board of Directors of the Company from time to time;
8. Filings with Registrar of Companies.

ANNEXURE-2

B. DOCUMENTS WHOSE PRESERVATION PERIOD SHALL NOT BE LESS THAN EIGHT YEARS AFTER COMPLETION OF THE RELEVANT TRANSACTIONS:

1. Bank Statements and vouchers;
2. Filings with Stock Exchanges and other statutory authorities;
3. Corporate Social Responsibility Records;
4. Sponsorship Projects Records;
5. Correspondence and Internal Memoranda;



6. Any other record as may be decided by the Managing Director of the Company from time to time;
7. Security Deposit Receipts (after receipt of deposit money back);
8. Tender Documents;
9. Lease Deeds and Contracts;
10. Legal files;
11. Insurance Records including policies and claims;
12. All e-mail correspondence, internal & external;
13. Any other record as may be decided by the Managing Director of the Company from time to time.



FINSTARS CAPITAL LIMITED
CREDIT RISK POLICY

1 INTRODUCTION

Finstars Capital Limited (hereinafter "FCL") is a Non-Bank Finance Company. It is the objective of to become a credible, relevant and leading financier in its chosen segments of business. In doing so, FCL aspires to help the loan against property which are potentially one of the key pillars of a strong economy, grow. In pursuing its business, FCL will operate according to the highest ethical and compliance standards and constantly seek to follow best practices in the industry. Under no circumstances will contravention of laws and relevant regulations be tolerated.

2. OBJECTIVE OF THE CREDIT RISK POLICY

The Credit Risk Policy is the governing document for our credit appraisal, approval, post-approval monitoring and enforcement. This should be the reference document on any issues related to credit approval or process connected to the same. The purpose is to ensure that FCL' financing portfolio remains of sound quality, that portfolio growth is supported and that we manage credit risk in a manner that minimizes creation of Non-Performing Assets (NPAs)

The policy must be read and followed in line with the relevant laws and regulations governing our business. In the case of any conflict or divergence between this policy and relevant regulations and laws, the regulations and laws will override this policy.

It is also an objective of this policy that FCL continues to provide financings where the returns reflect the risk taken, and are positive from a Return on Equity and Return on Capital Employed perspectives. Our business seeks to be profitable and add value to all stakeholders in FCL – shareholders, management, staff and clients. It is reiterated that all times FCL and its staff will follow the necessary regulations and guidelines issued by relevant regulators like the Reserve Bank of India, Ministry of Finance etc. In case of any conflict between this policy and a regulation, the regulation is to be followed strictly.

3 CREDIT APPROVAL AUTHORITY

All credit approval and delegation of credit approval authority lies with the Board. It may be noted that credit approval authority includes not merely the approval of a credit proposal but also any subsequent deviation from approved credit terms.

The Board of FCL has delegated credit approval authority to the Finance Committee (FC). Additionally, the Board may from time to time, and based on their judgement of business requirements also delegate credit approval authority to individuals.



4 FINANCE COMMITTEE (FC)

- (i) Role:- The FC is the operative credit approval authority for FCL. All proposals, other than those approved by individual(s) to whom the Board has specifically granted credit approval authority must be presented to, and approved by the FC.
- (ii) Additionally, the FC will also be responsible for monitoring and reviewing the existing portfolio and taking action in response to changes in the credit-worthiness of existing borrowers or specific financings. The FC is also expected to keep itself updated on emerging threats to FCL' operating environment and also other issues relevant to the portfolio's credit profile. For this purpose, the primary source of information will be on the ground origination and credit teams.

(i)Composition:- The composition of the FC will be as approved by the Board from time to time.

iii) Quorum:- The quorum for the FC shall consist of 2 members.

iv) Meeting Frequency:- The FC shall meet at least once in a quarter.

5 PORTFOLIO NORMS

In evaluating credit proposals, the FC will also be keeping in mind certain exposure norms. These are in addition to the norms on single borrower and group exposures and similar guidelines that have been imposed by the Reserve Bank of India (RBI).

The norms below are suggestive in nature, barring specific prescriptive norms:-

Correlation across Borrowers and Financings: On an ongoing basis, the FC as well as the larger team should endeavor to ensure that we get the full benefits of portfolio diversification on our exposures. It is recommended that any correlations with other exposures e.g. multiple borrowers selling to the same client; geographical etc. be kept in mind while providing approvals.

6 FINANCING TENOR:

The final maturity of financings provided by FCL will be as mutually agreed on by both the parties i.e. borrower and lender. Any deviation from the above will need to be specifically approved by the FCL Board.

7 CREDIT APPROVAL PROCESS FLOW

FCL offers a large variety of financing solutions for its clients. In brief the process is to include the following steps:

- A. Eligibility check & Reputation/Anti-Money Laundering Checks



2. Credit Appraisal (CA)
3. Finance Committee
4. Completion of KYC
5. Execution of Security Documentation
6. Disbursal of financing

All financing and creation of security will be in line with FCL license conditions and relevant laws and regulations.

FCL is open to financing all types of client entities provided they have the requisite authority and legal power to avail of financing. This includes Individuals, Hindu HUF, Trusts, Partnership firms etc. High risk entities like Trusts and Partnership firms should be subject to greater scrutiny while evaluating their financing proposal.

