



**INDIA INFRADEBT LIMITED**

**CIN:** U65923MH2012PLC237365

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**Corporate Governance - Internal Guidelines**

**Background**

In line with Reserve Bank of India's (RBI) Circular DNBR (PD) CC.No.053/03.10.119/2015-16 dated July 1, 2015, India Infradebt Limited (Infradebt) is required to frame internal guidelines on corporate governance.

**Guidelines**

Infradebt has adopted best practices for corporate governance, disclosure standards and enhanced shareholder value while protecting the interests of all other stakeholders including clients, vendors and employees. The Corporate governance framework of Infradebt comprises of:

1. Corporate Structure
2. Committees
3. Audit & Control
4. Policies & Codes

**1. Corporate Structure**

***Board of Directors***

Infradebt has broad-based Board of Directors. The Board of Directors along with its Committees provides leadership and guidance to Infradebt's management and directs, supervises and controls the activities of Infradebt. The Board of Infradebt consists of appropriate number of Independent Directors with experience in the field of finance/legal/corporate affairs and have admirable track record and eminent credentials.

As per the constitutional documents of Infradebt, it's Board should comprise of total 8 Directors including 3 Independent Directors, 4 Nominee Directors and Managing Director & CEO.

***Senior Management***

There is a team of senior management personnel with proper demarcation of responsibilities and authority. The Managing Director & CEO is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operation-related issues.

## **2. Committees**

### ***Board Committees***

The Board has constituted committees consisting of Directors to focus on the critical functions of Infradebt. The Board level Committees formed by Infradebt along with constitution are given below:

1) Board Governance, Remuneration & Nomination Committee

Ms. Lalita D. Gupte  
Mr. Uday Chitale  
Mr. Arun Tiwari  
Nominee Director of ICICI Bank Limited  
Nominee Director of Bank of Baroda  
Nominee Director of Citicorp Finance (India) Limited

2) Audit Committee

Mr. Uday Chitale  
Ms. Lalita D. Gupte  
Mr. Arun Tiwari  
Nominee Director of ICICI Bank Limited  
Nominee Director of Bank of Baroda

3) Board Credit & Risk Committee

Mr. Arun Tiwari  
Ms. Lalita D. Gupte  
Mr. Uday Chitale  
Nominee Director of ICICI Bank Limited  
Nominee Director of Bank of Baroda  
Nominee Director of Life Insurance Corporation of India  
Mr. Suvek Nambiar, Managing Director & CEO

4) Corporate Social Responsibility Committee

Ms. Lalita D. Gupte  
Mr. Uday Chitale  
Mr. Arun Tiwari  
Nominee Director of Citicorp Finance (India) Limited  
Mr. Suvek Nambiar, Managing Director & CEO

5) Committee of Directors

Any two Directors forms the Committee.

## ***Management Committees***

### **1) Asset Liability Management Committee**

The Asset Liability Management Committee (ALCO) has been constituted by the Board of Directors to look after the management of the balance sheet of Infradebt within the risk parameters laid down by the Board of Directors/Board Credit & Risk Committee and review of the asset-liability profile of Infradebt with a view to manage the market risk exposure. The ALCO decides strategies and specify prudential limits for management of liquidity of Infradebt and management of interest rate risk in Infradebt book. The ALCO comprised of Mr. Suvek Nambiar, Managing Director & CEO, Mr. Akash Deep Jyoti, Head – Risk & Compliance, Mr. Rajesh Gupta, Head – Assets and Mr. Surendra Maheshwari, Chief Financial Officer.

### **2) Debenture Allotment Committee**

The Debenture Allotment Committee (DAC) has been constituted by the Board of Directors for approving allotment of debentures issued by Infradebt. The DAC comprised of Mr. Suvek Nambiar, Managing Director & CEO, Nominee Director of ICICI Bank Limited, Nominee Director of Bank of Baroda and Mr. Surendra Maheshwari, Chief Financial Officer.

### **3) Information Technology Strategy Committee**

The Information Technology Strategy Committee (IT Strategy Committee) has been constituted by the Board of Directors for approval of Information Technology (IT) strategy and related IT matters under authorisation/supervision of the Board. IT Strategy Committee comprised of Mr. Uday Chitale, Independent Director, Mr. Arun Tiwari, Independent Director, Mr. Suvek Nambiar, Managing Director & CEO, Mr. Akash Deep Jyoti, Head – Risk & Compliance and Mr. Ankur Sood, as In-charge of IT Operations.

