

**Aseem Infrastructure Finance Limited (AIFL)****Internal Guidelines on Corporate Governance ('POLICY')**

## Reviewing &amp; Approving Authority

Authority	Designation
Prepared By	Company Secretary
Reviewed By	Chief Executive Officer
Approved By	Board of Directors
Date of approval	November 09, 2022

## Version History

<u>V1 – September 16, 2020</u>	<u>Adoption of Internal Guidelines on Corporate Governance</u>
<u>V2 – May 28, 2021</u>	<u>Modified in accordance with the discussions at the Board Meeting held on 12.01.2021</u>
<u>V3 – August 26, 2021</u>	<u>Reviewed Annually and no changes required</u>
<u>V4 – February 04, 2022</u>	<u>Amended to include the terms of reference of the Committees as required under SEBI LODR Regulations</u>
<u>V5 - November 09, 2022</u>	<u>Amended to include the constitution of IT Steering Committee.</u>

**ASEEM INFRASTRUCTURE FINANCE LIMITED**  
**Internal Guidelines on Corporate Governance**

**Company Philosophy and Corporate Governance**

The Reserve Bank of India (**'RBI'**) vide its Circular No. DNBR (PD) CC.No.029/ 03.10.001/ 2014- 15 dated April 10, 2015 notified Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015 (**"RBI Circular"**) which require NBFCs to frame Internal Guidelines on Corporate Governance.

Being a professionally run enterprise with National Investment and Infrastructure Fund II ("NIIF Fund II') holding controlling stake and effective board oversight, sound Corporate Governance practices are fundamental to the Company's quest of delivering long-term value to all its stakeholders.

Corporate Governance is a continuous process at Aseem Infrastructure Finance Limited. It is about commitment to sound values and ethical business conduct. Systems, policies and frameworks are regularly upgraded to meet the challenges of rapid growth in a dynamic external business environment.

**Company**

The Company is NBFC-ND-SI (Non-Banking Financial Company- Non-Deposit taking- Systemically Important) categorized as an Infrastructure Finance Company (NBFC-IFC) and is registered with Reserve Bank of India.

**Board**

The Company's Board currently consists of 6 Directors, comprising three Non- Executive Directors and three Independent Directors. The members of the Board are as follows:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>
1.	Mr. Prakash Rao	Chairman & Non-Executive Director
2.	Mr. Rajiv Dhar	Non-Executive Director
3.	Mr. Saurabh Jain	Non-Executive Director
4	Mr. V Chandrasekaran	Independent Director
5	Ms. Rosemary Sebastian	Independent Director
6	Mr. Prashant Kumar Ghose	Additional Independent Director

The Directors bring to the Board a wide range of experience and skills which include banking, finance, investments, regulations and operations.

A Director shall not hold the office of director in more than 20 (twenty) companies including 10 (ten) public companies. The Directors shall submit disclosures as required under the provisions of applicable laws and the codes and policies adopted by the Company.

## **Fit and Proper Criteria for Director's Appointment**

- The company will adhere to the policy on the fit and proper criteria, as per the guidelines issued by RBI at the time of appointment, and on continuing basis, by ensuring the following:
  - Company will undertake due diligence to determine the suitability of the person for appointment as a director on the Board, based upon qualification, expertise, track record, integrity and other fit and proper criteria.
  - Company has constituted Nomination Committee to scrutinize the declarations obtained from the directors
  - Based on the information provided in the signed declaration, Nomination Committee will decide on the acceptance and may make references, where considered necessary to the appropriate authority / persons, to ensure their compliance.
  - Company will annually obtain a simple declaration that the information already provided has not undergone change and where there is any change, requisite details are furnished by the directors forthwith.
  - The Company shall obtain a 'declaration and undertaking from the directors giving additional information on the directors as per format prescribed by RBI;
  - The Company shall obtain a 'Deed of Covenant' signed by the directors as per format prescribed by RBI.

## **BOARD MEETINGS**

At least four Board Meetings shall be held in a year in accordance with the applicable provisions of the Companies Act, 2013 as may be amended from time to time.

## **Committees**

For operational and administrative convenience, the Board has constituted sub-committees in addition to the ones mandated under the Companies Act, 2013 and Master Directions - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ("RBI Directions"):

### **A. Audit Committee**

The Company has in place the Audit Committee in accordance with the provisions of the Companies Act 2013 and RBI Directions as amended from time to time. The terms of reference of the Audit Committee are in accordance with the relevant provisions of the Companies Act, 2013.

