GEV FOCUS CAPITAL PRIVATE LIMITED

RISK MANAGEMENT POLICY

Version Control

Document Version	Description of Changes	Memorandum of changes	Prepared by/ Changes proposed by	Owner Dept	Approval Date
1.0.	First	Introduction of Policy	Murugan Govindsamy	RMD Dept	

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(i) Introduction:

GEV Focus Capital Private Limited (hereinafter referred as “the Company” or “GEV Focus”) a Non-Banking Financial Company (‘NBFC’) is holding a valid Certificate of Registration (“CoR”) from Reserve Bank of India (‘RBI’) vide registration no. N-07-00917 dated 20th Jun 2025 under current RBI classification norms as Type II, NBFC - Investment and Credit Company (NBFC-ICC) – Non Deposit taking Non-Systemically Important (‘ICC-ND-NSI’) under the provisions of Section 45 IA of Reserve Bank of India Act 1934.

The company aims to provide accessible, transparent, and responsible lending services. It is focused on offering financing to MSME & Loan against property segment.

GEV Focus Capital Private Limited is committed to maintaining a robust risk management framework to safeguard its stakeholders, ensure financial stability, and comply with regulatory requirements. This Risk Management Policy outlines the processes for identifying, assessing, managing, mitigating and monitoring risks associated with the NBFC’s operations.

(ii) Objectives

The objectives of this policy are:

- To establish a structured approach to identify, assess, and mitigate risks.
- To ensure compliance with RBI regulations and other applicable laws.
- To protect the NBFC’s financial health, reputation, and stakeholder interests.
- To promote a risk-aware culture within the organization.
- To support sustainable growth and operational efficiency.

(iii) Scope

This policy applies to all operations, employees, and stakeholders of GEV Focus Private Limited. It covers all types of risks, including but not limited to credit risk, market risk, liquidity risk, operational risk, regulatory risk, and reputational risk.

(iv) Risk Management Framework

The risk management framework is built on the following pillars:

1. Risk Identification: Proactively identify risks across all business functions.

2. Risk Assessment: Evaluate the likelihood and impact of identified risks.

3. Risk Mitigation: Implement strategies to minimize or eliminate risks.

4. Risk Monitoring and Reporting: Continuously monitor risks and report to relevant stakeholders.

5. Governance: Establish clear roles and responsibilities for risk management.

(v) Risk Appetite Statement

GEV FOCUS, being a NBFC, is governed by the regulations laid down by the Reserve Bank of India (RBI). GEV FOCUS's risk management systems and procedures are reviewed and refined on an ongoing basis in order to comply, in substance, with what the company identifies as the relevant market standards, recommendations and practices. The key elements of the Risk Appetite Statement are as follows:

1. Risk Culture

Risk culture consists of norms, attitudes and behaviour related to risk awareness, risk management and the controls that affect decisions on risk. The Board of Directors, Senior Management and all employees of the company should contribute towards maintaining a sound risk culture in the company. A sound risk culture enables the company to do the right thing, even in trying circumstances. The guiding principle is that those responsible for risk-taking are also accountable for managing the associated risks.

GEV FOCUS follows sound corporate governance and business practices. The company abides by various policies and regulations issued by the regulators and the various governing agencies of our country and would follow them in letter and spirit. All individuals in the company are expected to contribute and promote a sound risk culture.

2. Capital

Capital is required to absorb losses from unexpected risk events, and to ensure smooth operations even in adverse economic conditions. Having a strong capital position helps the company to avail debt and also helps in bringing down the cost of funds. Since capital has such an important role in the company's' operations, an adequate capital management framework is an essential part of GEV FOCUS's operations. GEV FOCUS is committed to maintaining a strong risk-based capital position.

GEV FOCUS will strive to maintain a strong capital position with respect to the total risk exposure. We would use risk-based approach to assess our capital needs and would hold capital buffers on top of the regulatory stipulated minimum capital requirement.

