

SAYYAM INVESTMENTS PRIVATE LIMITED

Policy on Appointment of Auditors

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1. PREAMBLE:

The Reserve Bank of India (“**RBI**”) has issued Guidelines for the appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) on April 27, 2021 (“**RBI Guidelines**”). In terms of said RBI Guidelines, Non- Banking Finance Companies (NBFCs), Sayyam Investments Private Limited (hereinafter ‘**the Company**’ or ‘**Sayyam**’), being a NBFC with asset size of ₹1,000 crore and above, is required to comply with these RBI Guidelines while appointing the statutory auditors of the Company. Further, the RBI Guidelines requires formulation of suitable policy on the appointment of Statutory Auditor. The Company is required to ensure that the Statutory Auditor fulfils the prescribed eligibility norms.

As one of the leading companies in the digital lending sector, the Company is committed to maintaining robust governance and adopting industry best practices in internal audit. Accordingly, the Company shall maintain a Board-approved Internal Audit Policy, as applicable (collectively referred to as the “Internal Audit or IA ”), to establish a structured, risk-based assurance mechanism and support the Board in the effective discharge of its oversight responsibilities.

For the purposes of this Policy, Statutory **Auditors** and **Internal Auditors** shall collectively be referred to as the “**Auditors**”.

2. OBJECTIVE:

The objective of this policy is to provide sufficient framework for the appointment of Auditors of the Company by prescribing the parameters and brief procedure to be followed by the Company for the appointment of Auditor confirming all relevant applicable statutory/regulatory requirements.

3. DEFINITIONS:

- a. “**Applicable Laws**” means the RBI Guidelines, ICAI Act, Income Tax Act, the Companies Act, 2013 and the regulations issued thereunder, as amended from time to time, dealing with the qualification, eligibility, selection, appointment, tenure, or cessation of the office of SA and/ or roles & responsibilities of such SA.
- b. “**Audit Committee of Board or ACB**” means the Committee duly constituted by the Board of Directors of the Company in accordance with the provisions of all Applicable Laws.
- c. “**Audit Firm**” means the firm of Chartered Accountant(s) (“**CA**”) constituted as per the provisions of the ICAI Act and permitted to conduct the audit of entities in India under the provisions of Applicable Laws.
- d. “**Board**” means Board of Directors of the Company.
- e. “**Company**” means **Sayyam Investments Private Limited**.
- f. “**IA Firm**” means the firm of CA/CWA or any other professionals permitted to conduct the audit of entities in India under the provisions of Applicable Laws.
- g. “**Internal Auditor**” means the auditor appointed or to be appointed by the Board of



Directors of the Company for conducting the IA of the Company as per Applicable Laws.

- h. **“NBFC”** means a Non-Banking Financial Company registered with RBI under the provisions of RBI Act, 1934.
- i. **“Policy”** means ‘Policy on Appointment of Statutory Auditor’.
- j. **“RBI”** means Reserve Bank of India constituted in accordance with the provisions of the Reserve Bank of India Act, 1934.
- k. **“RBI Guidelines”** means Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021 including guidelines, circulars or directions issued by RBI from time to time in connection with Statutory Auditors shall prevail over and above the provisions of the **“Policy for Appointment of Auditors”** of the Company.
- l. **“Statutory Auditor ”** means the auditor appointed or to be appointed by the Shareholders of the Company for conducting the audit of the Company as per Applicable Laws.

Section-A: Statutory Audit

4. NUMBER OF STATUTORY AUDITOR:

Pursuant to the applicable provisions of the RBI Guidelines and the asset size as on January 31, 2026, being less than ₹15,000 crore, the Company shall appoint one (01) audit firm for conducting statutory audit of the Company. The Company shall comply with RBI Guidelines and appoint such number of SA as may be required pursuant to increase in the asset size or other factors introduced under Applicable Law, from time to time, for the number of SA to be appointed.

5. ELIGIBILITY CRITERIA

The Audit Firm, considered for appointment as a SA of the Company, shall fulfil the following eligibility criterion at the time of their appointment and on continuous basis.

- a. The Audit Firm and its partners comply with the criteria specified in RBI Guidelines, as amended from time to time.
- b. The Audit Firm, or any of its partners, does not have any relationship or arrangements with the current/ existing SA of the Company.
- c. The partner of the Audit Firm, or any relative of such partner, should not be the director, promoter, KMP, or the member of senior management team of the Company.
- d. The Audit Firm, its partners or any relative of such partner, neither hold any security, nor is indebted to, nor has it given a guarantee or provided any security in connection with the indebtedness of any third person, to the company or its holding or associate company.



