

Mahaveer Finance India Limited
Internal Guidelines on Corporate Governance



Summary

Name of the guidelines	Internal Guidelines on Corporate Governance
Regulations	In line with Chapter IV J of Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions
Review Cycle	These Guidelines shall be reviewed periodically by the Board
Approver	Board of Directors of Mahaveer Finance India Limited
Last approved/ Review date	February 11, 2026
Version	V1

Internal Guidelines on Corporate Governance

1. Preamble

These Internal Guidelines on Corporate Governance are framed in accordance with Chapter IV – Paragraph 40 (Section J: Internal Guidelines on Corporate Governance) of the Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025. These Guidelines are adopted by the Board of Directors of Mahaveer Finance India Limited with the objective of strengthening corporate governance practices, transparency, accountability, and ethical conduct.

2. Objective

The objectives of these Guidelines are to:

- Ensure sound and effective corporate governance framework
- Protect the interests of all stakeholders
- Promote transparency, integrity, and ethical conduct
- Enhance Board effectiveness and oversight
- Ensure compliance with applicable laws, RBI directions, and regulatory requirements.

3. Governance Framework

The corporate governance structure of the Company is based on the following pillars:

- Board of Directors
- Board-level Committees
- Senior Management
- Independent control functions
- Robust compliance and risk management framework

4. Board of Directors

a) Composition

The Board has an appropriate mix of Executive, Non-Executive, and Independent Directors in compliance with the Companies Act, 2013 and RBI Directions applicable to NBFCs

b) Fit and Proper Criteria

The Company ensures that all Directors satisfy the 'fit and proper' criteria at the time of appointment and on a continuing basis, supported by due diligence, declarations, and deeds of covenant.

c) Role and Responsibilities of the Board

The Board is responsible to:

- Provide strategic direction and approve business plans;
- Oversee risk management, compliance, and internal control systems;
- Ensure integrity of financial reporting;
- Approve key policies, including governance, risk, compliance, and compensation policies;

- Monitor performance of senior management.

5. Committees of the Board

The Board constitutes the following committees as per statutory and regulatory requirements:

a. Audit Committee

Responsible for oversight of financial reporting, internal controls, audit functions, and information system audits.

b. Nomination and Remuneration Committee

Responsible for selection, evaluation, and remuneration of Directors, KMP, and Senior Management, and ensuring 'fit and proper' status.

c. Risk Management Committee

Responsible for identifying, monitoring, and mitigating various risks including credit, liquidity, operational, and compliance risks.

d. IT Strategy Committee

Responsible for providing oversight on information technology governance, digital strategy, cybersecurity, data protection, and business continuity.

e. Shareholders' Grievance and Share Transfer Committee

Responsible for redressal of investor and shareholder grievances, monitoring investor complaints, overseeing share transfers/transmissions, dematerialisation/rematerialisation of securities, and ensuring compliance with SEBI (LODR) Regulations and other applicable laws.

f. Asset–Liability Management (ALM) Committee

Responsible for managing and monitoring asset–liability mismatches, liquidity risk, interest rate risk, and funding profile of the Company, and ensuring compliance with RBI guidelines on liquidity and ALM framework.

g. Resources Management Committee

Responsible for optimal management of financial and non-financial resources of the Company, including capital allocation, manpower planning, cost optimisation, and ensuring efficient utilisation of resources in line with business objectives.

h. Investment Committee

Responsible for evaluating, approving, and monitoring investments of the Company, including inter-corporate investments and treasury operations, in accordance with the approved Investment Policy, risk appetite, and regulatory requirements.

6. Independent Control Functions

A. Risk Management Function

The Company maintains an independent risk management framework, overseen by the Risk Management Committee.

B. Compliance Function

A Chief Compliance Officer (CCO) is appointed to ensure regulatory compliance and promote a culture of compliance.

C. Internal Audit

An independent internal audit function periodically assesses adequacy and effectiveness of internal controls, governance, and risk management systems.

7. Compensation Governance

The Company has a Board-approved compensation policy aligned with prudent risk-taking, incorporating fixed and variable pay, and malus/clawback provisions, as applicable.

8. Whistle Blower Mechanism

The Company maintains a whistle blower mechanism enabling Directors and employees to report genuine concerns without fear of retaliation. Adequate safeguards are provided for confidentiality and protection.

9. Transparency and Disclosures

The Company ensures:

- Timely and accurate financial and regulatory disclosures;
- Transparent reporting to the Board and regulators;
- Disclosure of governance policies on the Company's website, where applicable.

10. Review and Amendment

These Guidelines shall be reviewed periodically by the Board to ensure continued relevance and compliance with regulatory requirements.