3. Lending

GEV FOCUS's business of lending would be predominantly to individuals, proprietorships, partnerships, limited companies involved in businesses and to support growth in their area of business with medium to long term tenor. GEV FOCUS recognises the risk arising from such lending and hence will follow a unique non-templatised model of underwriting, whereby the company would conduct detailed customer diligence, analyse the loan proposal from various perspectives as elaborated in the loan policy and also secure the exposure, (except in the case of gold loans), preferably by a property collateral, apart from obtaining personal guarantee of a person of fair means. Further loans, would also be given to individuals against the security of Gold Jewellery for various purposes to individuals after proper due diligence. GEV also proposes to spread its risk by applying caps on the exposure to individual / group /sector / category of credit. The aim of credit risk management is to maintain high portfolio quality with appropriate risk diversification.

The company shall also diversify risk by focusing on small ticket sized loans and ensuring geographical spread of the customers.

4. Treasury

Funding, Asset – Liability Management, and Investment Management are the primary operations of the Treasury function. The company shall acquire funds, in addition to capital, through borrowings from banks/FIs and issuing bonds/NCDs and from borrowings from shareholders.

Since the exposure in the assets and liabilities are in the same currency, there is no currency risk. GEV FOCUS aims to mitigate operational risks in its treasury operations but is conscious of the prevailing market and credit risks and manage effectively.

GEV FOCUS, through its treasury activities, will enable and support the company's lending operations by acquiring optimal cost funding from diversified sources and by maintaining a strong liquidity position, at the same time not keeping funds idle. The company is conscious of liquidity risk arising out of maturity mismatches between borrowing and lending tenures and would aim to keep it within the defined threshold levels.

(vi) Risk Governance Structure:

In order to manage the risks in GEV FOCUS effectively and efficiently, the risk governance structure will be both at Board Level and Management Level.

a. Key Principles of Risk Governance Structure:

The Board of Directors will be responsible for overall governance and oversight of the core risk management activities.

The active monitoring and execution of the risk management strategies is delegated to the Risk Management Committee (RMC). RMC will also oversee the functioning of the overall risk management framework of the Company. RMC has also been vested with the responsibility to formulate, implement and periodically monitor the status of the risks. The main responsibility of RMC is to establish effective Risk Management Framework and recommend to the Board the Risk Management policy and process for the organisation.

Further, the segregation of responsibilities and duties would be across 'three lines of defence' model, whereby front-office functions, risk management department and Internal audit roles are played by functionaries independent of one another.

Risk Framework & Policy will be approved by the Board on an annual basis and is defined based on GEV FOCUS's risk appetite which helps to align risk, capital and performance targets. All major risk classes, viz. Credit risk, Liquidity Risk and Other Risks, would be managed through focused and specific risk management processes.

The Risk department functionaries shall have appropriate representation in management committees of GEV FOCUS and its respective businesses to ensure homogeneous view is taken into consideration in business decisions, monitoring, stress testing tools; escalation processes shall be established to monitor the performance against approved risk appetite.

b. Risk Management Committee:

i. Composition of RMC **(RMC)**:

This Committee will be responsible for the identification and measurement of risks and also taking suitable measures to prevent the occurrence of such risks.

RMC is empowered by the Board of Directors to manage the risks in GEV FOCUS and it would manage the same through oversight of the risk management function and laying down risk measurements and mitigants.

(a) RMC shall comprise of at least two directors of the board and Managing Director, along with other members.
(b) In case of exigencies, presence of any one director and MD is sufficient quorum for RMC meetings
(c) Company Secretary shall be the secretary of Risk Management Committee of the Board.
(d) The Chairman and members of RMCB will be approved by the Board of Directors

ii. Frequency of Meeting:

RMC shall meet at least once in a quarter and its findings shall be apprised to the Board in the subsequent Board meeting.

iii. Roles and Responsibilities of RMC:

The key roles and responsibilities of RMC include:

a) Approve / recommend to the Board for its review/ approval of the policies, strategies, and associated frameworks for the management of risk

b) To identify areas of risks as also various types of risks involved in the business.
c) To suggest methodologies to measure / quantify the risks.
d) To control and mitigate various types of risks involved.
e) To specify the risk bearing capacity/risk appetite of the company.
f) To ensure appropriate Risk Organization structure is set up, independent of Risk Management Department
g) To monitor and review non-compliance, limit breaches, audit/regulatory findings and policy exceptions with respect to Risk Management
h) To ensure regulatory compliance on risk management and prudential norms set by RBI/ Govt. / Other regulatory agencies
i) To improve the asset quality of the Company by using the risk management techniques.
j) To maximize the returns to all the stakeholders, with an acceptable level of risk, for the purpose of protecting, preserving and increasing the networth of the Company.

c. Risk Management Structure:

GEV FOCUS has adopted the "3 LINES OF DEFENCE MODEL" for management of its risks.

- The 1st Line of Defence will be the Business and Support Units that will own the risks and manage the same, as per laid down risk management guidelines. The primary responsibility for managing risks on a day to day basis will continue to lie with the respective business units of the Company.

- The 2nd Line of Defence will be the Risk Management Department that would support the 1st Line of Defence by drawing up suitable risk management guidelines from time to time to be able to manage and mitigate the risks of the Company.

- The 3rd Line of Defence will be the Audit Functions – primarily the Internal Audit functions that are supported by External Audits. The 3rd Line of Defence focuses on providing the assurance that the risk management principles/policies and processes well entrenched in the organisation and are achieving the objective of managing the risks of the organization.

d) Risk Identification, Classification and Policies managing these Risks:

GEV FOCUS has classified the primary risks that it faces under the following broad categories

i. Credit Risk

The key risk for NBFC or any other institutions involved in lending business is Credit risk. According to RBI, credit risk is defined as

- Possibility of losses associated with decline in the credit quality of borrowers or counterparties

- Default due to inability or unwillingness of a customer or counterparty to meet commitments in relation to lending, trading, settlement and other financial transactions

- Loss from reduction in portfolio value (actual or perceived)

Hence it is imperative that the company should have a robust credit risk management system to address the above risk. The effective management of credit risk is a critical component of comprehensive risk management and is essential for the long-term success of any lending organisation.

Credit risk management should encompass identification, measurement, monitoring and control of the credit risk exposures. The objective of the same should be to minimize the risk and maximize company’s risk adjusted rate of return by assuming and maintaining credit exposure within the acceptable parameters. The credit risk management shall include credit norms and policies approved by Board. The credit policy shall include:

- Target segments

The segments targeted by the company will largely comprise of individuals/organization under MSME segment. The company will not focus on seasonal and speculative sectors/activities.

- Debt Burden ratio

DBR largely displays the ability of a customer to repay the loan. While most of the customers might not have documentary proof of income (considering the customer profile of the company); the credit team will rely on physical visits, look for lifestyle related expenditure which justifies the income, business enquiry and other information from organised sector to arrive at an estimated income for a customer. The company is aware of the fact that since most of the income is estimated, it has fixed a conservative DBR threshold of 50-60% at the portfolio level.

- Collateral Based Loans

In order to secure the intention to repay aspect of the customer; the company shall ensure that its loan exposure is backed by collateral in most of the cases.

- Loan to Value Ratio

The company has fixed a LTV threshold of 40-50% at the portfolio level; thereby ensuring that its loan lent to the customer remains at the top of the mind for repayment obligations of the customer.

- Credit Underwriting Process

There shall be a structured and standardized credit underwriting / approval process to ascertain the credit worthiness of the borrower. The Credit Department will have a four-eye process for scrutinising a file (over and above the scrutiny done by the Business Department). The physical verification aspect would be covered by Field Credit and final sanction by File Credit, taking into account a comprehensive view of various inputs.