The Audit Committee consists of:

<b>Sr No</b>	<b>Particulars</b>	<b>Designation</b>	<b>Chairman/Member</b>
1	Mr. V Chandrasekaran	Independent Director	Chairman
2	Ms. Rosemary Sebastian	Independent Director	Member
3	Saurabh Jain	Non-Executive Director	Member

All the members are financially literate and at least one member has accounting or financial management expertise. The CFO and the representatives of the Statutory Auditors and Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The Audit Committee shall meet periodically, but at least four times in a year and not more than one hundred and twenty days shall elapse between two successive meetings. The quorum for the Audit Committee shall be two independent directors.

Detailed Terms of Reference of Audit Committee as per SEBI (Listing Obligations Disclosure Requirements), 2015 is marked as I in Annexure A

#### **B. Credit Committee**

All financing proposals are submitted to the Credit Committee for its approval. The Credit Committee meets as may be required, to consider and approve proposals. In case of urgency, it takes up proposals for approval by circulation.

The Credit Committee consists of:

<b>Sr No</b>	<b>Particulars</b>	<b>Designation</b>	<b>Chairman/Member</b>
1	Mr. Prakash Rao	Non-Executive Director	Chairman
2	Mr. Nilesh Shrivastava	Representative of NIIF Fund II	Member
3	Mr. Virender Pankaj	Chief Executive Officer	Member
4	Mr. AKT Chari	Independent Member	Member

The Credit Committee shall meet as and when required for the purposes of discussing and approving the financing proposals. The quorum for the Credit Committee shall be any three Members present.

### C. Nomination and Remuneration Committee (“NRC”)

The Company has in place, the NRC of the Company comprising of the following Members:

<b>Sr No</b>	<b>Particulars</b>	<b>Designation</b>	<b>Chairman/Member</b>
1	Mr. V Chandrasekaran	Independent Director	Chairman
2	Ms. Rosemary Sebastian	Independent Director	Member
3	Mr. Prakash Rao	Non-Executive Director	Member
4	Mr. Rajiv Dhar	Non-Executive Director	Permanent Invitee

The terms of reference of the NRC are in accordance with the applicable provisions of the Companies Act, 2013 and RBI Directions as may be amended from time to time. The Committee ensures formulation of the remuneration policy and sets out criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees; The Committee is responsible to ensure ‘fit and proper’ status of proposed/ existing directors.

The Committee may meet at such interval as it may deem fit and the quorum of the NRC shall be two Directors with presence of at least one Non- Executive Director of the Company.

Detailed Terms of Reference of Nomination and Remuneration Committee as per SEBI (Listing Obligations Disclosure Requirements), 2015 is marked as II in Annexure A

### D. Risk Management Committee (“RMC”)

The RMC would monitor risks associated with the business of the Company on a regular basis. The RMC consists of:

<b>Sr No</b>	<b>Particulars</b>	<b>Designation</b>	<b>Chairman/Member</b>
1	Mr. V. Chandrasekaran	Independent Director	Chairman
2	Mr. Prakash Rao	Non-Executive Director	Member
3	Mr. Rajiv Dhar	Non-Executive Director	Member

The RMC would review and monitor mainly four types of risks across the organization: credit risk, market risk, liquidity risk and operational risk.

The RMC should meet at an appropriate frequency but not more than six months should elapse between two meetings and update the Board on the deliberations at the Meeting. The quorum of the Committee shall be two members with presence of at least one Non-Executive Director of the Company.

Detailed Terms of Reference of Risk Management Committee as per SEBI (Listing Obligations Disclosure Requirements), 2015 is marked as IV in Annexure A

#### **E. Corporate Social Responsibility Committee (“CSR”)**

AIFL believes that profitability must be complemented by a sense of responsibility towards its stakeholders. The CSR Committee, as mandated under Section 135 (3) of the Companies Act, 2013 formulated and recommended to the Board, a CSR Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Act and recommends the amount of expenditure to be incurred on the said activities.

The CSR Committee consists of:

<b>Sr No</b>	<b>Particulars</b>	<b>Designation</b>	<b>Chairman/Member</b>
1	Ms. Rosemary Sebastian	Independent Director	Chairman
2	Mr. V Chandrasekaran	Independent Director	Member
3	Mr. Prakash Rao	Non-Executive Director	Member

The CSR Committee may meet at such interval as it may deem fit and the quorum of the CSR Committee shall be two Directors with presence of at least one Non-Executive Director of the Company.