- e. The Audit Firm has not rendered any non-audit work (services mentioned in Section 144 of Companies Act, 2013, internal assignments, special assignments, etc.) to the Company or any audit/non-audit works to its group entities for a period of one year before appointment or at least one year after completion of the audit assignment as SA.
- f. The Audit Firm, or any of its partners, has not been debarred from taking up audit assignments by any regulator/ government authority or Court of Law.
- g. The Audit Firm should not be under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators.
- h. The Audit Firm is not the auditor of more than eight NBFCs (including the Company).
- i. The Audit Firm is duly qualified for appointment as auditor in terms of Section 141 of the Companies Act, 2013 read with Rule 10 of Companies (Audit and Auditors) Rules, 2014.
- j. Concurrent auditors of the Company, if any, should not be considered for appointment as SA of the Company.

6. INDEPENDENCE OF STATUTORY AUDITOR:

The **ACB** of the Board shall monitor and assess the independence of the auditor and conflict of interest position in terms of relevant regulatory provisions, standards and best practices and any conflict/concern in this regard shall be reported to Board of Directors and Regional Office of RBI. ACB should also review and monitor the effectiveness of audit process.

In case of any concern with the management such as non-availability of information/non-cooperation by the management, which may hamper the audit process, the SA shall approach the ACB, under intimation to the concerned Regional Office of RBI.

The time gap between any non-audit work (services mentioned at Section 144 of Companies Act, 2013, internal assignments, special assignments, etc.) by the SAs for the Company or any audit/non-audit work for its group entities should be at least one year before appointment or after completion of the audit assignment as SA. However, during the tenure as SAs, an audit firm may provide such services which may not normally result in a conflict of interest, and the Company may take its own decision in this regard, in consultation with ACB.

ACB shall review the performance of SA on an annual basis. Any serious lapses/ negligence in audit responsibilities or conduct issues on part of the SA or any other matter considered as relevant shall be reported by the Company to RBI **within two months** from completion of the annual audit. Such reports should be sent with the approval/recommendation of the Board/ACB, with the full details of the audit firm. In the event of lapses in carrying out audit assignments resulting in misstatement of financial statements, and any violations/ lapses vis-à-vis the RBI's directions/ guidelines regarding the role and responsibilities of the SA, the SA would be liable to be dealt with suitably under the relevant statutory/regulatory framework.

7. TENURE & ROTATION:



The Company shall appoint SA for maximum period of three (3) continuous years upon SA satisfying the eligibility norms every year. The Audit Firm would not be eligible for reappointment in the same entity for six (6) years after completion of full or part of one term of the audit tenure.

The Company may remove SA before completion of three (3) years. The office concerned of RBI shall be informed about such termination along with reasons for the same, within a month of such a decision being taken.

The Company shall rotate the partner/s of the Audit Firm conducting the audit, every three (3) years so that same partner shall not conduct audit of the Company continuously for more than a period of three years.

8. AUDIT FEES & EXPENSES:

The fees for audit shall be decided in terms of the provisions of Applicable Law and shall be reasonable considering the scope and coverage of audit, size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, identified risks in financial reporting, etc.

9. PROCEDURE FOR APPOINTMENT OF STATUTORY AUDITOR:

The Legal and Compliance Department in coordination with Finance Function shall verify the eligibility of Audit Firms as provided in this Policy by seeking requisite documents, declarations and certificates from the Audit Firm, including but not limited to:

- a. A certificate certifies the eligibility criteria as per Rule 4 of The Companies (Audit and Auditors) Rules, 2014.
- b. A certificate along with relevant information in format as specified by RBI to the effect that the Audit Firm complies with all the eligibility norms prescribed by RBI.
- c. A due diligence certificate in the illustrative format enclosed herewith as **Annexure-A**, (as amended from time to time) certifying the compliance of all the applicable laws.

At least two (2) Audit Firms shall be shortlisted in consultation with the Chief Finance Officer/Head of Finance for final selection by ACB/Board.

The ACB, in its meeting shall take into consideration the qualifications, eligibility and experience of proposed Auditor Firm(s) and whether such qualifications and experience are commensurate with the size and requirements of the Company. If satisfied, the Audit Committee shall recommend to the Board, the name of an audit firm(s) which may replace the existing auditor on expiry of the term of such incumbent.

The Board, on recommendation of the Audit Committee, shall recommend Audit Firm for appointment as SA of the Company to the members in the forthcoming general meeting.

The appointment of Audit Firm as SA, once approved by shareholders of the Company, shall be intimated to the concerned RO of RBI by way of a certificate in the format prescribed by RBI.



The Company shall also inform the Audit Firm of his or its appointment as SA and ensure requisite intimation/ returns before Registrar of Companies and other authorities.

Also, the Company shall inform RBI about the appointment of SA each year by way of a certificate in prescribed form within one month of such appointment.