Further it is also to be noted that approval limits have been fixed for various parameters and cases of deviation are to be brought to the notice of the higher authorities viz. Head – Credit / CEO / MD. Notwithstanding the above, the cases where there are approval limit triggers in loan amount, LTV, and DBR are tracked much more closely by the company as these parameters have a significant impact.

The Company shall follow a process of revisiting the credit policy and processes from time to time, based on experience and feedback. The latest Credit Policy of GEV FOCUS covers in detail as to the various policies and procedures to address this risk.

GEV FOCUS's primary business model is delivered through its own employees through its branch network. This helps in having a better control on the customer experience and uniformity of sourcing culture in the company. GEV FOCUS ensures that sufficient training is given to its employees on the credit and KYC procedures for onboarding and evaluation of its customers. GEV FOCUS has also constituted a KYC policy in line with the RBI requirements.

- Portfolio Concentration:

Portfolio Concentration Risk is the risk due to a very high credit exposure to a particular business segment, industry, geography, location, etc. Company shall maintain a diversified exposure across various sectors and geographies to mitigate the risks that could arise due to political or other factors within a particular state. The Company will diversify the exposure towards various sectors and geographies so that the portfolio gets diversified.

ii. <u>Liquidity Risk</u>

The next important risk that is very specific to NBFCs or other institutions involved in the activity of lending is liquidity risk or the risk of inadequate liquidity to further the business. NBFCs depend on banks, other NBFCs and financial institutions for their funding needs, in addition to issue of Non-convertible debentures, Commercial papers, Securitization of transactions etc for meeting their funding requirements. Lack of adequate liquidity or non-availability of liquidity on time would seriously hamper the business prospects of NBFCs.

GEV FOCUS is also dependent on banks and financial institutions and other funding structures for source of funds and hence the liquidity risk needs to be managed efficiently for smooth functioning. Simultaneously cost of funds is an equally important indicator to ensure company's profitability. The cost of funds charged by the banks and financial institutions to an NBFC depends on a multitude of factors (listed below) and the company shall keep a track of these factors and ensure that they stay in favor of the Company at all times.

- ✓ Company size – the larger the company size, the lower the cost of funds

- ✓ Portfolio quality – Demonstration of a strong portfolio quality over long periods of time would help the company get cheaper funds
- ✓ Capital adequacy and Leverage – the higher the capital adequacy and lower the leverage, the company will be able to attract lower cost funds for its operations
- ✓ Credit rating – the better the credit rating of the company, the lower would be its cost of funds
- ✓ Multiple sources of funds – A company which has access to multiple sources of funds will be able to rationalize its costs better than a company which is dependent predominantly on a single source of funds

One of primary activities for any NBFC is to have a sound system of raising financial resources to fund the operations of the company. These resources can be raised through a multitude of channels and through various financial instruments. GEV Focus will raise resources borrowing from Banks/FI,, NCD, etc…. at the same time, ensuring that any single type of borrowing will not exceed 50% of the overall borrowing books of the company.

Another aspect to the liquidity risk is matching the asset-liability profile such that there is no negative asset-liability mismatch, at least in the short to medium term. In the event of the assets having a longer tenor as compared with the liabilities, the Company would have a negative ALM resulting in cash flow issues. While this risk needs to be monitored and managed by the Risk Management Committee, given the sophisticated nature of the risk, this is typically managed by the ALCO (Asset-liability Committee). While the door to door tenure of loans is 7 years, the average tenure of the loans is generally 4 years. The company shall ensure that the cumulative negative mismatch in respective time buckets is not more than 10 %.

(iii) <u>Other Risks</u>

a) <u>Collateral Risk:</u>

GEV FOCUS'S business model is mostly based on providing loans backed by property as collateral. Since the lending of the company is entirely secured by collateral, GEV FOCUS would primarily facie Collateral risk stemming from Title risk, Valuation Risk and Enforceability Risk.