#### **F. IT Strategy Committee**

RBI vide its Master Direction on June 08, 2017, Direction requiring NBFCs to comply with requirements relating to Information Technology Framework (“IT Framework”). The IT Strategy Committee comprises of:

<b>Sr No</b>	<b>Particulars</b>	<b>Designation</b>	<b>Chairman/Member</b>
1	Ms. Rosemary Sebastian	Independent Director	Chairman
2	Mr. Prakash Rao	Non-Executive Director	Member
3	Mr. Rajiv Dhar	Non-Executive Director	Member
4	Mr. Virender Pankaj	Chief Executive Officer	Member
5	Mr. Abhishek Verma	Assistant Vice President - IT	Member
6	Mr. Bhawin Shah	Chief Risk Officer	Member
7	Mr. Nilesh Sampat	Chief Financial Officer	Member

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The focus of the IT Framework is on IT Governance, IT Policy, Information & Cyber Security, IT Operations, IS Audit, Business Continuity Planning and IT Services Outsourcing. IT Framework given under Section-A of Master Direction applied to the Company being the systematically important NBFC. IT Framework required the Company to place the Master Direction before its Board, together with a gap-analysis vis-à-vis the Master Direction and the proposed actions. NBFCs were also required to form an IT Strategy Committee. This committee has to review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

The quorum for IT Strategy Committee meeting shall be any three Members present including presence of at-least one director of the Company. Committee should meet at an appropriate frequency but not more than six months should elapse between two meetings.

IT Strategy Committee has also constituted IT Steering Committee (Procurement Committee) which focuses on priority setting, procurement, resource allocation and project tracking. The IT Steering Committee comprises of the following:

<b>Sr. No</b>	<b>Particulars</b>	<b>Designation</b>
1	Mr. Virender Pankaj	Chief Executive Officer
2	Mr. Nilesh Sampat	Chief Financial Officer
3	Mr. Abhishek Verma	Assistant Vice President-IT
4	Mr. Munesh Ahuja	CISO

#### **G. ALCO Committee**

The ALCO is a decision-making body responsible for integrated balance sheet management from risk-return perspective and includes the strategic management of interest rate and liquidity risks.

The ALCO comprises of the following:

<b>Sr. No</b>	<b>Particulars</b>	<b>Designation</b>	<b>Chairman/Member</b>
1	Mr. Virender Pankaj	Chief Executive Officer	Chairman
2	Mr. Nilesh Shrivastava	Representative of NIIF Fund II	Member
3	Mr. Nilesh Sampat	Chief Financial Officer	Member
4	Mr. Bhawin Shah	Chief Risk Officer	Member
5	Mr. Dhananjay Yellurkar	Chief Risk Officer, NIIF IFL	Invitee

NIIF – Economist will be an invitee to the ALCO meetings. The quorum for ALCO will be 3 (three) members, which must include the CEO and CFO. The ALCO will meet at least six times during the year. The Chairman of the ALCO may convene an ALCO meeting on a more frequent basis.

#### **H. Finance Committee ("FC")**

The Finance committee comprises of the following:

<b>Sr. No</b>	<b>Particulars</b>	<b>Designation</b>	<b>Member</b>
1	Mr. Virender Pankaj	Chief Executive Officer	Member
2	Mr. Nilesh Sampat	Chief Financial Officer	Member
3	Mr. Bhawin Shah	Chief Risk Officer	Member



The scope of FC is to:

- monitor the overall treasury related investments and activities
- fix and vary limits within the delegated powers of this Policy
- set and review strategies related to such investments
- review treasury operations

The FC shall meet as and when required and the quorum for the said Meeting will be two members.

#### I. Internal Complaints Committee (ICC)

The ICC comprises of the following:

Name of the Member	Designation
Ms. Sapna Mohata - Senior Vice President	Presiding Officer
Ms. Shruti Trivedi – Head HR	Internal Member
Mr. Bhawin Shah - Chief Risk Officer	Internal Member
Ms. Alka Tiwari	External Member

- ICC shall be responsible for the following:
- Investigating every formal written complaint of Sexual Harassment in the workplace,
- Initiating and conducting inquiry as per the established procedure,
- Submitting findings and recommendations of inquiries and implementing appropriate action,
- Maintaining strict confidentiality throughout the process.

They may meet upon receipt of a complaint, if any. The quorum for the Meeting shall be two members.

