

CORPORATE GOVERNANCE

The Corporation is committed to uphold high level of ethical standard of Corporate Governance in all of its functional areas. The effective implementation of Corporate Governance depends on adoption of cardinal principles which interalia includes independence, credibility, accountability, responsibility, transparency, fair and timely decision making etc. The Board of the Corporation is constituted as per the provisions of SFCs Act (Amendment Act 2000). The Directors in the Board are professionally qualified having vast experience in the areas of Banking and Industry. The Board of Directors meet regularly to provide effective leadership and monitor performance and review management policies. The Board adopted a calendar of review which enables through critical information to the Board periodically. Various aspects like Loan Policy, OTS policy, Recovery Policy, Annual Business plan, Cash-flow Statement, overall assessment of Financial position, actual performance vis-à-vis target in key areas, status of NPAs etc. are periodically reviewed and appropriate policy directives are given by the Board.

The Corporation has initiated the following steps to ensure good corporate governance practices:

Reconstitution of the Board with induction of Independent Director,

Appointment of a Senior Executive of SIDBI as the Managing Director

Reorganisation of HO Departments,

Internal Audit has been strengthened/ streamlined.

Audit committee has been constituted and Meetings of the Audit committee have been more regular/ streamlined.

Apart from the above, Appraisal Mechanism, Project Monitoring, Risk Management, Internal Controls and Procedures have been streamlined and clear policy guidelines on Lending, Recovery, Valuation, IT etc introduced.