A. Client Suitability Eligibility and Reputation/Anti-Money Laundering Review

FCL objective is to partner bona-fide businesses and provide financing solutions to them. As such, prior to detailed work on the credit proposal, client suitability must be clearly established. Client suitability has to be checked through multiple criteria – which may evolve over time but must cover issues of reputation and regulatory risk, and the any concerns over money-laundering activities.

Regulator Notices– List of defaulters/watch-lists issued by relevant regulatory bodies and exchanges viz. RBI, Government of India (especially Department of Corporate Affairs), SEBI, Competition Commission of India, Registrar of Companies, NSE/BSE/Other exchanges, NCLT and other debt recovery institutions, as may be applicable.

– Press Check- Review of Press and Social Media for adverse publicity and news about the potential borrower.

Global crime and Default Databases– To the extent available for public use.

Any issues or findings of concern or a NIL findings comment are mandatorily part of the credit proposal.

B. Credit Appraisal / Credit Proposal (CA):

Credit Appraisal or Credit Proposal, used interchangeably (CA) is the document which will form the basis of discussions and decision of the FC. CAs are to be prepared by the relevant originator/structurer. The author of the credit proposal will be held responsible for the accuracy of the information provided in the CA.

Each proposal must cover, inter alia:-



- 1) Background of client
- 2) Nature of financing including specifics on the structure and instrument
- 3) Client financial strength, leverage levels, promoter strength, credit history (of client and promoter's CIBIL ratings), business and cash flow analysis, debt profile including other lenders and details of borrowing. This should include description of interaction with the borrower and the originator's impression.
- 4) Group exposure:- In cases where we have more than one financing to a client group or are dealing with more than one client group entity, the entire group exposure should be clearly laid out. There should be a clear justification that the group exposure remains acceptable and also does not create client concentration risk for our portfolio.
- 5) Repayment sources:- Primary, Secondary (and Tertiary if applicable).
- 6) Key risks and mitigants:-
Reputation / Anti-Money Laundering risks if any else NIL comment
Financial
Regulatory Structure and instrument risk – especially around any subordination of our rights in an enforceability situation.
- 7) Security structure:- This should detail the security on offer. While the FC will decide on the final security structure, it is expected that most financings will be provided on the basis of at least 2.5 times cover. Coverage below 2.5 times must be highlighted to the FC.
- 8) Returns analysis:- At least IRR of the financing; going forward our objective is to also provide a Return on Assets (RoA) and Return on Equity (RoE) on each transaction.
- 9.) Key terms and conditions of the financing.

The FC may, if it deems suitable provide a specific format in which Credit Proposals are to be presented. The above list of information required in the CA is not exhaustive. Authors of the CA are expected to provide all relevant information needed by the FC for making a credit decision. The CA, along with any additional conditions that the FC may impose as part of the approval process will be the source document on the basis of which the financing will be provided and security structure executed. The CA is to be circulated to the FC at least 3 business days prior to the FC meeting.

C.Finance Committee (FC): – Decisions of the FC are deemed to be valid only if the quorum is present. – FC meetings will be minuted in detail and these minutes will form the basis of approvals. – FC decision on a credit proposal will incorporate the CA, any follow-up questions and conditions that the FC or its members impose in writing and any comments made during the FC meeting. – FC minutes are to be



circulated to the FC members, Company Secretary, Head of Compliance and the Author of the CA PRIOR to the process of documentation starting.

D. Know Your Client (KYC):

Clients must furnish all authenticated documents necessary for completing the KYC process. This includes Pan card, Aadhar Card, all charter and incorporation documents, proof of address and business, financial statements and also the KYC documents for important stakeholders and authorized signatories.

E. Perfection of Security and Execution of Documentation:

Our standard documents (Loan Agreement; Funding Agreements, Agreement for funding against property, Guarantees etc.) will be the basis of security documentation. Legal Counsel (in house or external counsel) will suitably modify our standard documents to incorporate the credit approval conditions of the FC and also any relevant regulatory clauses that are deemed necessary for the financing.

F. Execution of Security Documentation:

Security documentation is the primary responsibility of the back-office support team. The Chief Executive Officer (CEO) will nominate the specific individuals/teams who will be responsible for execution of security documentation. The origination/structuring staff responsible for managing the client relationship and originating the financing proposal must provide all necessary assistance in perfecting the security. Responsibility for drafting and finalizing the security documents lies with the Legal Counsel. Any material deviation from the Legal Counsel's drafting must be approved by the CEO or staff delegated by the CEO. Scanned copies of the security documentation must be stored in the client folders and easily accessible to the team at all times. The original documents must at all times be secured in the safe and logged under "Four Eye Principle". It is also the responsibility of the documentation team to ensure that the necessary filings with regulators or government agencies are done within the prescribed time periods. After the perfection of security documentation and the necessary filings have been completed, the senior most staff has to put a note confirming that documentation is complete into the client files.

