

DAGGER GARMENTS PRIVATE LIMITED

CORPORATE GOVERNANCE POLICY

Version 1

Version	Adoption/ Revision	Authority	Date
1	Adopted	Board of Directors	April 10, 2024

ABOUT THE COMPANY

Daggar Garments Private Limited (“Company”) is registered as a non-deposit taking/accepting, systematically important NBFC with the RBI, vide certificate of registration number B.05.05897 dated 15th December, 2003, and is recognised as a base-layer NBFC with effect from March 2024.

POLICY STATEMENT AND PURPOSE

The purpose of this Policy is to comply with all applicable regulatory requirements and maintains the highest standards of corporate governance, risk management, and ethical conduct.

This policy is formulated as per the Master Direction – Reserve Bank of India (Non Banking Financial Company – Scale Based Regulation) Directions, 2023 (as amended from time to time).

OBJECTIVE

The objective of the guidelines are

- a) Greater transparency thereby enabling stakeholders in having a better understanding of the Company.
- b) Building investor’s confidence in the Company.
- c) Adopt best practices in line with the Regulatory prescriptions.

CODE OF CONDUCT

The Board of Directors play an important role in ensuring good governance. The Code of Conduct formulated by the Company during the year which the Directors/ Senior Executive have been advised to follow envisages inter alia, the following:-

- To observe the highest standards of ethical conduct and integrity and to work to the best of their ability and judgement.
- To maintain and help the Company in maintaining highest degree of Corporate Governance practices.
- To act in utmost good faith and exercise due care, diligence and integrity in performing their official duties.
- To maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and not to use it for personal gain or advantage.
- Not to commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy
- No buying / selling any shares / stocks in compliance to insider trading code during closure of trading window notified by the Company.
- Inform the Board of Directors about any behavior which is not in conformity to the Rules of the Company

It is expected that the Board of Director and Senior Management of the Company will exercise good and fair judgment in compliance with the principles of Corporate Governance. The Board Members and Senior Management of the Company have a duty to avoid any situation that would vitiate the spirit of this code.

Any suspected incident of fraud, mismanagement or theft should be immediately reported for investigation to the Board or such other person as designated in this regard. Chairman of the Board will constitute an Investigation Committee to ensure and report to the Board. Board will take suitable action as deemed fit.

The Company shall endeavor to adopt and adhere to all the applicable policies as required under the applicable Directions of the RBI from time to time. Further, the Company shall ensure to review the adopted policies in a timely manner.

RBI GUIDELINES ON CORPORATE GOVERNANCE

In order to enable NBFCs to adopt best practices and greater transparency in their operations, RBI has issued guidelines on Corporate Governance in accordance with the provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. Pursuant to any subsequent amendments or any statutory modifications or re-enactments in the above stated guidelines / norms / clarifications or in any other applicable acts / regulations, if there is any change in any of the parameter(s) framed by the Board, then the act / regulation will have overriding effect on the parameter(s).

BOARD OF DIRECTORS AND COMMITTEES

The Board along with its Committees shall provide leadership and guidance to the Company's management and direct, supervise and control the performance of the Company.

The role of the Board is to determine the overall strategic direction and management of the Company, including monitoring at least once in a year the performance of its directors. The Board is responsible to the shareholders and its conduct is regulated by various provisions of the laws and the Articles of Association of the Company. In performing its duties, the Board meets regularly and acts in the best interests of the Company including its shareholders, customers and creditors. The Board's primary responsibility is on the direction, control and governance of the Company and in particular, to articulate and commit to a corporate philosophy and governance that will shape the level of risk adoption, standards of business conduct and ethical behaviour of the Company.

The Board shall periodically review Compliance Reports of all laws applicable to the Company prepared by the Company as well as steps taken by the Company to rectify instances of non-compliance as soon as the gap, if any, comes to its notice.

Meetings of the Board of Directors shall be held at least four times a year, with a minimum one meeting in a quarter.

The minimum information to be statutorily made available to the Board shall be furnished to all the Directors. The Board shall constitute a set of Committees with specific terms of reference / scope to focus effectively on the issues and ensure expedient resolution of 5 diverse matters. The Committees shall operate as empowered agents of the Board as per their terms of reference and any other issue referred to the Committees or coming to their attention.

The minutes of the meetings of all Committees of the Board shall be placed before the Board for discussions/ noting, as per the provisions of the Companies Act. The terms of references and functioning of all committees shall be decided by the Board in accordance with the provisions of the Companies Act, 2013 and the Guidelines issued by the Reserve Bank of India.

POLICIES ADOPTED BY THE COMPANY

The Company shall endeavor to adopt and adhere to all the applicable policies as required under the applicable Directions of the RBI from time to time. Further, the Company shall ensure to review the adopted policies in a timely manner.

APPOINTMENT OF STATUTORY AUDITORS

The statutory requirements relating to audit, appointment of auditors and the audit function are stipulated in Chapter X of the Companies Act, 2013 and the rules framed there under. Apart from the requirement of conforming to all relevant statutory prescriptions, the Reserve Bank in its circular RBI/2021-22/25 Ref.No.DoS.CO.ARG/SEC.01/ 08.91.001/2021-22 dated April 27, 2021, (RBI Guidelines) read with Clarifications afforded by RBI vide FAQ dated June 11, 2021, has notified guidelines prescribing the eligibility criteria for an audit firm is dependent upon total assets of an NBFC as at the end of last financial year. Accordingly, in keeping with its corporate values, global best practices, statutory and regulatory prescriptions, the company shall appoint its statutory auditor.

INTERACTION WITH REGULATORS

The Company shall maintain good working relationship with its regulators and with other external bodies and authorities. It is also part of the role and objectives of the Compliance function to foster good relations with regulators and to work proactively with the Regulator.