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Yunus Social Business Fund Bengaluru Private Limited

IT Policy

(Revised Version approved by the
Board of Directors on 28th November 2024)

IT Policy

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1. INTRODUCTION

1.1. COMPANY

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Yunus Social Business Fund Bengaluru Private Limited (YSBFB) was incorporated in 2016. It subsequently received a Type I Non-Banking Financial Company (NBFC) license from the Reserve Bank of India (RBI) on February 9, 2017, categorized as a Non-Systemically Important Loan Company. In November 2019, the Company upgraded its license to a Type II NBFC. As per the latest RBI scale based regulations, YSBFB is currently categorized as an NBFC-ICC-BL (Non-Banking Financial Company-Investment & Credit Company-Base Layer). The Company primarily raises capital through equity and debt financing from domestic and foreign institutions. It does not accept public deposits.

YSBFB is inspired by Nobel Laureate Prof. Muhammad Yunus's Social Business Philosophy. A social business is one with a social mission at its core, and 100% dedicated to solving human problems. A social business either creates income for the poor or provides them with essential products and services like healthcare, safe water or clean energy. They operate exactly like normal companies except for a few small differences: i) the primary aim of Social Business is to solve a social problem; ii) unlike a charity, a social business generates profit and reinvests these profits back into generating impact; iii) a social business aims to be financially self-sustaining.

We aim to achieve this through providing patient finance to businesses that are driven by ambitious local entrepreneurs with a strong for focus on solving social / environmental problems with sustainable business principles and creating impact.

1.2. VISION

YSBFB's vision is to have a "World of Three Zeroes" i.e.

a) Zero Poverty;
b) Zero Unemployment;
c) Zero Net Carbon Emissions.

1.3. MISSION

YSBFB's purpose is to harness the power of business to end poverty and the climate crisis.

1.4. BACKGROUND:

The Non-Banking Finance Companies (NBFCs) in India are key players in the country's economy. The asset size and credit share of NBFCs has seen geometric increase in the past

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decade. As per the Financial Stability Report-June 2016 of RBI, the performance of NBFC sector is relatively better than that of Public Sector Banks.

Considering the important role played by this sector, and their increasing reliance on Information Systems/Technology for service delivery, RBI has issued a Master Direction on IT Framework for NBFC sector. (Master Direction DNBS PPD No 04/66 15 001/2016-17 released on 8th June, 2017).

An IT organizational structure commensurate with the size, scale and nature of business activities carried out by the NBFC.

Yunus Social Business Fund Bengaluru (YSBFB) is categorized as a NBFC Base Layer – Base Layer – Investment and Credit Company (NBFC-BL-ICC)

The Board of Yunus Social Business Fund Bengaluru Private Limited (YSBFB) designated Suresh Krishna Kodihalli, Managing Director as the Chief Information Officer (CIO) or in-Charge of IT operations whose responsibility is to ensure implementation of IT Policy to the operational level involving IT strategy, value delivery, risk management and IT resource management. To ensure technical competence at senior/middle level management of YSBFB, periodic assessment of the IT training requirements should be formulated to ensure that sufficient, competent and capable human resources are available.

1.5. OBJECTIVES OF IT POLICY:

a) Confidentiality – Ensuring access to sensitive data to authorized users only
b) Integrity – Ensuring accuracy and reliability of information by ensuring that there is no modification without authorization
c) Availability – Ensuring that uninterrupted data is available to users when it is needed
d) Authenticity – it is necessary to ensure that the data, transactions, communications or documents (electronic or physical) are genuine.

The IT Policy involves

2. SEGREGATION OF FUNCTIONS:

There should be segregation of the duties of the Security Officer/Group (both physical security as well as cyber security) dealing exclusively with information systems security and the Information Technology division which actually implements the computer systems. The information security function should be adequately resourced in terms of the number of staff, level of skill and tools or techniques like risk assessment, security architecture, vulnerability assessment, forensic assessment, etc. Further, there should be a clear segregation of

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responsibilities relating to system administration, database administration and transaction processing.

3. **ROLE-BASED ACCESS CONTROL:**

Access to information should be based on well-defined user roles (system administrator, user manager, application owner etc) shall avoid dependence on one or few persons for a particular job.
Managing Director, Company Secretary or any such other person approved by the Board is authorized for the right to upgrade/change user profiles and permissions and also key business parameters (eg. interest rates) which should be documented.

4. **PHYSICAL SECURITY:**

The confidentiality, integrity, and availability of information can be impaired through physical access and damage or destruction to physical components. YSBFB has restricted access to sensitive information.

5. **MAKER-CHECKER**

It is one of the important principles of authorization in the information systems of financial entities. For each transaction, there must be at least two individuals necessary for its completion as this will reduce the risk of error and will ensure the reliability of information.

In YSBFB, Finance Manager is responsible to preparation and verification of the all voucher and Managing Director will approve the same.

6. **CYBER-SECURITY AWARENESS AMONG STAKEHOLDERS / TOP MANAGEMENT / BOARD:**

It should be realized that managing cyber risk requires the commitment of the entire organization to create a cyber-safe environment. This will require a high level of awareness among staff at all levels. Top Management and Board should also have a fair degree of awareness of the fine nuances of the threats and appropriate familiarisation may be organized. The Board should proactively promote, among their customers, vendors, service providers and other relevant stakeholders an understanding of their cyber resilience objectives, and require and ensure appropriate action to support their synchronized implementation and testing.

7. **DIGITAL SIGNATURES:**

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A Digital Signature Certificate authenticates entity's identity electronically. It also provides a high level of security for online transactions by ensuring absolute privacy of the information exchanged using a Digital Signature Certificate.

YSBFB consider the use of Digital signatures to protect the authenticity and integrity of important electronic documents and also for high-value fund transfer.

The Digital Signatures are kept with Company Secretary and he is responsible to manage it.

8. SOFTWARE:

The finance department in a Company is in charge of taking accounting data and creating reports that the managers within the company need for decision making purposes. IT Policy refers to the software tools and computer systems the company uses to automate these functions and organize the data flow to improve the management team's decision-making capabilities.

The finance and accounting services team at YSBFB uses Zoho Books accounting software package that generate financial reports such as Profit and Loss Statements, cash flow statements and Balance Sheet.

YSBFB uses MS Office, Adobe, Dropbox, Google drive and such other genuine software for day to day operation.

9. IT RISK ASSESSMENT

YSBFB should undertake a comprehensive risk assessment of their IT systems at least on a yearly basis. The assessment should make an analysis of the threats and vulnerabilities to the information technology assets and its existing security controls and processes. The outcome of the exercise should be to find out the risks present and to determine the appropriate level of controls necessary for appropriate mitigation of risks. The risk assessment should be brought to the notice of the Chief Information Officer (CIO) and to the Board.

10. TRAINING

Human link is the weakest link in the information security chain. Hence, there is a vital need for an initial and ongoing training and information security awareness programme. The programme may be periodically updated keeping in view changes in information technology system, threats/vulnerabilities and/or the information security framework.

11. REVIEW AND REVISION:

The Board of Directors of YSBFB shall review the policy annually and shall approve all necessary changes for adoption.

12. ADMINISTRATION & ADOPTION OF POLICY:

The Managing Director of the Company shall be responsible for the administration, interpretation, and application of this policy. The Managing Director of the Company also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Board. This policy and any changes made during the annual reviews shall be adopted by resolution of the Board of Directors.

13. DISCLOSURE ON THE WEBSITE:

The details of this policy shall be disclosed by the YSBFB in its website.