10. GOVERNANCE AND PRIMARY RESPONSIBILITIES:

Board of Directors (Board):

- The Board shall approve this Policy for implementation.
- The Board shall pass necessary instructions, orders, clarifications, or assign responsibilities, delegate requisite powers, as may be required from time to time during implementation of the Policy.
- The Board shall approve the appointment of Audit Firm as SA

Audit Committee of Board (ACB):

- The ACB shall monitor and assess the independence of SA under relevant provisions.
- The ACB shall assist SA in case of any concern with the management.
- The ACB shall review the performance of SA on annual basis.

Finance Department:

- Finance Function shall ensure collection of various information/ documents required for verification and selection of Audit Firm.
- Finance Function shall assist and provide requisite support in ascertaining the eligibility of Audit Firm for appointments as SA.

Compliance Department:

- It shall verify the eligibility of Audit Firm under Applicable Laws based on the information, documents and declarations received from such Audit Firm.
- It shall present requisite information before ACB, Board and the shareholders of the Company as may be required for taking appropriate decision.
- It shall ensure requisite intimations, and submission of forms/returns to the prescribed authorities and SA regarding the appointment.

Section-B: Internal Audit (IA)

11. IA Background: Internal Audit is an independent and objective assurance and consulting function designed to add value and improve the Company's governance, risk management, and internal control processes. It provides the Board and the Audit Committee with independent assurance on the adequacy and effectiveness of internal controls, risk management practices, regulatory compliance, and operational efficiency. The scope, roles, and responsibilities of the Internal Audit function shall be governed by this Policy. The Internal Auditor shall adopt a documented, risk-based audit methodology covering all significant business functions, including digital lending operations, credit, collections, finance, compliance, information technology, information security, outsourcing arrangements, customer service, and other operational and support functions. Detailed audit procedures and programmes shall be developed and updated periodically based on the Company's risk profile.



12. IA Objectives: The objectives of the Internal Audit function are to:

- assess compliance with applicable laws, RBI directions, regulatory requirements, and internal policies;
- evaluate the adequacy and effectiveness of governance, risk management, and internal control systems;
- review the efficiency and effectiveness of business processes and operational controls;
- review of IT policy and process
- identify control gaps, operational risks, and process deficiencies, and recommend corrective actions; and
- provide independent assurance to the Board and the Audit Committee on the Company's control environment and regulatory compliance.

13. IA Scope: The Internal Audit function shall provide independent assurance and advisory services to the Board, Audit Committee, and Management on the adequacy and effectiveness of the Company's governance, risk management, internal controls, and compliance framework. The Internal Audit function may also provide advisory support on the design and strengthening of policies, processes, systems, and controls, without compromising its independence. The scope of Internal Audit shall extend to all business and support functions of the Company, including, but not limited to:

- Digital lending operations, credit underwriting, loan servicing, collections, recoveries, settlements, and write-offs.
- Finance, treasury, accounting, financial reporting, and asset-liability management.
- Compliance with applicable laws, RBI directions, internal policies, and regulatory requirements.
- Risk management, internal controls, and operational resilience.
- Review of IT Policy and process.
- Lending Service Provider (LSP) governance, outsourcing arrangements, vendor management, and third-party risks.
- Customer onboarding, KYC/AML, fraud risk management, grievance redressal, and customer protection.
- Review of the reliability and integrity of financial, operational, and management information.
- Review of asset quality, safeguarding of assets, and efficient utilization of resources.
- Investigation of material control failures, policy violations, frauds, or other significant irregularities, as directed by the Audit Committee or Management.
- Review of any other business function, project, system, or activity considered necessary based on the Company's risk profile or regulatory expectations.

14. IA Sampling: The Internal Auditor may adopt a risk-based sampling approach where 100% verification is not considered necessary. The sampling methodology shall be designed to obtain sufficient and appropriate audit evidence and shall be based on the nature, materiality, risk profile, audit objectives, and size of the population. The selected samples should be representative of the population and adequately support the audit conclusions.**15. IA Reporting:**

- The Internal Auditor shall issue an audit report upon completion of each audit, setting out the scope, observations, risk ratings, root causes, recommendations, and management action plan.



- The draft report shall be discussed with the concerned business/function head before finalisation, and management responses, including timelines for corrective actions, shall be incorporated.
- Significant observations, unresolved issues, and high-risk findings shall be escalated to the Audit Committee of the Board (ACB) on a periodic basis.
- The Internal Audit function shall monitor the implementation of agreed corrective actions and report the status of pending observations to the Audit Committee until closure.

16. IA Documentation:

- The Internal Auditor shall maintain adequate audit documentation supporting the audit procedures performed, evidence obtained, and conclusions reached.
- Audit documentation may be maintained in electronic or physical form, with electronic records being the preferred mode.
- Audit records shall be retained and applicable regulatory requirements and shall be made available for regulatory review, inspection, or investigation, wherever required.

