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POLICY ON APPOINTMENT OF STATUTORY AUDITORS

OF

EDGRO FINANCE PRIVATE LIMITED

Approved by the Board of Directors of
Edgro Finance Private Limited

On August 24, 2026

Bibhu Prasad Das
Whole Time Director

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1. INTRODUCTION:

The Reserve Bank of India (RBI), vide Notification No. RBI/DoS/2026-27/465, DoS.CO.ARG.59/08.91.001/2026-27 dated July 31, 2026, has issued the Reserve Bank of India (Non-Banking Financial Companies – Statutory Audit) Directions, 2026 ("RBI Directions"), prescribing the regulatory framework governing the appointment and reappointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Non-Banking Financial Companies (NBFCs), including Housing Finance Companies.

This Policy on Appointment of Statutory Auditors ("the Policy") has been framed keeping in view the above-mentioned RBI Directions as amended from time to time.

In case of any inconsistency between the RBI Directions and this Policy, the directions issued by RBI from time to time shall prevail and that the Company shall ensure compliance with all the provisions of RBI Directions as prescribed in this regard from time to time.

2. OBJECTIVE:

The objective of the policy is to lay down a framework of guidance and procedures for appointing SAs who fulfil the eligibility criteria and other conditions prescribed under RBI Directions and Other applicable laws.

3. APPLICABILITY

The Policy will be applicable for appointment of SAs by the Company keeping in view the amendments, if any made from time to time by the Regulators.

4. NUMBER OF STATUTORY AUDITORS

Minimum number of SA to be appointed by the Company shall be one for conducting statutory audit, if the Company's asset size as on March 31 of previous year does not exceed ₹15,000 Crore. For asset size of ₹15,000 crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms. The Company shall ensure that joint auditors do not have any common partners, and they are not under the same network of audit firms. The Company may finalize the work allocation among SAs, before the commencement of the statutory audit, in consultation with their SAs.

The Company can decide on number of SAs based on the board approved policy, inter alia taking into account the relevant factors such as the size and spread of assets, accounting and administrative units, complexity of transactions, level of computerization, availability of other independent audit inputs, identified risks in financial reporting etc. The actual number of SAs to be appointed shall be decided by Board subject to guidelines prescribed by RBI.

5. ELIGIBILITY CRITERIA OF STATUTORY AUDITORS:

5.1 In accordance with the RBI Directions, the audit firm(s) shall fulfil the following minimum criteria for being eligible to be considered for appointment as SAs of the Company:

(i) There should be Minimum 3 (three) full-time partners (FTPs) associated with the firm for a period of at least three years.

(ii) Out of total FTPs, there should be Minimum 2 (two) fellow chartered accountant (FCA) partners associated with the firm for a period of at least three years.

(iii) There should be Minimum 1 (one) full-time partners / paid Chartered Accountants (CAs) with Certified Information System Auditor (CISA) / ISA qualification.

(iv) The relevant audit experience of the firm as Central/Branch Auditor of Commercial Banks (excluding RRBs)/ UCBs/NBFCs/ AIFI should be minimum 8 (eight) years.

(v) There should be Minimum 12 (twelve) professional staff associated with the firm.

Explanation - FTPs in point no. (i), paid CA(s) in point no. (iii), and professional staff in point no. (v) should be at least one-year continuous association with the firm as on date of empanelment to considered them as FTPS/paid CA(s) / professional staff in the firm.

5.2 The audit firm(s) proposed to be appointed as the SA of the Company shall also comply with the other eligibility criteria as mentioned under Section 141 of the Companies Act, 2013 and rules made thereunder.

5.3 The audit firm(s) shall be strictly guided by the relevant professional standards in discharge of their audit responsibilities with highest diligence.

5.4 No audit firm(s) shall be considered for appointment as SA of the Company, if it exceeds the maximum number of statutory audit of entities during a particular year i.e. four commercial banks, Eight UCBs, Eights NBFCs and within the overall ceiling prescribed by any other statutes or rules.

6. INDEPENDENCE OF STATUTORY AUDITORS:

6.1. The Audit Committee of the Board (ACB)/Board shall monitor and assess the independence of the Sas and conflict of interest position in terms of relevant regulatory provisions, standards, and best practices. Any concerns in this regard may be flagged by the ACB / the Board of Directors of the Company and concerned Senior Supervisory Manager (SSM) / Regional Office (RO) of RBI.

6.2. In case of any concern with the Management of the Company such as non-availability of information/non-cooperation by the Management, which may hamper the audit process, the SAs shall approach the Board/ACB of the Company, under intimation to the concerned SSM/ RO of the RBI.

6.3. Concurrent auditors of the Entity should not be considered for appointment as SCAs/SAs of the same Entity. The audit of the Company and any entity with large exposures to the Company for the same reference year shall be explicitly factored in while assessing independence of the auditor.

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

6.5. The restrictions as detailed in para 6.3 and 6.4 above, shall apply to an audit firm under the same network of audit firms or any other audit firm having common partners.

7. PROFESSIONAL STANDARDS OF SCAS/SAS:

7.1 The SCAs/SAs shall be strictly guided by the relevant professional standards in discharge of their audit responsibilities with highest diligence.

7.2 The Board/ACB/LMC of Entities shall review the performance of SCAs/SAs on an annual basis. Any serious lapses/negligence in audit responsibilities or conduct issues on part of the SCAs/SAs or any other matter considered as relevant shall be reported to RBI within two months from completion of the annual audit. Such reports should be sent with the approval/recommendation of the Board/ACB/LMC, with the full details of the audit firm.

7.3 In the event of lapses in carrying out audit assignments resulting in misstatement of an Entity's financial statements, and any violations/lapses vis-à-vis the RBI's directions regarding the role and responsibilities of the SCAs/SAs in relation to Entities, the SCAs/SAs would be liable to be dealt with suitably under the relevant statutory/regulatory framework.

8. TENURE AND ROTATION:

8.1 As per the provisions of the Companies Act, 2013 SAs can be appointed for two terms consisting of five years each. However, as per the RBI Directions, in order to protect the independence of the auditor's/audit firms, the Company shall appoint the SAs for a continuous period of 3 years, subject to the SA satisfying the eligibility norms each year

8.2 If the Company removes SAs before completion of 3 years of tenure, the same shall be in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder and it shall inform the concerned SSM /RO at RBI about the same, along with the reasons / justification within a month of such decision being taken.

8.3 The Company will not reappoint an audit firm for six years (two tenures) after the completion of full or part of one term of the audit tenure with the Company[1].

8.4 RBI being the sectoral regulator, the Company shall appoint the SAs in accordance with the RBI Directions.

9. AUDIT FEES AND EXPENSES:

9.1 The Audit Committee/ Board shall decide and recommend the audit fees to the Board in accordance with the relevant statutory/regulatory provisions.

9.2 While recommending the audit fees, the Audit Committee/ Board shall ensure that the same shall be reasonable and commensurate with 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.

10. PROCEDURE FOR APPOINTMENT OF STATUTORY AUDITORS

The Company shall comply with procedure prescribed in RBI Directions, for appointment of SAs, which includes the following:

10.1 The Company shall shortlist minimum of two audit firms for every vacancy of SAs.

10.2 The Company shall obtain a certificate in the Format as prescribed in the RBI Directions, from the audit firm(s) proposed to be appointed as SAs to the effect that it complies with all the eligibility norms prescribed by RBI. Such certificate shall be duly signed by the main partner/s of the audit firm proposed for appointment under the seal of the said audit firm.

10.3 The Audit Committee shall recommend the appointment of the SAs to the Board and the Board shall recommend the same for the approval of the shareholders.

11. REPORTING REQUIREMENTS:

11.1 The Company shall intimate the appointment/ reappointment of Statutory Auditors for each year in such format, as may be prescribed, within one month of such appointment/reappointment.

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[1] In case an audit firm has conducted audit of any Entity for part-tenure (1 year or 2 years) and then not appointed for remainder tenure, they also would not be eligible for reappointment in the same Entity for six years from completion of part-tenure.

11.2 An intimation will also be made to the Ministry of Corporate Affairs as required under the provisions of the Companies Act, 2013 and rules made thereunder.

11.3 Any serious lapses/negligence in audit responsibilities or conduct issues on part of the SAs or any other matters considered as relevant shall be placed before the Audit Committee or Board and along with its recommendations, the same shall be reported to the concerned SSM /RO of RBI within two months from completion of the annual audit.

11.4 Any concerns in the matters related to independence of auditors and conflict of interest positions may be highlighted by the Audit Committee /Board and concerned SSM / RO of the RBI.

12. POLICY REVIEW:

12.1 The policy shall be reviewed at least once in a year as and when deemed necessary.
12.2 The Board Approved Policy shall be hosted on the Company's website

Note : The Board shall discharge the duties and responsibilities of the Audit Committee until the Audit Committee is constituted.