



**ALTICO CAPITAL INDIA LIMITED**

**FIT & PROPER CRITERIA**

**Reviewing and Approving Authorities**

Authority	Designation
Prepared By	Company Secretary
Reviewed By	Chief Operating Officer
Recommended By	Nomination Committee
Approved By	Board of Directors
Date of Approval	September 24, 2018

**Version History**

Version	Issue Date	Brief Description
V.1	May 26, 2015	New policy adopted by the Board
V.2	September 24, 2018	Policy reviewed by the Board.

## **FIT & PROPER CRITERIA**

In terms of the RBI directions, a director is required to furnish following documents as part of Fit and Proper Person criteria.

**Due Diligence:** Altico to carry out due diligence on proposed appointee by checking inter alia following:

- **Qualifications;**
- **Technical expertise;**
- **Track record;**
- **Integrity;**

*All above are to be supported by statements from relevant director.*

Exhibit A: Fit and Proper Person criteria to be completed by the proposed appointee, in form prescribed by RBI.

Exhibit B- Annual Declaration from Directors that the information already provided has not undergone change and where there is any change, requisite details are furnished by them forthwith

Exhibit C- Deed of Covenants, in form set out in Annexure 3 of the Directions.

## EXHIBIT A

**From:**

[Insert Name of Director]

**To:**

**Altico Capital India Limited  
21,2<sup>nd</sup> Floor,5 North Avenue,  
Maker Maxity, Bandra Kurla Complex,  
Bandra East, Mumbai 400 051**

**Declaration and Undertaking by [● Insert name of Director];**

Particulars	Information
<b>I. Personal details of director</b>	
a. Full name	
b. Date of Birth	
c. Educational Qualifications	
d. Relevant Background and Experience	
e. Permanent Address	
f. Present Address	
g. E-mail Address / Telephone Number	
h. Permanent Account Number under the Income Tax Act and name and address of Income Tax Circle	
i. Relevant knowledge and experience	
j. Any other information relevant to Directorship of the NBFC	
<b>II. Relevant Relationships of director</b>	
a. List of Relatives if any who are connected with the NBFC (Refer Section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)	
b. List of entities if any in which he/she is considered as being interested (Refer Section 299(3)(a) and Section 300 of the Companies Act, 1956 and corresponding provisions of New Companies Act, 2013)	
c. List of entities in which he/she is considered as holding substantial interest within the meaning of NBFC Prudential Norms Directions, 2007	

d. Name of NBFC in which he/she is or has been a member of the board (giving details of period during which such office was held)	
e. Fund and non-fund facilities, if any, presently availed of by him/her and/or by entities listed in II (b) and (c) above from the NBFC	
f. Cases, if any, where the director or entities listed in II (b) and (c) above are in default or have been in default in the past in respect of credit facilities obtained from the NBFC or any other NBFC / bank	
<b>III. Records of professional achievements</b>	-
a. Relevant professional achievements	
<b>IV. Proceedings, if any, against the director</b>	
a. If the director is a member of a professional association/body, details of disciplinary action, if any, pending or commenced or resulting in conviction in the past against him/her or whether he/she has been banned from entry into any profession/ occupation at any time.	
b. Details of prosecution, if any, pending or commenced or resulting in conviction in the past against the director and/or against any of the entities listed in II (b) and (c) above for violation of economic laws and regulations	
c. Details of criminal prosecution, if any, pending or commenced or resulting in conviction in the last five years against the director	
d. Whether the director attracts any of the disqualifications envisaged under Section 274 of the Companies Act 1956 and corresponding provisions of New Companies Act, 2013?	
e. Has the director or any of the entities at II (b) and (c) above been subject to any investigation at the instance of Government department or agency?	
f. Has the director at any time been found guilty of violation of rules/regulations/ legislative requirements by customs/ excise /income tax/foreign exchange /other revenue authorities, if so give particulars	
g. Whether the director has at any time come to	

<p>the adverse notice of a regulator such as SEBI, IRDA, MCA.</p> <p><i>(Though it shall not be necessary for a candidate to mention in the column about orders and findings made by the regulators which have been later on reversed/set aside in toto, it would be necessary to make a mention of the same, in case the reversal/setting aside is on technical reasons like limitation or lack of jurisdiction, etc. and not on merit, If the order of the regulator is temporarily stayed and the appellate/ court proceedings are pending, the same also should be mentioned.)</i></p>	
<p><b>V. Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper</b></p>	

**Undertaking:**

I confirm that the above information is to the best of my knowledge and belief true and complete. I undertake to keep the NBFC fully informed, as soon as possible, of all events which take place subsequent to my appointment which are relevant to the information provided above.

