

DHARA MOTOR FINANCE LIMITED

CASH MANAGEMENT POLICY 2025-26

I. PURPOSE

The purpose of the Cash Management Policy is to provide written guidelines regarding the management of the Company's cash. The Company will optimize the operations to maintain minimum cash holdings as it is always necessary for operational liquidity but it is non-earning asset. The policy is also established to ensure, appropriate asset levels are maintained and assets remain accessible and retain liquidity to be used for company expenses and initiatives.

II. BACKGROUND

Effective cash management is needed to maintain an adequate asset levels to support the company needs, Board approved initiatives and to minimize the cash risk of the company. Since the company is working as an NBFC, and engaged financing of assets and recovery of installments of loan amount. Hence effective cash management policy is required to be formulated to manage the day to day cash collection.

III. CASH MANAGEMENT POLICIES

Cash Position Limits

- 1) Branches have to try to remit the cash on daily basis. However, in case of late receipt of cash, branch have to ensure to maintain a minimum possible cash in hand in all the branches including the head office, preferably.
- 2) All cash received at branch level should be kept under the custody of cashier and at the head office level. It will remain in the dual custody i.e cashier and assistant manager/manger.
- 3) The system will have maker-checker concept in cash and transfer transactions.
- 4) Delhi and Bijnor branch should be guarded by independent guard and other offices/ branches be guarded by peon cum guard. Above one lakh cash should be remitted duly escorted by guard cum peon.

- 5) Every branch/ Head office should have CCTV camera facility to cover every sensitive area of the branch/ Head office to have proper surveillance.
- 6) All branches should have proper accounting system for recording and receiving cash. All cash received in branches must be recorded through cashier and all the transactions are to be duly checked/ verified by the authorized person of the branch/ company.
- 7) The cashier has to maintain details of the cash and deposit slip. However it is automatically confirmed on receiving of SMS from bank.
- 8) The cash collected from the customer should be deposited with cashier on same day or in exceptional circumstances, if it is not possible for the executive to deposit the cash same day then he will deposit the amount on next working day.
- 9) When cash is handed off to the next person, the person accepting the cash should count the cash accepting it and keep the signed copy of the cash record with the cash.

Guidelines for Petty Cash Funds

1. It is the responsibility of accountant/assistant manager maintain petty cash funds up to 1000 to meet the day to day requirement of petty cash expenses and will be nil on day to day basis.
2. All the branch have to make the petty cash advance entry nil on or before last working day of the month.
3. The person responsible for each petty cash fund should establish a maximum size for petty cash payments from their petty cash fund.
4. Petty cash should be used as a convenient method to pay small expenses and is not intended for larger payments or frequent payments.
5. No bill will be passed without the purchase order.

For and on behalf of the board of Directors

Gajendra Singh
Managing Director

Ghanshyam Singh Chauhan
Whole Time Director