

Policy for Appointment of Statutory Auditors

1. Objective

The objective of this Policy is to lay down the criteria to be considered for selection of statutory auditors ('SA') for Raj Radhe Finance Limited ('Company'). The Policy is framed pursuant to RBI's Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) issued vide circular Ref.No.DoS.CO.ARG/SEC.01/08.91.001/ 2021-22 dated April 27, 2021 ("the RBI Guidelines"), as may be amended or modified, replaced, substituted or clarified from time to time, read with the FAQs issued by RBI in this regard.

This Policy shall act as a guideline for establishing proper procedures for determining, inter-alia, qualifications, eligibility and procedure for appointment of the SAs that conform with the extant norms of applicable laws and regulations.

However, in the above-mentioned RBI Circular, the Applicability Clause states that "Non-deposit taking NBFCs with asset size below ₹1,000 crore have the option to continue with their extant procedure". Considering the same, our Company willingly follows the existing extant procedures. The Company has not crossed the Threshold mark of the Assets Size of ₹1,000 Crores and thus the Board of Directors ('BOD') of the Company have adopted the practices and procedures with regard to Appointment of Statutory Auditors, in line with the general requirements of RBI and as per Section 141 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

2. Procedural Aspects

- a. Number of statutory auditors
- b. Eligibility criteria of the statutory auditors
- c. Independence of the statutory auditors
- d. Procedure for Appointment of Statutory Auditors
- e. Tenure of Appointment and Rotation
- f. Remuneration to Auditors
- g. Review of the performance of statutory auditors

All the above state Procedural Aspects have been followed in according to and in line with the provisions and requirements as contained in the Chapter X (Audit and Auditors) of the Companies Act, 2013 read with the Companies (Audit) Rules, 2014.

3. Review and amendment to policy

This Policy shall be reviewed by the BOD as and when any changes are to be incorporated in the Policy due to change in applicable law or regulation, or when considered necessary by the BOD.

To the extent any change/ amendment is required in terms of any applicable law or change in regulations, the regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

However, notwithstanding such non-modification or pending such modification, the applicable law and regulations (as changed) shall prevail over the Policy, and the Policy shall be read accordingly.