G. Disbursal of Financing:

Disbursal of the financing will be done by the Finance and Accounts team. This is done on the basis of a confirmation from the Documentation team that documentation is complete and any Conditions Precedent (CP) have been completed. In making the disbursal, it is to be ensured that disbursal of funds is made to an account of the Borrower. Any disbursal to a third party must be approved on the basis of a detailed rationale by the CEO/CFO.

8 ONGOING MONITORING AND CLIENT ENGAGEMENT:

ANNUAL REVIEW Ensuring that the FCL team remains fully engaged with the client and in a position to remain updated about credit developments with the client is critical to maintaining a high quality credit portfolio.



- 1) **Ongoing Client Engagement:** It is expected that atleast once a calendar quarter, each originator/structurer will conduct a detailed client discussion and review covering all issues that impact the client credit profile. Additionally, the originator/structure must fulfil the following duties: i) ensure we receive audited and unaudited financials from the company as mandated in our agreements, but in any case not less than once every six months. Analyze the said financials and related performance data and highlight major developments – positive and negative to the Board and CEO. ii) Monitor the press and social media for any adverse reporting. iii) Loans will be added to the watch list in the case of any significant internal/external rating downgrade, significant payment delays or any other material news and an action such as increasing the collateral cover, accelerating the loan repayment, loan recall etc. may be taken.
- 2) **Monitoring:** We need to monitor the value of security against which financing has been provided as well as the conduct of the client regularly. Timely action has to be taken in case there is any deterioration either in enforceability or value.
- 3) **Watch list:** Specific clients, client groups or transactions that have experienced a deterioration in risk profile – financial, reputation, legal, structural will be placed on a Watch List by the FC. Watch List items are to be placed under enhanced monitoring, and as a rule all steps should be taken to ensure the earliest possible repayment of our dues. An update on the Watch List items is to be provided by the relevant Originator / Structurer at every FC meeting. An update must be sent to the Board and CEO if there is no FC scheduled for 15 days.
- 4) **Annual Review:** An annual review is to be conducted on all Client Groups. Each review should incorporate all group entities we deal with and various facilities therein.
- 5) **ENFORCEMENT OF SECURITY AND RECOVERY ACTIONS**

In cases where client has failed to meet their debt servicing requirements, FCL may need to enforce security and recover its dues. Important aspects to be followed in such an event:

1. In all action being undertaken for recovery, FCL will strictly follow the law of the land and will act as a responsible member of the community.
2. While ensuring that our rights are protected and dues recovered, we will treat our counter-parties with respect and fairness.
3. Enforcement of security including disposal of assets pledged to us needs to be specifically approved by the CEO or FC.
4. Litigation for recovery of our dues has to be approved specifically by the FC.



5. For the purpose of disposal of real-estate assets, it is recommended that atleast 2 intermediaries are used for the sale so that we can realize the best possible value on the security.

Barun More

Mr. Barun More

Chairman & Managing Director

Finstars Capital Limited



PREVENTION OF MONEY LAUNDERING ACT (PMLA) POLICY

Money Laundering may be defined as cleansing of dirty money obtained from legitimate or illegitimate activities including drug trafficking, terrorism, organized crime, fraud and many other crimes with the objective of hiding its source and rendering it in legally usable form. It is any act or attempted act to conceal or disguise the identity of illegally obtained proceeds so that they appear to have originated from legitimate sources. The process of money laundering involves creating a web of financial transactions so as to hide the origin of and true nature of these funds.

Money laundering activity though spawning yet, has a distorting and disruptive effect on economies, marketplaces, the integrity of jurisdictions, market forces, democracies etc. It is in short a cancer, existing for one purpose only, to make crime and illegal activity worthwhile.

With the growing financial sector, India is vulnerable to money laundering activities. Large portions of illegal proceeds are laundered through the alternative remittance system called "hawala". Under this system, individuals transfer funds from one country to another or from one state to another, often without the actual movement of currency.

To combat money-laundering activities, the Government of India enacted the Prevention of Money Laundering Act, 2002 (hereinafter referred to as the "Act") which was published in the gazette of India on 1st July 2005. The basic objective of the Act is three fold, viz.:

- To prevent, combat and control money laundering.
- To confiscate and seize the property obtained from the laundered money.
- To deal with any other issue connected with money laundering in India.

Policies and Procedures to combat money laundering and terrorist financing.

Pursuant to the provisions of the Prevention of Money Laundering Act, 2002 ("PMLA") every Banking Financial and Non-Banking Financial companies and Financial Intermediaries, which includes stockbrokers have to formulate internal policies and procedures to guard against money laundering activities, particularly pertaining to:

- All cash transactions of the value of more than Rs 10 lacs or its equivalent in foreign currency.
- All series of cash transactions integrally connected to each other which have been valued below Rs 10 lakhs or its equivalent in foreign where such series of transactions take place within one calendar month.



- All suspicious transactions (including all transactions i.e. those integrally connected and those remotely connected) whether or not made in cash and including, inter-alia, credits or debits into from any non-monetary account such as demat account, security account maintained by the registered intermediary.

Further RBI has, vide its circular no. DNBS (PD).CC 48/10.42/2004-05 dated 21st February, 2005 issued guidelines on 'Anti-Money Laundering Standards' to be followed by all Non-banking Financial Companies (NBFCs) for combating financing of Terrorism.