#### J. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of the following:

Sr. No	Particulars	Designation	Chairman /Member
1	Mr. V. Chandrasekaran	Independent Director	Chairman
2	Mr. Prakash Rao	Non-Executive Director	Member
3	Mr. Rajiv Dhar	Non-Executive Director	Member

#### The Scope of Stakeholders Relationship Committee

- i. Redressal of shareholders/investors complaints
- ii. Reviewing on periodic basis the Approval of transfer and transmission of shares, debentures or any other securities made by the Registrar and Transfer Agent
- iii. Issue of duplicate certificates and new certificates on split/ consolidation/ renewal"

Detailed Terms of Reference of Stakeholder Relationship Committee as per SEBI (Listing Obligations Disclosure Requirements), 2015 is marked as III in Annexure A

### **OTHER CORPORATE GOVERNANCE MEASURES**

The Company shall follow the standard Corporate Governance Measures.

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

Rotation of partners of the Statutory Auditor/Audit Firm will be done in accordance with the provisions of the Companies Act, 2013 and as mandated by RBI.

#### **Fair Practices Code:**

Pursuant to the guidelines on Fair Practices Code issued by Reserve Bank of India, the Company has adopted a Policy for Fair Practice Code which shall be posted on the website of the Company. A regular review on the implementation of the same shall be conducted by committee members.

#### **Code of conduct**

The Company has adopted a Code of Conduct and Ethics of the Company and due care is taken that the same is being adhered to.

#### **Whistle Blower Policy**

The Board of Directors of the Company approved the Vigil Mechanism and amended the existing Whistle Blower Policy of the Company to bring it in line with the provisions of the Companies Act, 2013. The Whistle Blower Policy is disclosed on the website of the Company [www.aseeminfra.in](http://www.aseeminfra.in). The vigil mechanism is designed for the directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

#### **Disclosures and transparency**

The Board of the Company reviews, records and adopts the minutes of all the Board level committee meetings.

As part of the Corporate Governance, a compliance requirement has been put in place, wherein a quarterly report regarding compliance with all laws applicable to the Company is placed before the Board for their review.

#### **Review**

This policy shall be reviewed periodically and may be amended by the Board of the Company on the basis of decisions taken by the Board.

<b>I. Audit Committee</b>	
<b>Sr. No.</b>	<b>Terms of Reference</b>
1.	Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2.	Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity
3.	Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4.	<p>Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:</p> <ul style="list-style-type: none"> <li>a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;</li> <li>b. changes, if any, in accounting policies and practices and reasons for the same;</li> <li>c. major accounting entries involving estimates based on the exercise of judgment by management;</li> <li>d. significant adjustments made in the financial statements arising out of audit findings;</li> <li>e. compliance with listing and other legal requirements relating to financial statements;</li> <li>f. disclosure of any related party transactions;</li> <li>g. modified opinion(s) in the draft audit report;</li> </ul>
5.	Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6.	Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7.	Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8.	Approval or any subsequent modification of transactions of the listed entity with related parties
9.	Scrutiny of inter-corporate loans and investments
10.	Valuation of undertakings or assets of the listed entity, wherever it is necessary
11.	Evaluation of internal financial controls and risk management systems
12.	Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
13.	Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
14.	Discussion with internal auditors of any significant findings and follow up there on
15.	Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
16.	Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

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17.	To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
18.	To review the functioning of the whistle blower mechanism
19.	Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate
20.	Carrying out any other function as is mentioned in the terms of reference of the audit committee
21.	Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22.	Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.]
23.	Management discussion and analysis of financial condition and results of operations
24.	Statement of significant related party transactions (as defined by the audit committee), submitted by management
25.	Management letters / letters of internal control weaknesses issued by the statutory auditors
26.	Internal audit reports relating to internal control weaknesses
27.	The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
28.	Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

<b>II.</b>	<b>Nomination and Remuneration Committee</b>
<b>Sr. No</b>	<b>Terms of Reference</b>
1.	Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2.	For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates
3.	Formulation of criteria for evaluation of performance of independent directors and the board of directors
4.	Devising a policy on diversity of board of directors

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5.	Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal
6.	Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors
7.	Recommend to the board, all remuneration, in whatever form, payable to senior management.

<b>III. Stakeholders Relationship Committee</b>	
<b>SR. No</b>	<b>Terms of Reference</b>
1.	Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc
2.	Review of measures taken for effective exercise of voting rights by shareholders.
3.	Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
4.	Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

<b>IV. Risk Management Committee</b>	
<b>Sr. No</b>	<b>Terms of Reference</b>
1.	To formulate a detailed risk management policy which shall include: <ol style="list-style-type: none"> <li>A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.</li> <li>Measures for risk mitigation including systems and processes for internal control of identified risks.</li> <li>Business continuity plan.</li> </ol>
2.	To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company
3.	To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
4.	To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity
5.	To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
6.	The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

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