- <u>Title Risk</u>: In order to ensure that the customer of GEV FOCUS has clear title over the property, the company will accept only SRO registered document as a Title Deed. Moreover, the legal scrutiny of such Title Deeds would be done by an external legal advisor, empanelled by the Company. Certified copies of the title deeds shall also be obtained by the legal advisor and shall be verified with the original documents submitted. Over and above, wherever there is an element of high risk, an online EC check also would be done with the help of external lawyer or by a company representative ensuring the customer holds a clear title.

  The company will ensure that in all the loans, the property is mortgaged in favour of GEV FOCUS by registering the Memorandum of Deposit of Title Teeds (DOTD), with the local SRO, wherever it is permitted to do so. This ensures that the mortgage of the property is clearly documented and reflected in Government records, which would help the company have a clear hold over the property.

- Valuation Risk: The valuation of these collaterals would be done in-house by the company's own trained representative or by an external valuer approved by the company The representatives would go by the market value of the properties based on , local enquiry (Guideline value would be compared with, wherever applicable). However, the Forced Sale Value of such property, which will be a conservative one, will be reckoned final value while arriving at the LTV ratio.

b) Financial Risk

Financial Risk Comprises of the following:

- Interest Rate Risk:

  Interest rate risk is the risk where changes in market interest rates might adversely affect an NBFC's financial position. viz., cost of borrowed funds and return on assets The immediate impact of changes in interest rates is on company's Net Interest Income (NII). The Company shall manage this risk on NII by pricing its loan products at a rate which covers interest rate risk also, by measuring such risk at the stage of offer of the loan itself to customers. Once interest rate risk is measured, lending rates shall be finalized. Given the interest rate fluctuation, the Company shall adopt a prudent & conservative risk mitigation strategy to minimize interest risk.

- Liquidity Risk:

  Measuring and managing liquidity needs are vital for effective operations of an NBFC. The importance of liquidity transcends individual institutions, as liquidity shortfall in one institution can have repercussions on the entire system. Board shall measure not only the liquidity positions of company on an ongoing basis but also examine how liquidity requirements are likely to evolve under different assumptions. Experience shows that assets commonly considered as liquid, like government securities and other money market instruments, could also become illiquid when the market and players are unidirectional. Therefore, liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates shall be adopted as a standard tool. Due to the high reliance on external sources of funds, Company may get exposed to various funding and liquidity risks comprising:

- Funding Concentration Risk:

  Concentration of a single source of funds exposes the Company towards inability to raise funds in a planned and timely manner and may lead to high cost emergency sources of funds. Further, concentration of funding sources can also result in a skewed maturity profile of liabilities and resultant Asset-Liability mismatch. Company shall ensure to mobilise funds through different sources like, Loans from other NBFCs/Banks, NCDs, with different maturities matching with the cash flows.

- Asset-Liability Mismatch:

  A skewed asset-liability profile can lead to severe liquidity shortfall and result in significantly higher costs of funds, especially so during times of crisis.

  Asset profile shall consists of Gold Loans (matutiry period of 1 year), Business Loan (maturity period of 2-5 years) and LAP (maturity period of 7-10 years) which offers a mix of maturities to ensure proper ALM.

  ALM report shall be taken on a monthly basis, to ensure that there is no mismatch in the system, and

- Leverage Risk:

  A high degree of leverage can severely impact the liquidity profile of the Company and lead to default in meeting its liabilities. Company shall target a leverage of maximum 2x in the light of the business model and adequately safeguard itself against the impact of adverse market conditions.

c) Operational Risk

There are inherent risk in business operations including those relating to client acquisition, service delivery to clients, business support activities, information security, physical security, theft, robbery, fraud, human resource and business activity disruptions. The company shall have the following mitigations to counter the above risk.

a) The operations staff shall independently carry out or check the various processes like data entry, preparation and verification of MODs, necessary checks before disbursals, scrutiny of documents at each stage as required, ensure safe custody of the property documents and the like. With such independent checks, it is envisaged that the errors would decrease significantly.
b) Document Storage and Retrieval: The Company recognizes the need for proper storage of documents as also their retrieval for audit and statutory requirements. The Company shall maintain all the original documents in a dedicated space allocated for specific purpose.