In accordance to the Prevention of Money Laundering Act, 2002 as well as RBI's Circular, the following PMLA policy of the company has been adopted by the Board of Directors of the company.

(I.) Objectives:

- i. to put in place systems and procedures to help control financial frauds, identify money laundering and suspicious activities and safeguarding the company from being unwittingly used for transfer or deposit of funds derived from criminal activity or for financing of terrorism;
- ii. To put in place systems and procedures for customer identification and verifying his / her identity and residential address; and iii. to monitor transactions of a suspicious nature.
- iii. to monitor transactions of a suspicious nature.

(II.) Definition of Client:

For the purpose of this PMLA policy, a Client is:

- i. a person or entity that maintains an account and/ or has a business relationship with the company in respect of obtaining funding and investments which includes individuals, companies, partnership firms, banks, mutual funds, Limited Liability Partnerships, unincorporated entities, trusts and/ or overseas corporate bodies;
- ii. beneficial owner(s) of the above said entities;
- iii. Professional intermediaries, such as stock brokers, chartered accountants and solicitors as permitted under law;
- iv. Any other person or entity connected with a financial transaction, which can pose significant reputational or other risks to the company.

(III.) Procedures:

- A. The Company shall undertake due procedure for Client Due Diligence process which include.
- B. Procedure for Client Identification & Acceptance b. Transactions monitoring and reporting especially suspicious transaction reporting.



a. Procedure for Client Identification & Acceptance

- (i). The Company, being a Non-Banking Financial Company is engaged in financial services business which mainly comprise of Loans against Property. Hence, the client/ customer of the Company can be broadly classified into the categories, as referred to in Para II above.
- (ii). Customer identification means identifying the customer and verifying his / her / its identity by using reliable and independent source of documents, data or information to ensure that the customer is not a fictitious person.
- (iii). The company shall ensure that its customer is not a fictitious person by verifying the identity of the customer through documentation and shall also carry out necessary checks, so as to ensure that the identity of the customer on the basis of the documents obtained does not match with any person with known criminal background or with banned entities, such as individual terrorists or terrorist organizations. The company shall periodically monitor its customer base with the RBI circulars and information providing such lists of terrorists or terrorist organizations.
- (iv). The company may collect such documents and other information in respect of different categories of its customers depending on perceived risk and keeping in mind the requirements of Prevention of Money Laundering Act, 2002 and guidelines issued by the RBI from time to time. Besides risk perception, the nature of information / documents required would also depend on the type of the customer (individual, corporate etc.
- (v). There are certain indicative guidelines issued by RBI from time to time for customer identification requirements with regard to matters, such as `Trust / Nominee or Fiduciary Accounts, Accounts of companies & firms, Client Accounts opened by professional intermediaries, Accounts of Politically Exposed Persons resident outside India and Accounts of non face-to-face customers and these guidelines may also be adhered to, to the extent applicable.
- (vi.) Politically exposed persons are individuals, who are or have been entrusted with prominent public functions in a foreign country e.g. heads of states or of governments, senior politicians, senior government/ judicial/ military officers, senior executives of state owned corporations, important political party officials etc. Decision to deal with such persons as a customer shall be taken up at a senior management level and shall be subjected to enhanced monitoring.
- (vii.) While opening accounts as described above, the customer would be made aware that if at any point of time, the balances in all his/her accounts with the company (taken together) exceeds the prescribed amount or total credit in the account exceeds the prescribed limit, no further transactions will be permitted until the full KYC procedures is completed.



b. Ceiling & Monitoring of Transactions:

Regular monitoring of transactions is vital for ensuring effectiveness of the Anti-Money Laundering procedures.

(i). To achieve this, the Company shall:

- Watch periodically the normal activity of the client so that deviations in transactions / activities are identified and enquired with the client.
- Ensure that transaction of suspicious nature is reported to higher authorities/head of the department in the Company as well as the appropriate legal authority.
- Ensure that random examinations of a selected transaction undertaken by clients are carried out in order to comment on their nature i.e. whether they are the suspicious transactions or not.

(ii). The company shall monitor transactions of a suspicious nature on an ongoing basis for the purpose of reporting it to the appropriate authorities. The extent of monitoring by the Company will depend on the risk sensitivity of the account and special attention will be given to all complex unusually large transactions, which have no apparent economic or lawful purpose.

(iii). the company shall promptly report such high value cash transactions or transactions of a suspicious nature to the appropriate regulatory and investigating authorities.

Further to control and monitor the Suspicious Transaction, the Company shall. Ensure to take appropriate steps to enable suspicious transactions to be recognized and report suspicious transactions. A list of circumstances which may be in the nature of suspicious transactions is given below. This list is only illustrative and whether a particular transaction is suspicious or not will depend upon the background, details of the transactions and other facts and circumstances:

- A. Clients whose identity verification seems difficult or clients appears not to co-operate
- b. Asset management services for clients where the source of the funds is not clear or not in keeping with clients apparent standing/business activity;
- c. Clients in high-risk jurisdictions or clients introduced by banks or affiliates or their clients based in high risk jurisdictions;
- d. Substantial increases in business without apparent cause;
- e. Unusually large cash deposits made by an individual or business;
- f. Clients transferring large sums of money to or from overseas locations with instructions for payment in cash;
- g. Transfer of investment proceeds to apparently unrelated third parties;



h. Unusual transactions by shell corporations, offshore banks/financial services, businesses reported to be in the nature of export-import of small items.

