

## **INTERNAL GUIDELINES ON CORPORATE GOVERNANCE CODE**

### **Company Philosophy and Corporate Governance:**

IFPL (the Company) is a systemically important Non-Deposit taking NBFC and is registered with Reserve Bank of India.

Corporate Governance is about maximizing shareholders' value on a sustainable basis and ensuring fairness to all other stakeholders of the Company.

The Company ensures good governance through the implementation of effective policies and procedures, which is mandated and regularly reviewed by the Board or the committees of the members of the Board.

### **Company and the Operations:**

- **Company:** The Company is a NBFC-ND SI (Systemically Important Non-Banking Financial Company-Non-Deposit Company) and is registered with Reserve Bank of India.
- **Operations:** The Company is under the able direction of the Board of directors and through the procedures and policies mandated by the Board from time to time. The policies and procedures for functioning and operations made are adopted after being thoroughly reviewed by the board.
- **Members of the Board:** The members of the Board consist of the following Directors
  1. Mr. Suresh Kotak
  2. Mr. Sumanlal Shah
  3. Mr. Jaimin Bhatt
  4. Mr. Narayan S.A
  5. Mr. Rajesh Doshi

All directors have varied professional background and immense expertise.

Introduction to the committees of the Company and their terms of reference:

The Company is professionally managed through the Board of Directors and through the committees as approved by the of Board of Directors of the Company.

The Company has setup Committees of the Board of Directors of the Company which it statutorily required to set up in terms of the provisions of Para 68 of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide DNBR. PD. 008/03.10.119/2016-17 dated September 1, 2016 including statutory amendment(s), enactment(s), modification(s) etc. thereof from time to time and such other Committees, the details of which are as per the following:

## 1. Audit Committee:

### ➤ Composition:

The Audit Committee consists of

1. Mr. Jaimin Bhatt
2. Mr. Narayan S.A.
3. Mr. Sumanlal Shah

With any two being the quorum.

### ➤ Audit Committee Charter:

The terms of reference, the powers and role of the Committee encompass:

- accounting matters,
- financial reporting and internal controls. They primarily include the review of systems and procedures of internal control, review financial operating systems, ensure compliance with regulatory guidelines, review accounting policies, review pending litigation, etc.
- The Audit Committee also reviews the Audit Reports prepared by Internal Auditors.

The committee will meet at least 4 times in a year and as and when required.

## 2. Nomination & Remuneration Committee:

### ➤ Composition:

The Nomination & Remuneration Committee comprising of

1. Mr. Jaimin Bhatt
2. Mr. Sumanlal Shah
3. Mr. Rajesh Doshi

With any two being the quorum

Ensures on the basis of the set parameters and criteria that the existing directors and key managerial personnel are 'fit and proper'.

### ➤ Nomination & Remuneration Committee Charter:

The terms of reference, the powers and role of the Committee encompass:

- ensuring the criteria for the appointment of the directors and the personnel at the top management.
- In addition, the committee also ensures that the members elected, as members of the committee of the Board of directors, are also appropriate.

The committee will meet at least twice in a year and as and when required.

### 3. Corporate Social Responsibility Committee:

➤ **Composition:**

The Corporate Social Responsibility Committee consists of

1. Mr. Jaimin Bhatt
2. Mr. Narayan S.A.
3. Mr. Sumanlal Shah

With any two being the quorum

➤ **Corporate Social Responsibility Committee Charter:**

- The Corporate Social Responsibility Committee ensures that areas of CSR activities are identified, approves CSR budget for each financial year and ensure allocation of budget towards each Area.

The committee will meet at least twice in a year and as and when required.

### 4. Investment Committee:

➤ **Composition:**

The Investment Committee consists of the following members

1. Mr. Jaimin Bhatt
2. Mr. Sumanlal Shah
3. Mr. Rajesh Doshi

With any two being the quorum.

➤ **Investment Committee Charter:**

- The Investment Committee evaluates Investment proposals from time to time and approves or rejects them as felt appropriate and reviews and examines at least once a year all the investments of the company.

The committee will meet at least twice in a quarter and as and when required.

### 5. Asset Liability Committee (ALCO):

➤ **Composition:**

The ALCO Committee consists of the following members:

1. Mr.Sumanlal B Shah
2. Mr.Narayan S A

3. Mr.Jaimin Bhatt
4. Mr.R Venkatsubramanian
5. Mr. N R Subramanian

With any three being the quorum.

