

## Details of various committees of the Board

### 1. *Audit Committee*

The Audit Committee was constituted by the Board of Directors through its resolution dated February 27, 2012. The Audit Committee was last re-constituted on May 06, 2019, and it currently comprises the following Directors:

- (i) Mathew K. Cherian
- (ii) Paul Jose Maliakal
- (iii) C. Thomas John

The scope and functions of the Audit committee are in accordance with Section 177 of the Companies Act, 2013 and its terms of reference are as follows:

Functions and terms of operations of the Audit Committee include the following:-

A. The Audit Committee shall have powers, including the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The role of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the whistle blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
22. Audit Committee must ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the Company.

Further, the Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor if any shall be subject to review by the Audit Committee.
6. Statement of deviations:
  - (a) Quarterly statement of deviation(s), submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
  - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

## **2. Asset Liability Management Committee**

The Asset Liability Management Committee was constituted by the Board of Directors through its resolution dated July 09, 2011. The Asset Liability Management Committee was last reconstituted on December 10, 2019, and it currently comprises the following Directors:

1. Mathew K. Cherian
2. Laila Mathew
3. Jilu Saju Varghese
4. C. Thomas John
5. Saju John Varghese

Asset Liability Management Committee shall be responsible for recommending to the Board prudent asset/liability management policies and procedures and shall have the following responsibilities:

- successful implementation of the risk management process;
- integration of basic operations and strategic decision making with risk management;
- overall responsibility for management of risks;
- deciding the risk management policy of the Company;
- setting limits for liquidity, interest rate and equity price risks and shall be responsible for ensuring adherence to the limits set thereby;
- Deciding the business strategy of the Company (on the assets and liabilities side) in line with the Company's budget and decided risk management objectives.
- Articulating the current interest rate view of the NBFC and base its decisions for future business strategy on this view.
- reviewing Interest rate forecasts and spreads for Company;
- analyzing, monitoring and reporting the risk profiles;
- responsible for balance sheet planning from risk-return perspective including the strategic management of interest rate and liquidity risks;
- review the results of and progress in implementation of the decisions made in the previous meetings

Asset Liability Management Committee shall consider, *inter alia*, shall include product pricing for both deposits and advances, desired maturity profile and mix of the incremental assets and liabilities, prevailing interest rates offered by other peer NBFCs for the similar services/product, etc.

- a. Asset Liability Management Process: the scope of Asset Liability Management Committee function can be described as follows:
- Liquidity risk management
  - Management of market risks
  - Funding and capital planning
  - Profit planning and growth projection
  - Forecasting and analyzing 'What if scenario' and preparation of contingency plans

Any other power, role and terms of references as may be stipulated under Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit Taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

### **3. Risk Management Committee**

The Risk Management Committee was constituted by the Board of Directors through its resolution dated July 09, 2011. The Risk Management Committee was last reconstituted on May 30, 2018.

The Risk Management Committee currently consists of the following persons:

- (i) Mathew K. Cherian
- (ii) Laila Mathew
- (iii) Jilu Saju Varghese
- (iv) C. Thomas John
- (v) Arun Kumar (Chief Information Officer and Chief Risk Officer)

*The terms of reference of the Risk Management Committee includes the following:*

- (a) Establishing the context of risks;
- (b) Identifying the risks;
- (c) Assessing probability and possible consequences of the risks.
- (d) Developing strategies to mitigate these risks;
- (e) Monitoring and reviewing the outcomes;
- (f) Communicating and consulting with the parties involved;
- (g) Risk committee performs centralised oversight and policy setting of risk management activities and to provide communication to the board of directors regarding important risks and related risk management activities;
- (h) The risk committee approves the design of the Company's enterprise-wide risk management framework, including supporting methods, risk policies, risk inventories and the risk ranking methodology, as they relate IT and IT compliance risks;
- (i) The committee review and advise the board on the risk impact of strategic business decisions and assess strategic alignment with the Company's IT risk appetite;
- (j) Review significant aggregate risk concentration and other escalations and approve significant corrective actions recommended by management;
- (k) Report to the full Board / IT Steering Committee on the Company's most significant risk, risk trends, as well as related risk response strategies and the performance of the Company's risk management capabilities;
- (l) Oversee the implementation of and adherence to corporate risk policies, processes, and other risk guidance;
- (m) Frequent review of risk assessment.