17. Organizational Position:

- The Internal Audit function shall remain independent, objective, and free from operational influence in the discharge of its responsibilities.

18. 12. Code of Ethics: Internal Auditors shall:

- act with integrity, independence, objectivity, confidentiality, and professional competence;
- avoid actual or perceived conflicts of interest;
- maintain confidentiality of information obtained during the audit;
- obtain sufficient and appropriate audit evidence to support audit conclusions; and
- comply with applicable professional standards, regulatory requirements, and the Company's Code of Conduct.

19. Access to Information: The Internal Auditor shall have unrestricted access to all records, systems, personnel, premises, information, and documents necessary for the effective performance of its responsibilities. All information obtained during the audit shall be treated as confidential and used solely for audit purposes.**20. Responsibilities of the Auditee:**

- All business functions and employees shall extend full cooperation to the Internal Audit and provide timely access to information and records.
- The auditee shall promptly respond to audit observations, prepare corrective action plans, and implement agreed actions within the prescribed timelines.
- The Head shall be responsible for the effective implementation and closure of audit observations.

Section-C: Review**21. FINAL PROVISION TO POLICY:**

Amendment/ Modification in the Policy: The Policy shall be amended or modified with approval of the Board. The Policy shall be reviewed at least annually or from time to time as per the revisions



or updates in the regulatory guidelines or Companies Act, 2013. Consequent upon any amendments in Applicable Laws or any change in the position of the Company, the Compliance Department shall ensure necessary changes in this Policy upon the approval of Chief Compliance Officer of the Company. Such changes shall be brought to the notice of the Board in the meeting convened immediately after such change.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this Policy with any existing legislation, rules, regulations, laws or modification thereof or enactment of a new applicable law, the provisions under such law, legislation, rules, regulation or enactment shall prevail over this Policy.

Annexure-A

To,
Date
Chief Finance Officer / Head of Finance
Sayyam Investments Private Limited (Sayyam)

Sub: Confirmation of eligibility norms prescribed for Statutory Auditors under the notification no. DoS.CO.ARG/SEC.01/08.91.001/2021-22 issued by RBI as well as under the provisions of the Companies Act, 2013 and rules/ regulations issued thereunder, as amended from time to time.

Dear Sir,

With reference to our discussion on **consideration** of appointment of M/s ____ (“audit firm”) as the statutory auditor of Sayyam, please find below our response to the following queries regarding the eligibility criteria of the audit firm:

S · N o	Requirement/Parameters	Respon se	Compliance Status (Yes/No)
1	Number of Full-Time Partners exclusively associated with the firm for a period of at least three years and with at least one-year continuous association with the firm as on the date of shortlisting.		
2	Number of partners who have continuous association with the firm for at least 10 years.		
3	Out of total Full-Time Partners, the Number of Fellow Chartered Accountant (FCA) Partners associated with the firm for a period of at least three (3) years post FCA.		
4	Number of Full Time Partners/ Paid CAs with CISA/ISA Qualification with at least one-year continuous association with the firm as on the date of shortlisting for considering them as Paid CAs with CISA/ISA qualification for the purpose.		
5	Number of years of audit experience (as defined by RBI) the audit firm has as Statutory Central/ Branch Auditor of Commercial Banks (excluding RRBs)/ UCBs /NBFCs / AIFIs.		

6	Number of Professional Staff with at least one-year continuous association with the firm as on the date of shortlisting.		
7	Whether the audit firm has been under debarment by any Government Agency, National Financial Reporting Authority (NFRA), the Institute of Chartered Accountants of India (ICAI), RBI or Other Financial Regulators?		
8	Whether audit firm complies with the ICAI's Code of Ethics/any other such standards adopted and its appointment with Sayyam does not give rise to any conflict of interest?		
10	Does the audit firm have capability and experience in deploying Computer Assisted Audit Tools and Techniques (CAATTs) and Generalized Audit Software (GAS)?		
11	In how many NBFCs the audit firm is currently doing statutory audit?		
12	Whether the audit firm is eligible to be appointed under Section 141 of Companies Act, 2013?		
13	Whether the audit firm has rendered any non-audit works (services mentioned in Section 144 of Companies Act, 2013, internal assignments, special assignments, etc.) to the Company or any audit/non-audit work for its group companies before the date of shortlisting? If yes, provide detail.		

It is confirmed that the information provided above is true and correct. We also understand that you may require additional information/ declarations while considering the appointment and we agree to provide the same on best effort basis.

For _____ (Chartered Accountants)

Firm Registration No.
Main Partner Membership No: