

VM VINIMAY PRIVATE LTD

COMPLIANCE POLICY

M/s Vm Vinimay Private Ltd (the “company”) is a registered NBFC-ND-SI carrying on the business of providing inter-corporate loans and investments in equity instruments, debt instruments and mutual funds etc. to the companies operating in wide range of industries.

The Board of Director (the “Board”) of Vm Vinimay Private Ltd (the “company”) for the purpose of adhering and aligning with RBI circular REC. No. 60/03.10.001/2021-22 dated October 22, 2021 has formulated a policy for implementation of Compliance Function and Role of Chief Compliance Officer.

1. PREAMBLE:

RBI vide its circular has stated that Regulatory structure for NBFCs shall comprise of four layers based on their size, activity, and perceived risk.

RBI again vide Circular: REC. No. 60/03.10.001/2021-22 dated October 22, 2021 stated that Non-Banking Financial Companies in the Upper Layer (NBFC-UL) and Middle Layer (NBFC-ML) would be required to have an independent Compliance Function and a Chief Compliance Officer.

M/s Vm Vinimay Private Ltd (the “company”) along with its group NBFCs has Assets worth more than Rs.1000 crores thus falling under the ambit of Middle layer (NBFC-ML).

2. PURPOSE/OBJECTIVES OF THE POLICY:

Compliance functions are one of the key elements in the Company’s Corporate Governance Structure, which needs to be adequately enabled and made sufficiently independent so that it is capable of identifying, evaluating & addressing Legal/Reputation Risks.

This Policy is established to ensure strict observance of all statutory and regulatory requirements, including standards of market conduct, managing conflict of interest, treating customers fairly and ensuring the suitability of customer service.

Compliance function is the sum total of systems procedures and organisation infrastructure which ensures the following:

- (a) Observance of all statutory and regulatory requirement



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- (b) Standard of market conduct
- (c) Systems of managing conflict of interest
- (d) Dealing customer fairly
- (e) Ensuring suitability of customer service.

3. **DEFINITIONS:**

“Company” means Vm Vinimay Private Limited.

“Policy” means the compliance Policy.

“CCO” mean Chief Compliance Officer.

“Board / Senior Management” means Board of Directors of VM VINIMAY PRIVATE Limited.

“RBI” means the Reserve Bank of India.

4. **RESPONSIBILITIES OF THE COMPLIANCE FUNCTION:**

Compliance Function shall be responsible for undertaking the following activities:

- i. To provide assistance to the Board and the Senior Management in the implementation of Compliance Policies and procedure.
- ii. To identify the Compliance risk in company, in Existing and New products and should be analysed to indentify the risk and put risk mitigants in place.
- iii. To monitor the parameter of Compliance Risk.
- iv. To carry out Compliance test and result of such test shall be reported to Senior Management.
- v. To serve as a reference point for the staff from operational departments for seeking clarifications/interpretations of various regulatory and statutory guidelines.

5. **COMPLIANCE POLICY AND FUNCTION:**

The Board has identified a team responsible for review and making amendments to the existing Corporate Governance Policy or drafting a Compliance Policy taking into account the NBFC's corporate governance framework, the scale of operations, risk profile and organizational structure, etc.

- i. Compliance function is Independent and has right to freely disclose its findings and views to senior management, Board / Board Committee.



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- ii. Compliance function is responsible for Regulatory and Statutory Compliance.
- iii. Compliance Function has access to information, records or files and communicate with any staff member that they may consider necessary.
- iv. All new process and product shall be pre approved by Compliance Department before their introduction.
- v. Compliance function shall carry out an Annual Risk assessment in order to identify and assess major Compliance Risk faced by them.

6. COMPLIANCE STRUCTURE:

The company shall constitute a team of such members as meet the criteria prescribed below named as the "Compliance Department". The department shall be headed by Chief Compliance Officer appointed as per this policy. The scope of this department is to implement the policy, execute the compliance function, identify compliance obligation, perform the same and report any non-compliance to the board and take remedial actions.