### **4. Nomination & Remuneration Committee**

The Nomination & Remuneration Committee was constituted by a board resolution dated January 09, 2012. The Nomination & Remuneration Committee was last reconstituted on May 06, 2019 and it currently comprises the following Directors:

The Committee currently comprises:

- (i) Jilu Saju Varghese
- (ii) Paul Jose Maliakal
- (iii) C. Thomas John

The scope and function of the Nomination and Remuneration committee is in accordance with Section 178 of the Companies Act and its terms of reference are as follows:

Terms of reference of the Nomination Committee includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Recommending to the Board, all remuneration, in whatever form, payable to senior management of the Company;
7. Ensuring 'fit and proper' status of proposed/ existing Directors of the Company.
8. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
  - b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
9. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.”

#### **5. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was re-constituted by way of a board resolution dated June 25, 2018. The Corporate Social Responsibility Committee comprises of the following members:

- (i) Mathew K. Cherian
- (ii) Laila Mathew
- (iii) Jilu Saju Varghese
- (iv) C. Thomas John

The scope and functions of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act and its terms of reference are as follows:

*The terms of reference of Corporate Social Responsibility Committee includes the following:*

- (a) To formulate and to recommend to the Board, a corporate social responsibility policy which shall indicate the activities to be undertaken by our Company as specified in Scheduled VII;
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause 1; and
- (c) Monitor the Corporate Social Responsibility policy of our Company from time to time.

#### **6. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was re-constituted by a board resolution dated May 6, 2019.

The Committee currently comprises of the following members:

- (i) Mathew K. Cherian
- (ii) Laila Mathew
- (iii) Jilu Saju Varghese
- (iv) C. Thomas John

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 (6) of

the Companies Act, 2013.

Terms of Reference for the Stakeholders Relationship Committee:

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
5. Carrying out any other function contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

#### **7. Debenture Committee**

The Debenture Committee was re-constituted by the Board of Directors through its resolution dated January 31, 2019. The Debenture Committee comprises of the following persons:

- (i) Mathew K. Cherian;
- (ii) Laila Mathew; and
- (iii) Jilu Saju Varghese;

*The terms of reference of the Debenture Committee includes the following:*

1. To determine and approve, the terms and conditions and number of the debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the issue including coupon rate, minimum subscription, retention of oversubscription, if any, etc., to approve and make changes to the draft prospectus, to approve the prospectus, including any corrigendum, amendments supplements thereto, and the issue thereof and to issue and allot the debentures and to approve all other matters relating to the issue and do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose including without limitation the utilisation of the issue proceeds, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, extension of issue and/or early closure of the issue.

Apart from the aforementioned committees formed in accordance with the Companies Act, 2013, the Listing Regulations and in relation to the Issue, our Company has also formed a Committee for Bank Operations and an IT Strategy Committee.

#### **8. IPO Committee**

The IPO Committee was constituted by our Board of Directors through its resolution dated May 6, 2019. The IPO Committee comprises of the following persons:

- (i) Mathew K. Cherian;
- (ii) Laila Mathew; and
- (iii) C. Thomas John.

*The terms of reference of the IPO Committee includes the following:*

1. Approving all actions required to dematerialize the Equity Shares, including seeking the admission of the Equity Shares into the Central Depository Services (India) Limited (the "CDSL") and the National Securities Depository Limited (the "NSDL");
2. Finalizing and arranging for the submission of the DRHP, the RHP, the Prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to appropriate government and regulatory authorities, institutions or bodies;
3. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as