   Appropriate and adequate insurance cover for both premises, and valuables like Jewels pledged shall be ensured.

c) Scanned Copies: The Company shall store the scanned copies of the loan documents, statutory documents / papers / certificates, KYCs of all employees including Directors, KYCs of all customers for easy retrieval especially for audit purposes where physical documents are not required.
d) Internal Audits: Internal Audit at branch offices shall be carried out periodically by internal audit team of operations. Internal Audit at the Head Offices shall be carried out on a quarterly basis by an independent audit firm appointed by the Board. The scope of this

Internal Audit shall cover all key functions including HR, Operations, Credit, Administration, Finance and Accounts. All significant audit observations of Internal Audits and follow-up actions shall be presented to the Audit Committee and briefed to the board.

e) Technology Infrastructure: The Company shas been ahead of other similarly placed NBFCs in adoption of a fully computerized environment for conducting its business operations.The adequacy of the bandwidth of the broadband will be reviewed periodically and upgraded as per need. Uninterruptible power supply (UPS) will also be given at head office where Company keeps it's database server. Database server gets updated online. Only authorized personnel will have access to the data base. Scope to tamper or alter the database will be eliminated through controls. A secured system of access control, both on-site and remote, including password management and secrecy will be in place and shall be reviewed periodically. Suitable anti- virus software will be loaded in the central server and at all user points and updated regularly. A regular 'system audit' will be conducted to cover both hardware and software and the irregularities immediately addressed. An efficient system to report and manage IT incidents and problems will be in place across the network of branch offices.

f) Security: All the employee shall be given Company's Identity Card which every employee shall wear while he / she is on duty. The Company shall provide to each branch, a good quality safe / lockers for safe keeping of cash / petty cash and other important documents to prevent the theft, fraud and robbery. The Company shall also provide medical and accident insurance coverage to all field level employees. The Company shall provide Closed Circuit Television (CCTV) camera to all the branch which are sensitive in nature.

d) Technology Risk

In this digital era, as organizations use automated information technology (IT) systems to process their information, risk management plays a critical role in protecting an organization's information assets, from IT-related risks.

An effective risk management process is an important component of a successful IT security program. The principal goal of an organization's risk management process should be to protect the organization in its entirety and its ability to perform their mission, and not restricted to its IT assets. Therefore, the risk management process should not be treated primarily as a technical function carried out by the IT experts who operate and manage the IT system, but as an essential management function of the organization.

Some of the key risk areas are given below:

- Infrastructure management poses considerable risk to business
- Cyber Security is a major threat to any organization which conducts business over internet
- Security Threats and Vulnerabilities
- Data management and protection risk
- IT Architecture risk
- Technology vendor and third-party risk
- Ability to upskill or reskill existing individuals in fast changing technology landscape

- Regulatory and compliance risk

To address these key risk areas, GEV FOCUS has framed comprehensive IT Policies and Procedures with the help of an external consultant. The IT Resource Committee is entrusted with the responsibility of providing a framework for the IT policy, drafting, implementing the same. The IT / IS audit will also be undertaken every year to ensure that the company remains protected from any threats that may have cropped up during the course of the year and also to ensure that all the policies and procedures, as laid out, are followed properly.

Access to internet shall be restricted in a few desktops / laptops only. All the ports will be disabled to prevent transfer of data from external devices.

e) Compliance Risk

GEV FOCUS is an NBFC coming under the regulatory purview of the Reserve Bank of India, and Ministry of Corporate Affairs. In addition, it is also required to comply with various central, state and commercial laws applicable in the conduct of the various activities of the business.

The Company may get exposed to risk attached to various statutes and regulations. The company shall mitigate the risk through regular review of legal compliances carried out through internal as well as external compliance audit. Company is present in an industry where the Company has to ensure compliance with regulatory and statutory requirements. Non-Compliance can result in stringent actions and penalties from the Regulator and/or Statutory Authorities and which also poses a risk to Company's reputation.