Every such suspicious transaction will be immediately notified to the Principal/ Compliance officer who is designated as such for the purpose within the Company. The notification may be done in the form of a detailed report with specific reference to the clients, transactions and the nature reason for suspicion etc. However, there would be normal dealing with the suspicious client and that the client would not be told of the report/suspicion. In exceptional circumstances, consent may not be given to continue to operate the account, and transactions may be suspended, in one or more jurisdictions concerned in the transaction, or other action taken.

(IV.) Risk Management:

The company may categorize its customers into 'High Risk' & 'Others' according to its Risk Management Policy and review it from time to time. The company may devise procedures for creating risk profiles of its existing and new customers and apply various Anti-Money Laundering measures keeping in view the risks involved in a financial transaction or a business relationship. The company's compliance functions shall play an important role in evaluating and ensuring adherence to PML policy and procedure, including legal and regulatory requirement. The company for this purpose, if required, may also engage independent risk management companies/agencies and solicit their independent opinion. The compliance in this regard is being and will continue to be put up before the Audit Committee/ Board on a periodical basis.

(V.) High standards in hiring policies and training with respect to anti-money laundering:

The Company shall follow adequate screening procedures to ensure high standards when hiring employees. Key positions within the own organization structure would be identified having regard to the risk of money laundering and terrorist financing and the size of their business and it would be ensured that the employees taking up such key positions are suitable and competent to perform their duties. Proper anti-money laundering and anti-terrorist financing training shall also be provided periodically to the staff members.

The company may also opt for providing an ongoing employee training programme, so that staff members are adequately trained, who in turn may also educate customer from time to time and thereby adhere to the PML policy and compliance.

(VI.) Designation of an officer for reporting of suspicious transactions:

The Suspicious transactions shall be reported immediately to the Principal/ Compliance officer of the company. The principal or the Compliance officer already appointed for the purpose should act as a



central reference point in facilitating onward reporting of suspicious transactions and for playing an active role in the identification and assessment of potentially suspicious transactions. Any deviations/ suspicious transactions noticed at any levels should be reported to the Principal Officer. The following are the details of the Principal/ Compliance officer of the Company:

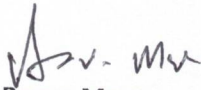
Name:

Ms. Anamika Jajoo

Designation: Company Secretary & Compliance Officer

Phone: +91 79 – 48966871

In addition to the guidelines given under the aforesaid Policy, the company may also stipulate other guidelines through its Investment Policy & other policy documents and the same shall also be adhered to.



Mr. Barun More
(Chairman & Managing Director)
Finstars Capital Limited



PRODUCT CUM CREDIT POLICY - MORTGAGE LOAN / LOAN AGAINST PROPERTY

- Minimum **CIBIL** Score to be considered is 630 +. Latest DPD & Bounce or overdue not to be considered. If overdue is of before 1 year then can be considered if the reason is justifiable.
- If we want to disburse any file of Ahmedabad and **CIBIL score is 750** then ROI can be considered as **17%** (Tkt size for Abad – 10 lacs to 25 lacs) but if **village** file then **24% ROI** to be considered.
- CIBIL Overdue –
If any CIBIL is overdue, other than “Credit Card” then file not to be processed until its one-to-one call of Credit Manager.
- EMI Calculator –
Fixed 70% will be EMI – net income after all required deductions.

Income	20000
Obligations	5000
Household expenses	10000
Balance	5000

- LTV –
Minimum 40% in village
Minimum 50% in Ahmedabad city.
- If customer has milk income then file to be considered **Only** if there is another source of income OR Gross Milk income is greater than Rs. 40,000/- OR Deviation from Management for Milk Income file where Milk income is less than Rs. 40,000/- (EMI subject to FOIR).
- Need to take lady from the family as “Co-applicant.
- If the village population is below 1000 then file not considered.
- State or National highway connectivity should be there from property.
- Mortgaged property should be above 500 sq.ft. If below 500 sq ft then case on case.
- Mortgaged property should be reachable by 15/20 foot road.
- Infrastructure of Mortgaged property should be good and at least 60% area should be “Pakka”
- Cash salary can be done 70%.
- If there is milk income then it should be credited in bank, and then only considered because pass book is sometimes not reliable.
- Agriculture income can be considered as below. Minimum 3 viga land should be required for consideration & income will be considered as Rs. 1500/- per viga (updated as on 07.10.24)
- 1 Guarantor compulsory for rural areas where Credit has prescribed Condition during underwriting. Also guarantor for Rabari, Bharwad, Bariya, Machhi, Padhiyar category. 3 PDC required of guarantor (PDC - optional).
- Single Taxi owner not considered