- required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
4. Issuing advertisements as it may deem fit and proper in accordance with Applicable Laws;
  5. Approving suitable policies, including on insider trading, whistle blower/vigil mechanism, risk management and other corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Issue;
  6. Deciding on the size and all other terms and conditions of the Issue and/or the number of Equity Shares to be offered and transferred in the Issue, including any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under Applicable Laws;
  7. Taking all actions as may be necessary or authorized in connection with the Issue;
  8. Appointing and instructing book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers of the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue and whose appointment is required in relation to the Issue, including any successors or replacements thereof;
  9. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in Rupees or in any other currency, in accordance with Applicable Laws;
  10. Entering into agreements with, and remunerating all such book running lead managers, lead managers, syndicate members, placement agents, bankers to the Issue, the registrar to the Issue, bankers to the Company, managers, underwriters, guarantors, escrow agents, accountants, auditors, legal counsels, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all other agencies or persons as may be involved in or concerned with the Issue, including any successors or replacements thereof, by way of commission, brokerage, fees or the like;
  11. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements with the Stock Exchanges;
  12. Seeking, if required, the consent of the Company's lenders and lenders of its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in connection with the Issue;
  13. Submitting undertaking/certificates or providing clarifications to the SEBI and the Stock Exchanges;
  14. Determining the price at which the Equity Shares are offered and transferred to investors in the Issue in accordance with Applicable Laws, in consultation with the selling shareholder and the book running lead manager(s) and/or any other advisors, and determining the discount, if any, proposed to be offered to eligible categories of investors;
  15. Determining the price band and minimum lot size for the purpose of bidding, any revision to the price band and the final Issue price after bid closure;
  16. Determining the bid opening and closing dates;
  17. Finalizing the basis of allocation and transfer of Equity Shares to retail investors/non-institutional investors/qualified institutional buyers and any other investor in consultation with the book running lead managers, the stock exchanges and/or any other entity;
  18. Approving/taking on record the transfer of the Equity Shares;
  19. Opening with the bankers to the Issue, escrow collection banks and other entities such accounts as are required under Applicable Laws;
  20. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
  21. Severally authorizing Authorized Officers for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer considers necessary, desirable or expedient, in connection with the Issue, including, without limitation, engagement letters, memoranda of understanding, the listing agreements with the stock exchanges, the registrar's agreement, the depositories' agreements, the issue agreement with the book running lead managers (and other entities as appropriate), the underwriting agreement, the syndicate agreement, the cash escrow agreement, the share escrow agreement, confirmation of allocation notes, the advertisement agency agreement and any undertakings and declarations, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Issue, the book running lead manager(s), lead manager(s), syndicate members, placement agents, bankers to the Issue, registrar to the Issue, bankers of the Company, managers, underwriters, guarantors,

- escrow agents, accountants, auditors, legal counsel, depositories, trustees, custodians, credit rating agencies, monitoring agencies, advertising agencies, and all such persons or agencies as may be involved in or concerned with the Issue including any successors or replacements thereof; and any such agreements or documents so executed and delivered and acts, deeds, matters and things done by any such Authorized Officer shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing;
22. Severally authorizing the Authorized Officers to take any and all action in connection with making applications, seeking clarifications and obtaining approvals (or entering into any arrangement or agreement in respect thereof) in connection with the Issue, including, without limitation, applications to, and clarifications or approvals from the Government of India, the RBI, the SEBI, the RoC, and the Stock Exchanges and that any such action already taken or to be taken is hereby ratified, confirmed and/or approved as the act and deed of the Authorized Officer and the Company, as the case may be;
  23. Severally authorizing the Authorized Officers, for and on behalf of the Company, to execute and deliver any and all documents, papers or instruments and to do or cause to be done any and all acts, deeds, matters or things as any such Authorized Officer may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer shall be conclusive evidence of the authority of such Authorized Officer and the Company in so doing and any such document so executed and delivered or acts, deeds, matters and things done or caused to be done by any such Authorized Officer prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Authorized Officer and the Company, as the case may be; and
  24. Executing and delivering any and all documents, papers or instruments and doing or causing to be done any and all acts, deeds, matters or things as the IPO Committee may deem necessary, desirable or expedient in order to carry out the purposes and intent of the foregoing resolutions or the Issue; and any documents so executed and delivered or acts, deeds, matters and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

**For Kosamattam Finance Limited**

Sd/-

**Mathew K. Cherian**  
**Managing Director**  
**DIN: 01286073**