7. COMPLIANCE PROGRAMME:

Senior Management shall carry out annual review and shall ensure the coverage of these points.

- To ensure the compliance of Regulatory guidelines issued during the preceding years and steps taken to comply them.
- Rectifications of significant deficiencies and implementation of recommendation pointed out in various audits and RBI inspection reports.
- Compliance with fair practices codes and adherence to standard set by self-regulatory bodies and accounting standard.

The compliance programme will be risk based and subject to oversight by the Chief Compliance Officer to ensure appropriate coverage across businesses and co-ordination among risk management functions.

8. QUALIFICATIONS AND STAFFING OF COMPLIANCE FUNCTION:

Staff of Compliance function shall have adequate staff members with knowledge of statutory/regulatory prescriptions, law, accountancy, risk management, information technology, etc. Further they are expected to have sufficient practical experience in business lines/audit & inspection functions. Compliance Officers will have access to all information they require and have the right to conduct investigation and report the findings to the Chief Compliance Officer. Company will prepare an appropriate succession plan that ensured to avoidance of any future skill gap.



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9. INTERNAL AUDIT REVIEW OF COMPLIANCE FUNCTION & INDEPENDENT:

Compliance risk is included in the risk assessment framework of the Internal Audit Function, and Compliance Function in subject to regular Internal Audit. The CCO of Company has to keep informed of audit findings related to Compliance, which shall serve as a feedback mechanism for assessing the areas of Compliance failures.

10. APPOINTMENT AND TENURE OF CCO:

- i. **Tenure:** CCO shall be appointed for a fixed period for not less than 3 years. However in exceptional case, the Board/Board Committee may relax the minimum tenure by one year.
- ii. **Removal:** CCO shall be removed/transferred before completion of the tenure only in exceptional circumstance, with explicit prior approval of the Board/Board Committee.
- iii. **Eligibility:** The CCO shall be required to meet the Fit and proper guidelines of the company in order to be eligible to be appointed.
- iv. **Selection:** CCO shall be appointed by the Board of directors of the company. The Nomination and Remuneration Committee shall identify a suitable candidate for the post and recommend the same to the Board
- v. **Reporting:** The CCO shall report directly to the Managing Director or the Chairman of the company and stay independent of the reporting structure of the Company

11. REVIEW OF COMPLIANCE RISK:

The Board shall periodically review the incorporated policy (not less than once in a year). The review of compliance risk shall be carried out by the Senior Management, to identify and assess the major compliance risk facing the NBFC and formulate plans to manage it. Thereafter, it shall be submitted to the Board / Audit Committee along with a detailed annual review of compliance.

12. MONITORING AND REVIEW:

The Board of Directors of the Company reserves the right to add, amend, modify this policy as and when it deems appropriate in the best interest of the Company.



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Further if any rules under the Code are in conflict with or inconsistent with the any regulations issued by RBI in this regard, then such RBI regulations shall prevail and shall deemed to have been included in this policy.



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CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction

Corporate Social Responsibility [CSR] is a kind of social responsibility integrated into a business model. CSR goes beyond compliance and engages in actions that appear to further some social good, beyond the interests of the firm and that which is required by law. CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

We are committed to economic, social, environmental and cultural growth of the underprivileged in an equitable and sustainable manner in the peripheral areas around its corporate office and area of operation. Over the years, the company worked for enrichment of lives across these communities emphasizing the point that a sense of social responsibility is inherent to its entrepreneurship.

Our vision for CSR is – “to contribute for bringing social and economic change to the underprivileged section of the society in an equitable manner and to contribute for the skill development as means of livelihood for the weaker sections of the society. This way we are building our business on responsible, sustainable and ethical foundations within a commercial framework to enable us to be a significant and effective force for positive change. In doing so we believe we are contributing to develop the quality of human life and making a better India”.