- Construction, Labour & Diamond profile will be considered only if they are having other fix monthly income.
- Guarantor PDC –
- In Rabari/Bharvad upto 3 lacs case if guarantor is not providing PDC then the same will not be mandatory.
- No. Of persons in deal –
- 2 to 3 people to be taken on deal in 3 lacs to 5 lacs file. Eg – Property owner + Main Income earner + 1 lady Guarantor PDC optional.
- CIBIL/CRIF –
- JLG & Credit card call can be taken if other loans are regular. KCC Loan – Interest not to be counted in obligation.
- 7/12 to be taken only in cases above 5lacs and in cases below 5 lacs it is not mandatory.
- If Advocate asks for 7/12 then deviation to be given.
- Lien on Property card not mandatory.
- Below number of PDC's require at time of disbursement ; Applicant – 10 PDC
- Co-applicant – 5 PDC
- Bank statement of last 6 months will be valid for applicant/co-applicant.
- Note - If there are less than 10 PDC of Applicant then Deviation Approval required of Mr. Barun More or Mr. Manish Panchori.
- In cases upto 3 lacs, if the file is of same village then Video PD will be valid. No Physical PD is required. (No overdue in same village)
- If Dairy Secretary has applied for loan and having milk income – To be cautious & Credit Head Approval required, "Own Tabela Ownership Proof" proof required.
- 2 contact numbers of borrowers to be updated mandatorily in Software.
- BECHRAJI, KARJA, FAGVEL area - FCL will not fund
- Caste/Community–

Muslims	Not to be considered
Bharvad	Can be considered only if customer address is "Individual" i.e.other than "Waas"
Rabari	Can be considered only if customer address is "Individual" i.e. other than "Waas"
Machhi, Padhiyar & Bariya surname borrowers	Caution Caste & Guarantor required.

- If any current loan in same village is having overdue of more than 40% then new case of that village not to be considered.
- If any file / case is pending in MIS for more than one month then it will not be considered for further process. But if any such case to be re-considered then full process of login, Visit, CAM, PD, FI RCU, Legal Technical should be done again (updated as on 07.10.24)



POLICY ON RELATED PARTY TRANSACTIONS

LEGAL FRAMEWORK This Policy is framed to comply with the requirements of section 188 of the Companies Act, 2013 and Rules made there under as well as Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

1. SCOPE AND PURPOSE OF THE POLICY

The Company is committed to practicing the maximum transparency in the conduct of Related Party Transactions in sync with its corporate governance philosophy based on the objective of continuing ethical conduct in fulfilling its responsibilities and recognizes that Related Party Transactions can present a risk of actual or apparent conflicts of interest of the Directors, Senior Management etc. with the interest of the Company. Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulation 23”) and as amended from time to time, Finstars Capital Limited (Company) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions. The Audit Committee may, if thought fit, review and amend the Policy, as and when required, subject to the approval of the Board. Any subsequent notification, circular, guidelines or amendments under Companies Act, 2013, SEBI (LODR), accounting standards and all other applicable laws, as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act and Regulation 23 of the SEBI Listing Regulations or any other laws and regulations as may be applicable to the Company.

3. DEFINITION

<u>Term</u>	<u>Definition</u>
"Act"	means the Companies Act, 2013
"SEBI Listing Regulations"	means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended
"Regulation 23"	means the Regulation no. 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time



"Audit Committee or Committee"	means Committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
"Ordinary course of business"	means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines
"Arm's length transaction"	Means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. (Section 188 of the Companies Act,
"Company / listed entity"	Finstars Capital Limited
"Board of Directors" or "Board"	in relation to a Company, means the collective body of Directors of the Company (Section 2(10) of the Companies Act, 2013).
"Control"	includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner (Section 2(27) of the Companies Act, 2013).
"Key Managerial Personnel"	means, [Section 2(51) of the Companies Act, 2013] → Chief Executive Officer or Managing Director or Manager; → Company Secretary; → Whole Time Director; → Chief Financial Officer; and → Such other officer as may be prescribed.
"Material Related Party Transaction"	Means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. In case of payment to a Related Party for brand usage or royalty the materiality, threshold will be 5% (Five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
"Policy"	means Related Party Transaction Policy.
"Related Party"	means related party as defined under Section 2(zb) of the SEBI LODR and Section 2(76) of the Companies Act, 2013.
"Relative"	means relative as defined under Section 2(zd) of the SEBI LODR and Section 2(77) under the Companies Act, 2013.
"Related Party Transaction"	means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the followings – a. sale, purchase or supply of any goods or materials; b. selling or otherwise disposing of, or buying, property of any kind;



	<p>c. leasing of property of any kind; d. availing or rendering of any services; e. appointment of any agent for purchase or sale of goods, materials, services or property; f. appointment to any office or place of profit in the company; and g. underwriting the subscription of any securities or derivatives thereof, of the company. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation and as amended from time to time.</p>
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4. **APPLICABILITY**

This Policy shall be applicable to transactions, covered under Section 188 of the Companies Act, 2013 or which are related party transactions under the Income Tax Act, 1961 or under the SEBI LODR, when made with:-

- a. Board of Directors & their Relatives,
- b. Key Managerial Personnel (KMP) of the Company and their Relatives, and
- c. Other Related Parties, as defined herein.