### **4) Information Technology Steering Committee**

The Information Technology Steering Committee (IT Steering Committee) has been constituted by the Board of Directors for reviewing of Information Technology (IT) strategy and related IT matters under authorisation/supervision of the Board & IT Strategy Committee. IT Steering Committee comprised of Mr. Suvek Nambiar, Managing Director & CEO, Mr. Akash Deep Jyoti, Head – Risk & Compliance, Mr. Rajesh Gupta, Head Assets, Mr. Surendra Maheshwari, Chief Financial Officer and Mr. Ankur Sood, as In-charge of IT Operations.

### **5) Executive Credit & Risk Committee**

The Executive Credit & Risk Committee (ECRC) has been constituted by the Board of Directors for approving credit proposals as per authorisation matrix approved by Board and reviewing existing assets. ECRC comprised of Mr. Suvek Nambiar, Managing Director & CEO, Mr. Akash Deep Jyoti, Head – Risk & Compliance, Mr. Rajesh Gupta, Head Assets and Mr. Surendra Maheshwari, Chief Financial Officer.

### **3. Audit & Control**

#### ***Statutory Auditor***

The Board of Infradebt has appointed statutory auditor from amongst the big four audit firm i.e. S. R. Batliboi & Co. LLP for a period of five years.

#### **Rotation of partners of the Statutory Auditors Audit Firm**

Infradebt shall rotate the partner/s of the Chartered Accountant firm conducting the statutory audit, every three years so that same partner shall not conduct audit of the company continuously for more than a period of three years. However, the partner so rotated shall be eligible for conducting the audit of Infradebt after an interval of three years, if Infradebt, so decides. Infradebt shall incorporate appropriate terms in the letter of appointment of the firm of auditors and ensure its compliance.

#### ***Internal Auditor***

In order verify the adequacy and robustness of the processes and internal controls, internal audit is being carried out on an annual basis.

#### ***Secretarial Audit***

Secretarial Audit is carried out on an annual basis in line with the provisions of Companies Act, 2013 and for evaluating the corporate conducts/statutory compliances.

#### ***Internal Control & Procedures***

The Board of Infradebt ensures the effectiveness of Infradebt's system of internal controls including financial, operational and compliance controls and risk management systems. Infradebt maintains its own compliance checklist covering different sections i.e. compliance w.r.t. provisions of RBI guidelines, Direct & Indirect tax laws & Labour Laws to ensure timely compliance of the applicable rules and regulations.

### **4. Fit & Proper Criteria**

Infradebt has adopted a Policy on Fit & Proper Criteria of Directors. This policy defines internal supervisory process of due diligence to determine the appropriateness of the persons for their appointment/continuing to hold appointment as Director on the Board of Infradebt. The Policy, in line with the RBI guidelines, also provides for obtaining a Fit & Proper declaration from the Director proposed to be appointed and annually from all the Directors on continuing basis as on March 31.

Infradebt shall furnish to RBI a quarterly statement on change of directors, and a certificate from the Managing Director that fit and proper criteria in selection of the directors has been followed within 15 days of the close of the respective quarter. The statement to be submitted by Infradebt for the quarter ending March 31, shall be certified by the auditors.

### **5. Disclosures & Transparency**

- I. Infradebt shall put up to the Board of Directors, at regular intervals, as may be prescribed by the Board in this regard, the following:

- a. the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by Infradebt;
- b. conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

II. Infradebt shall also disclose the following in their Annual Financial Statements:

- a. registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
- b. ratings assigned by credit rating agencies and migration of ratings during the year;
- c. penalties, if any, levied by any regulator;
- d. information namely, area, country of operation and joint venture partners with regard to joint ventures and overseas subsidiaries and
- e. Asset-Liability profile, extent of financing of parent company products, NPAs and movement of NPAs, details of all off-balance sheet exposures, structured products issued by them as also securitization/ assignment transactions and other disclosures as given in RBI guidelines.

## **6. Policies & Codes**

Infradebt has adopted following policies/codes which are subject to review at regular interval of time:

- 1) Credit & Recovery Policy
- 2) Liquidity Policy & Interest Rate Risk Policy
- 3) Know Your Client & Anti Money Laundering Policy
- 4) Corporate Social Responsibility Policy
- 5) Policy on Fit and Proper Criteria for Directors
- 6) Policy for selection and Appointment of Directors and their Remuneration
- 7) Code of Business Conduct and Ethics for Directors and employees
- 8) Fair Practices Code
- 9) Resource Planning Policy
- 10) Credit Information Policy
- 11) Policy on Preservation of Records
- 12) Policy on Related Party Transactions
- 13) Investment Policy
- 14) Dividend Distribution Policy
- 15) Information Security & Technology Policy
- 16) Policy against Sexual Harassment at Workplace
- 17) What if Scenario & Contingency Plan
- 18) Compliance Manual
- 19) Outsourcing Policy
- 20) Business Continuity Plan and Disaster Recovery Plan