Legal requirement

Pursuant to Section 135 of the Companies Act, 2013 [hereinafter referred to as “the said act”] read with Companies [Corporate Social Responsibility] Rules, 2014, the company is required to formulate a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the said act and the expenditure to be incurred thereon, excluding activities undertaken in pursuance of normal course of business of a company. The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. CSR activities do not include the activities undertaken in pursuance of normal course of business of the company. The surplus arising out of the CSR projects or programs or activities, if any, shall not form part of the business profit of a company.

Implementation Process



The company will encourage voluntary effort of its Directors and employees to CSR projects. The company also encourage its directors and employees to recommend to the CSR committee meaningful projects in accordance with the guiding principles that may be taken up by the company under supervision CSR committee.

In addition to projects that may be taken up by the company directly, CSR activities will also be carried on by the Company through:

Balrampur Foundation , and

Other society, trust, hospital, fund or organisations engaged in activities specified in Schedule VII of the said act, as may be approved by the CSR Committee of the Board in accordance with the provisions of the said act and rules made thereunder.

CSR activities through Balrampur Foundation

- a)Livelihood enhancement and poverty alleviation
- b) Education including skill development for empowerment of women and others.
- c) Healthcare, sanitation & safe drinking water
- d) Rural development and transformation
- e) Environment sustainability & climate change
- f) Disaster management

CSR activities through others

The Policy recognizes that CSR is not merely a compliance; it is commitment to support initiatives that measurably protect environment, spread/promote education and improve the lives of unprivileged. CSR activities may be carried on by the company through other society, trust, hospital, fund or organizations engaged in activities specified in Schedule VII of the said act, subject to approval by the CSR Committee of the Board in accordance with the provisions of the said act and the CSR Rules.

Modalities And Implementation Schedule for Execution of Projects or Programs or CSR Activities

The Company will undertake its CSR activities, approved by the CSR Committee either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or even to collaborate with other entities as approved by the CSR Committee. The implementation Schedule for CSR activities will be dependent on the availability of eligible projects. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

Partnerships

The Company or the trusts may form collaborative partnerships with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders for



carrying the CSR activities. This helps widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the CSR activities.

Expenditure

As mandated under section 135 of the Companies Act, 2013 read with Companies [Corporate Social Responsibility] Rules, 2014, expenditure on CSR activities in any financial year shall not be less than 2% of the average net profits of the company made during the three immediately preceding financial years. The Budget of the CSR activities to be carried on by the Company shall be placed before the CSR Committee. Requisite approval shall also be taken from the Board, if necessary.

Provided that if the company fails to spend such amount, i.e. 2% of average net profit, the Board shall specify reason for not spending the amount.

Composition of CSR Committee

The CSR Committee shall comprise of at least two Directors as may be appointed by the Board from time to time and in accordance with the applicable provisions of the Companies Act, 2013.

Responsibilities of CSR Committee

The responsibilities of the CSR Committee include:

- a) Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken;
- b) Disclose composition of CSR Committee;
- c) Recommending the amount of expenditure for CSR activities mentioned in (a) above;
- d) Ensure CSR activities are undertaken by the Company;
- e) Monitoring CSR activities from time to time.

Monitoring

CSR Committee shall monitor the implementation of CSR activities carried on by the Company. The company shall prepare a report of the CSR programs/activities carried on by the company through trusts & others and expenditure incurred thereon shall be placed before the CSR Committee.

Information dissemination

The Company shall provide in prescribed format as set out under Companies (CSR Policy) Rules, 2014, the details of its engagement in CSR activities on its Website and Annual Reports.



Review of Policy This CSR policy document will be reviewed from time to time and any changes, if necessary, as recommended by the CSR Committee shall be approved by the Board but at least once in a year.

For VM Vinimay Private Limited

Jayesh Vora
Director

28 APR 2023