These risks can be:

- Non-Compliance with RBI Regulations
- Non-Compliance with Statutory Regulations
- Non-Compliance with SEBI Regulations
- Non-Compliance with covenants laid down by Lenders

The Company shall implement a Compliance Management System within in the organization to track, update and monitor compliances.

Internal Audit shall also be conducted on a quarterly basis wherein all regulatory compliances will be reviewed in detail and remedial measures will be taken wherever shortcoming is observed

Quarterly compliance certificate certified by the CEO and CS shall be submitted to the Board on quarterly basis.

f) Human Resources Risk:

The success of any institution lies in the strength of its people. It is essential for a company to attract and recruit the right set of people, manage their monetary and non-monetary expectations so that they are able to contribute towards the growth of the Company. Some of the tenets of the risk management framework to manage the HR risk are given below:

- Ensure availability of a dedicated workforce of good vintage
- Ensure a pool of resources in reserve which can be tapped into should there be a need for additional resources
- Benchmarking salaries and incentives with industry standards so that the attrition levels are managed
- Ensure minimal attrition
- Have a well-defined HR Policy, which addresses all HR related aspects like recruitment, performance management, career progression, smooth separation and exits, employee grievance redressal, etc.

The latest HR Policy of the company has been compiled to address all the facets of HR requirements of the company

g) Vendor Management Risk:

- Non-core functions may be outsourced to reputed and approved agencies which specialize in a particular activity and these agencies have the capability to perform the tasks more efficiently with or without cost reduction. Some common activities which can be outsourced are security of offices, premises cleaning, document storage etc. Due diligence on these agencies and materiality of outsourcing contracts will be assessed as per RBI Guidelines and the management of the same will be as prescribed by RBI at all times. Third Party Risks are key risks as the GEV FOCUS may engage different external agencies for carrying out its activities either on a continuous basis (Outsourcing) or on a contractual basis (consulting assignments, etc).These third-party risks have to be managed appropriately at all times to ensure that company not only realizes the value and objective of the engagement itself but is protected at all times from any extant regulatory and legislative guidelines.
- Core activities of the company like sourcing, KYC exercise, underwriting and collection will not be outsourced to any third party. In other non-core, but critical areas, if outsourcing is done - either their activities would be verified by an internal team of the company or a rigorous auditing exercise would be conducted, in order to ensure that the relevant risks are managed effectively.

A detailed Outsourcing Policy has been framed and the guidelines prescribed therein shall be adhered.

h) Reputational Risk:

Reputation risk is the loss caused to the Company due to its image or standing being tarnished by certain incidents or actions arising from its business operations. Such incidents or actions may be attributable to the Company or any employee(s) or executive(s) committed either consciously or consequent to acts of the outsourced agency or otherwise. Reputation risk could result in loss of revenues, diminished shareholder value loss of business and could even result in penalties being levied by the relevant regulators. The Company realizes that its goodwill depends on its reputation, built over years, and hence, protecting its reputation assumes paramount importance. The company has framed required policies, which shall ensure that its customers and employees are treated fairly and in a transparent manner, while achieving its business objectives thereby not giving any scope for the reputation to get tarnished in any manner.

The latest FPC Policy, and Grievance Redressal Policy have been documented keeping in mind safeguarding the reputation of the company.

(vii) Monitoring of the Risk Management Framework:

Having established a framework to manage risk; it is imperative that it be monitored religiously. GEV Focus, would monitor the same by conducting adequate risk reporting to its various committees and the Board. The reporting would be done by MD/CEO to these committees in the relevant forums in the form of relevant dashboards/reports.

(viii) Review:

The Policy shall be valid for a period of one year or till next review by Board of Directors.

The policy will be reviewed annually or as and when need arises or upon significant regulatory changes, by the Board of Directors to ensure alignment with the RBI guidelines.