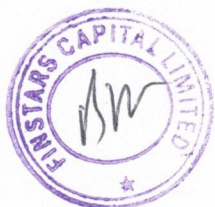
5. **MATERIALITY THRESHOLDS**

Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. None of the related parties of a company shall vote to approve on such resolution irrespective of whether the entity is a related party (RP) to the particular transaction or not [RP can cast only negative vote to reject the shareholders resolution on material Related Party Transactions (RPT)].

Provided that approval from shareholders will not be required for Material Related Party Transaction in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to the recognized stock exchange within one day of the resolution plan being approved.

Finstars Capital Limited has fixed the following materiality threshold for the purpose of Regulation 23(1), 23(1A) and 23(4) of the SEBI Listing Regulations:

- Payment to a Related Party with respect to brand usage or royalty – exceeding 5% of the annual consolidated turnover of the Company as per its last audited financial statements.



- Other transactions as specified under respective provisions, with a Related Party – exceeding 10% of the annual consolidated turnover of the Company as per its last audited financial statements.

6. **PROCEDURE:**

The Company shall enter into any contract(s) or arrangement(s) or transaction(s) with a Related Party only after seeking approvals of the following:

I. **Audit Committee:**

All Related Party Transactions, whether entered on arm's length basis or not, shall require prior approval of the Audit committee. The Audit Committee may also grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions, namely-

- a. The audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature; (refer Annexure II)
- b. the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
- c. the omnibus approval shall specify:
 - (i).the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into
 - (ii). the indicative base price / current contracted price and the formula for variation in the price if any; and
 - (iii). such other conditions as the audit committee may deem fit: Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
- d. the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- f. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.



- g. For transactions entered into between a holding company and its wholly owned Subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, omnibus approval of Audit Committee and approval of Board of directors is not required.

Details to be provided to the Audit Committee: With respect to Related Party Transactions requiring approval of the Audit Committee, the following information, to the extent relevant, shall be presented to the Audit Committee: —

- A general description of the transaction(s), including the material terms and conditions —
- The name of the Related Party and the basis on which such person or entity is a Related Party
- Name of director or KMP who is related
- Period of transaction
- Maximum amount of transaction that can be entered into
- The Related Party's interest in the transaction(s), including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s).
- The indicative base price / current contracted price and the formula for variation in the price if any.
- Any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s).

II. Board of Directors:

All Related Party Transactions, which are proposed to be entered by the Company

- i. other than in ordinary course of business; and / or
- ii. Other than on arm's length basis, shall require prior approval of the Board of Directors of the Company, by means of passing of resolution at a Board Meeting. Where any director is interested in any contract or arrangement with related party, such director shall not be participate at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

III. Shareholders:

As per regulation 23 of the SEBI (LODR), all material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Provided that the requirements specified under this sub-regulation shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Explanations: As per regulation 23 of the SEBI (LODR), a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous



transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

In accordance with Section 188 of the Companies Act, 2013 read with rules made thereunder, including any statutory modification, amendment thereof as may be issued from time to time, transactions exceeding limits as tabled below, or such other limits as specified from time to time, shall require approval of shareholders by a resolution.

Transactions covered	Transactions value
Sale, purchase or supply of any goods or materials directly or through appointment of agents *	Amounting to 10% or more of the turnover of the company
Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents *	Amounting to 10% or more of the net worth of the company
Leasing of property of any kind	Amounting to 10% or more of the turnover of the company
Availing or rendering of any services directly or through appointment of agents *	Amounting to 10% or more of the turnover of the company
Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding 2.5 lakh rupees
Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company	Exceeding 1% of net worth

*** The limits shall apply for these transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.**

Explanation

1. The Turnover or Net Worth referred in the above sub-rules shall be computed on the basis of the Audited Financial Statement of the preceding financial year.
2. Each director / KMP who is a Related Party with respect to a particular Related Party Transaction shall disclose all material information to the Audit Committee / Board of Directors concerning such Related Party Transaction and his or her interest in such transaction as per format attached. (refer Annexure I).
3. The Audit Committee shall also review and approve any modification, renewal or extension of any Related Party Transaction.



4. This Policy is intended to augment and work in conjunction with other Company policies having any code of conduct, code of ethics and / or conflict of interest provisions.

7. DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

In addition to the above, the Company shall submit within 30 days from the date of publication of its financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchange(s) and publish the same on its website.

The policy shall be published on the Company's website www.finstarscapital.com and web link of the policy shall be disclosed in the Company's Annual Report.

8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review / approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

9. AMENDMENT IN LAW:

Any subsequent amendment / modification in the Companies Act, 2013, Listing Regulations and / or other laws in this regard shall automatically apply to this Policy. The same shall be added / amended / modified from time to time as authorized by the Audit Committee with due procedure.

Annexure I

Notice of Interest by Director and Key Managerial Personnel



To,
 The Board of Directors,
 Finstars Capital Limited
 701,7th Floor, Pinnacle Business Park
 Corporate Road, Prahladnagar, Auda Garden
 Ahmedabad-380015

I, _____, son / daughter / spouse of _____, resident of _____, being a Director / Key Managerial Personnel (KMP) in the Company hereby give Notice of my interest or concern in the following company or companies, bodies corporate, firms or other association of individuals.

