

## Policies

Framing of Policies can act as an effective tool to ensure governance of the NBFCs in a directed manner and provide clarity through the hierarchy regarding the boundaries of operations. Policies also provide clarity to stakeholders with respect to the risk appetite of NBFCs, their governance mechanism and enhances confidence in the operations of the NBFC. RBI requires all Deposit Taking NBFCs and Non Deposit Taking-Systemically Important NBFCs to formulate the below mentioned Board approved policies:

- a. Credit/Loan policy which would also comprise the following policies if applicable to the business of the NBFC.
  - Demand/call loans
  - Gold loans

The Credit/ Loan policy shall also indicate the NBFC's policies with respect to exposure to single party / group of single parties.

- b. Risk management Policy
- c. Asset Liability Committee Policy
- d. Know Your Customer Policy
- e. Anti Money Laundering Policy
- f. Fair Code practices Policy
- g. Disclosure Policy
- h. Accounting Policy
- i. Corporate Governance Policy
- j. Internal Audit Policy
- k. Whistle Blower Policy
- l. Policy on Dealing with Related Party Transactions
- m. Policy on Ascertaining Fit and Proper Criteria
- n. Remuneration Policy
- o. Resource planning Policy

It is also to be understood that a policy which is static in nature cannot prove effective as the regulatory scenario of NBFCs is undergoing constant changes and so are the market dynamics. It is therefore the responsibility of each of the respective department heads/senior management to place the policies before the Board for review and updation as and when required, in an ongoing manner.