➤ **ALCO Committee Charter:**

The terms of reference of the ALCO are as follows:

- Review the Liquidity position of the company and evaluate the maturity period of assets and liabilities
- Review the interest profile of the assets and liabilities
- Discussing the market scenario for interest rates at periodical intervals to assimilate market information and steer the company towards optimum borrowing costs if any
- In a situation of tight liquidity evaluate various alternatives and options for funding the business needs

The committee will meet every month to review the above.

**6. Risk Management Committee (RMC):**

➤ **Composition:**

The RMC Committee consists of the following members:

1. Mr.Sumanlal B Shah
2. Mr.Narayan S A
3. Mr.Jaimin Bhatt
4. Mr. N R Subramanian

With any two being the quorum.

➤ **RMC Committee Charter:**

The terms of reference of the RMC are as follows:

- Review the business and operations of the company to assess the risks;
- Suggest process to effectively mitigate the risks.
- Clearing any new product / processes;
- Monitoring of the exposures;
- Reviewing adequacy of risk management process and up gradation thereof;
- Reviewing the internal control system;
- Ensuring compliance with the statutory/regulatory framework of the risk management process

The committee will meet at least 4 times in a year and as and when required.

**7. Credit Committee (Constituted w.e.f. from January 16, 2018)**

➤ **Composition**

The Credit Committee consists of the following Members:

1. Mr. Jaimin Bhatt
2. Mr. Narayan S.A.

With the quorum being all the Members present at the Meeting.

➤ **Credit Committee Charter**

The Credit Committee (the “Committee”) will monitor and overview the extension of credit facility to Individuals, Entities etc. (the “Clients” or “Borrowers”) under Loan Against Shares Scheme of the Company, the requirements of the fund for lending to the Clients, after analysing the credit worthiness of the Borrowers while lending including their repayment capacity.

The Terms of References of the Credit Committee shall be as per the following:

- To receive and scrutinize application(s) from the Clients/Borrowers for credit facility under Loan Against Shares Scheme of the Company;
- To analyze Credit Worthiness of the Clients/Borrowers including their repayment capacity and capability;
- To approve of New Limit/Renewal of Existing Limit to the Clients/Borrowers under Loan Against Shares Scheme of the Company as per the Approval Authorities List;
- To recommend to the Board of Directors of Directors of the Company for approval of New Limit/Renewal of Existing Limit to the Clients/ Borrowers under Loan Against Shares Scheme of the Company as per the Approval Authorities List;
- To recommend to the Board of Directors of the Company funds required to be borrowed for the purpose extending credit facility to Clients/Borrowers under Loan Against Shares Scheme of the Company; and
- To perform such other allied functions as may be necessary from time to time.

The Credit Committee shall meet as and when required.

**8. Grievance Redressal Committee ( GRC ):**

➤ **Composition:**

The GRC Committee consists of the following members:

1. Mr.Sumanlal B Shah
2. Mr.Jaimin Bhatt
3. Mr. N R Subramanian

With any two being the quorum.

➤ **GRC Committee Charter:**

The terms of reference of the GRC are as follows :

- Reviewing the customer grievances received, if any and the actions taken report for the period
- Recommending action for grievances pending, if any
- Forwarding to the board, observations/ recommendations if any

The committee will meet at least once in a year and as and when required.

**9. Management Committee:**

➤ **Composition:**

The Management Committee consists of the following members:

1. Mr.Sumanlal B Shah
2. Mr.Jaimin Bhatt
3. Mr.Narayan SA
4. Mr.R Venkatsubramanian
5. Mr. N R Subramanian

With any 3 being the quorum.

➤ **Management Committee Charter:**

The terms of reference of the Management are as follows:

- To monitor the functioning of all other committees
- To examine the minutes of various committees and recommend modification or add additional responsibilities to the committee to ensure enhanced efficiency.

The committee will meet at least twice in a year and as and when required.

**Fair Practices Code:**

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company has adopted a policy on Fair Practices Code and also a regular review on the implementation of the same is conducted by committee members.

**Disclosures and transparency:**

The Board of the Company reviews, records and adopts the minutes of the committee meetings. The Management Discussion & Analysis Report of the Company is duly included in the Directors' Report covering necessary matters of concern as a part published by the Company and the Segment – wise reporting as per the Accounting Standard 17 (AS 17) is duly included in the Annual Report of the Company.