Sr. No	Name of the Company / Bodies Corporate / Firms / Association of individual	Nature of interest / concern	Shareholding (%)	Date on which interest or concern arose

List of Relatives in terms of Section 2(77) of the Companies Act, 2013

1.	Spouse (wife)	
2.	Father (including step-father)	
3.	Mother (including step-mother)	
4.	Son (including step-son)	
5.	Son's wife	
6.	Daughter	
7.	Daughter's Husband	
8.	Brother (including step-brother)	
9.	Sister (including step-sister)	
10.	Member of HUF	

Date & Place: _____

Signature: _____



Annexure II

The Audit Committee of the Company while granting the omnibus approval for the transactions with Related Parties shall consider following aspects:

1. The audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity.
2. The transactions with a related party under a contract or arrangement are repetitive in nature and in the ordinary course of business and on arms' length basis.
3. Such transactions shall not, during the current financial year, amount to 10% or more of the annual consolidated turnover of the immediate preceding financial year except with approvals as required otherwise.
4. Such transaction shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price, if any. Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, omnibus approval for such transactions shall be restricted to the value of Rs. 1 crore per transaction. Such transactions with related parties shall be with respect to –
→ sale, purchase or supply of any goods or materials;
→ selling or otherwise disposing of, or buying, property of any kind;
→ leasing of property of any kind;
→ availing or rendering of any services;
→ appointment of any agent for purchase or sale of goods, materials, services or property;
→ such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
→ underwriting the subscription of any securities or derivatives thereof, of the company:
5. Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given.
6. Such omnibus approval shall be valid for one year from the date of the meeting of the Audit Committee in which such approval is given.



FINSTARS CAPITAL LIMITED
POLICY ON FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

1. PREAMBLE:

In terms of provisions of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to familiarize its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. Also, in terms of Schedule IV of the Companies Act, 2013 the Independent Directors are required to undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.

2) OBJECTIVE: The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

(3). FAMILIARIZATION FRAMEWORK/ PROCESS:

The Company shall through its Executive Directors / Senior Managerial Personnel conduct periodically the programs and presentations to familiarize the Independent Directors with the business, strategy, operations and functions of the Company and further;

(a). Such programs and presentations will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business operations, service and product offerings, markets, organization structure, finance, human resources, quality, facilities and risk management and such other areas as may arise from time to time.

(b). The programs/ presentations shall also familiarize the Independent Directors with their roles, rights and responsibilities in the Company.

(c). whenever Independent Directors desire to meet with any of the Business Heads or Members of Senior Management Team, the same shall also be facilitated.

(d). In addition to the above, separate meeting(s) of Independent Directors alone, shall also be scheduled as and when required by the Independent Directors.

(e). In addition to the above, separate meeting(s) of Independent Directors alone, shall also be scheduled as and when required by the Independent Directors.



(f). The Company shall also provide regular updates on relevant changes in Company Law and the Listing Regulations to ensure that its Independent Directors are kept updated on these regulations.

Given the regulatory recognition of this important aspect on familiarization, a Formal Familiarization Programme will be done annually (at any of the Meetings of the Board or at any other Meeting as the Board may decide). Through this Programme, the Board will be familiarized with the nature of the industry in which the Company operates, changes in business environment and impact thereof on the working of the Company, and other relevant matters.

FAMILIARIZATION PROGRAMMES CONDUCTED:

The board of directors of the company has conducted one independent director familiarization programme during the financial year 2023-24 on February 6, 2024 and provided overview of the followings to the Independent Directors:

- a) Criteria of independence applicable to the Independent Directors as per the Companies Act, 2013 and Listing Regulations;
- b) Roles, functions, Duties, Responsibilities and liabilities of the Independent Directors;
- (c) Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, obtaining Audit Committee approval, wherever required;
- d) Risk Management systems & framework;
- (e). Dealing with Related party transactions under the Companies Act, 2013 and the Listing Regulations;
- (f). Industrial review and business model of the Company; and
- (g). Loans and Investments under the Companies Act, 2013.

The details of number of such programmes attended by the independent directors and number of hours spent in such programmes are as below:

Sr. N	Name of Independent Director	Number of Familiarization Programmes Attended during the year 2023-24	Number of Hours spent on such programmes
1.	Mr. Umang kumar Navin bhai Thakkar	1	1
2.	Mr. Ashish kumar Rajmalbhai Pancholi	1	1
3.	Mr. Miteshan Bindusagar Agarwal	1	1



5). PROGRAMME AND DISCLOSURES:

- a) Familiarization program will be conducted "as needed" basis during the Year.
- b) The Company shall comply with such disclosure requirements relating to this Program as may be stipulated under applicable regulatory requirements. As per existing regulatory requirements, in compliance with the terms of Listing Regulations, the details of the Program shall be uploaded on the website of the Company at www.finstarscapital.com and a web link thereto shall be provided in the Company's Annual Report.


For Finstars Capital Limited

Mr Barun More

Chairman & Managing Director

