

BRANCH AUTHORISATION POLICY

(For Base Layer NBFC – Investment and Credit Company)

1. Preamble

In accordance with the **Reserve Bank of India (RBI) Master Directions applicable to Non-Banking Financial Companies (NBFCs) under the Scale Based Regulatory (SBR) framework**, this Branch Authorisation Policy (“Policy”) is framed to govern the opening, shifting, closure, and operation of branches and business outlets of the Company.

This Policy ensures orderly expansion, operational control, regulatory compliance, and customer protection, while maintaining proportionality appropriate for a **Base Layer NBFC-ICC**.

2. Objective

The objectives of this Policy are to:

- Lay down a **clear framework** for authorisation of branches
- Ensure compliance with RBI regulations applicable to Base Layer NBFCs
- Define roles, responsibilities, and approval mechanisms
- Ensure uniformity and control in branch operations
 - Safeguard customer interests and operational integrity

3. Scope

This Policy applies to:

- All existing and proposed branches of the Company
- Any permanent or semi-permanent place of business conducting NBFC activities
- Business outlets involved in lending, collections, customer interface, or operational support

4. Regulatory Framework

This Policy is framed in accordance with:

- RBI Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2021, as amended from time to time. RBI guidelines on customer protection and conduct
- Reserve Bank of India (Non-Banking Financial Companies – Branch Authorisation) Directions, 2025
- Applicable provisions of the Companies Act, 2013
- Any other circulars or directions issued by RBI from time to time

5. Definition of Branch

For the purpose of this Policy, a **Branch** means any office or place of business, by whatever name called, where the Company conducts any of the following activities:

- Loan sourcing, processing, or servicing
- Collections or customer interaction
- Disbursement or repayment facilitation
- Maintenance of customer records

6. Eligibility for Opening Branches

The Company may open branches subject to the following conditions:

- The Company is **not prohibited by RBI** from expanding its business
- Compliance with all applicable prudential and regulatory norms
- Adequate internal controls, systems, and manpower availability
- Board-approved business justification
- The Company shall ensure that there are no material supervisory concerns, adverse inspection findings, or regulatory restrictions imposed by RBI.

7. Authority for Branch Opening

7.1 Approval Authority

- **Board of Directors** shall approve:
 - Opening of new branches
 - Closure of branches
 - Shifting of branches outside the same municipal limits
- The Board may **delegate operational approval powers** to:
 - Managing Director / CEO
 - Executive Committee subject to defined limits and periodic reporting to the Board.

8. Process for Opening a Branch

The following process shall be followed:

1. **Business Proposal**
 - Location justification
 - Business potential
 - Cost-benefit analysis
2. **Compliance Check**
 - Regulatory permissibility
 - Infrastructure readiness
 - Staffing adequacy
3. **Approval**
 - As per delegated authority / Board approval
4. **Statutory Registrations**
 - Shops & Establishments Act

- Local registrations, if any
- 5. **Operational Readiness**
 - IT systems
 - Customer grievance display
 - Internal controls

9. Shifting of Branches

- Shifting **within the same municipal / city limits** may be approved by the Managing Director / CEO
- Shifting **outside the municipal limits** shall require **Board approval**
- Customers and stakeholders shall be adequately informed prior to shifting

10. Closure of Branches

Branch closure shall be subject to:

- Board or delegated authority approval
- Adequate notice to customers
- Safe transfer of records and customer data
- Settlement of statutory and contractual obligations

11. Newspaper Advertisement for Opening and Closure of Branches

11.1 Opening of Branch

The Company shall, wherever considered necessary or required under applicable laws, local regulations, or regulatory expectations, publish a **newspaper advertisement** regarding the opening of a new branch.

Such advertisement shall generally include:

- Name of the Company
- Address of the new branch
- Date of commencement of operations
- Contact details for customer communication

The advertisement may be published in:

- One **English newspaper** and
- One **vernacular newspaper** having circulation in the area where the branch is located.

11.2 Closure of Branch

In the event of closure of any branch, the Company shall ensure **adequate public notice** to customers and stakeholders through a **newspaper advertisement**, in addition to individual customer communication, where applicable.

The newspaper advertisement shall generally include:

- Name and address of the branch being closed
- Effective date of closure
- Details of the alternate branch / contact point
- Arrangements for servicing existing customers and grievance redressal

The advertisement shall be published sufficiently in advance in:

- One **English newspaper** and
- One **vernacular newspaper** having circulation in the locality of the branch.

11.3 Additional Disclosures

The Company shall also ensure that:

- Information relating to branch opening or closure is updated on the Company's **website**, if any
- Appropriate intimations are made to **regulatory and statutory authorities**, wherever required

12. Conduct of Business at Branches

Each branch shall:

- Follow the **Fair Practices Code** of the Company
- Display of Key Fact Statement (KFS), Fair Practices Code, Interest Rate Policy, Grievance Redressal Mechanism, and RBI Integrated Ombudsman Scheme, 2021.
- Adhere to approved business activities only
- Maintain proper records and audit trails

13. Business Through Agents / Business Correspondents

Where permitted:

- Agents or outsourced entities shall not be treated as branches
- Outsourcing shall comply with RBI outsourcing guidelines
- Responsibility for customer conduct remains with the Company

14. Monitoring & Control

- Branches shall be subject to:
 - Internal audit
 - Compliance review
 - Risk-based supervision
- Periodic reports on branch performance and compliance shall be placed before the Board

15. Regulatory Reporting

- Any information required by RBI relating to branches shall be furnished promptly
- The Company shall ensure accurate reporting in statutory and supervisory returns

16. Policy Review

- This Policy shall be reviewed **at least annually** or earlier if required due to:
 - Regulatory changes
 - Business expansion
 - Supervisory observations
- Amendments shall be approved by the Board of Directors

17. Effective Date

This **Branch Authorisation Policy** has been approved by the **Board of Directors of THIRUKOCHI FINCAP PRIVATE LIMITED** at its meeting held on **16/02/2026**

Effective Date: 16/02/2026