I also undertake to execute the deed of covenant required to be executed by all directors of the NBFC.

**Place:**

**Signature**

**Date:**

**VI. Remarks of Chairman of Nomination Committee/Board of Directors of NBFC**

**Place:**

**Signature**

**Date:**

**EXHIBIT B**

**[On the letterhead of each Director of Altico]**

**Date:**

**To:**

**The Board of Directors  
Altico Capital India Limited  
21,2<sup>nd</sup> Floor,5 North Avenue,  
Maker Maxity, Bandra Kurla Complex,  
Bandra East, Mumbai 400 051**

**Re. Directorship at Altico Capital India Limited (“Company”)**

**Sub: Annual Declaration in terms of Non- Banking Financial Companies – Corporate Governance  
(Reserve Bank) Directions, 2015(“Directions”)**

Dear Sir(s),

I hereby declare that fit and proper person information furnished by me in connection with my directorship in the Company has not undergone any change except as provided hereunder:

Yours sincerely,

Name

Signature

DIN:

March 31 [●]

## **DEED OF COVENANTS**

**THIS DEED OF COVENANTS (“Deed”)** is made on this \_\_\_\_\_ day of \_\_\_\_\_ 2015 **BETWEEN**

**Altico Capital India Limited** having its registered office at \_\_\_\_\_ (hereinafter called the ‘**ACIL**’) of the one part

AND

Mr /Ms \_\_\_\_\_ director of **ACIL** (hereinafter called the "Director") of the other part

### **WHEREAS**

- A. The director has been appointed as a director on the Board of Directors of ACIL (hereinafter called "the Board") and is required as a term of his / her appointment to enter into a Deed of Covenants with ACIL.
- B. The director has agreed to enter into this Deed of Covenants, which has been approved by the Board, pursuant to his said terms of appointment.

### **NOW IT IS HEREBY AGREED AND THIS DEED OF COVENANTS WITNESSETH AS FOLLOWS:**

1. The director acknowledges that his / her appointment as director on the Board of the NBFC is subject to applicable laws and regulations including the Memorandum and Articles of Association of the NBFC and the provisions of this Deed of Covenants.
2. The director covenants with the NBFC that:
  - (i) The director shall disclose to the Board the nature of his / her interest, direct or indirect, if he / she has any interest in or is concerned with a contract or arrangement or any proposed contract or arrangement entered into or to be entered into between ACIL and any other person, immediately upon becoming aware of the same or at meeting of the Board at which the question of entering into such contract or arrangement is taken into consideration or if the director was not at the date of that meeting concerned or interested in such proposed contract or arrangement, then at the first meeting of the Board held after he / she becomes so concerned or interested and in case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the director becomes concerned or interested in the contract or arrangement.
  - (ii) The director shall disclose by general notice to the Board his / her other directorships, his / her memberships of bodies corporate, his / her interest in other entities and his / her interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.
  - (iii) The director shall provide to ACIPL a list of his / her relatives as defined in the Companies Act, 1956 or 2013 and to the extent the director is aware of directorships and interests of such relatives in other bodies corporate, firms and other entities.
  - (iv) The director shall in carrying on his / her duties as director of ACIL:
    - (a) use such degree of skill as may be reasonable to expect from a person with his / her knowledge or experience;
    - (b) in the performance of his / her duties take such care as he / she might be reasonably expected to take on his / her own behalf and exercise any power vested in him / her in good faith and in the interests of ACIPL;

- (c) shall keep himself / herself informed about the business, activities and financial status of ACIL to the extent disclosed to him/her;
  - (d) attend meetings of the Board and Committees thereof (collectively for the sake of brevity hereinafter referred to as "Board") with fair regularity and conscientiously fulfil his /her obligations as director of ACIPL;
  - (e) shall not seek to influence any decision of the Board for any consideration other than in the interests of ACIL;
  - (f) shall bring independent judgment to bear on all matters affecting ACIL brought before the Board including but not limited to statutory compliances, performance reviews, compliances with internal control systems and procedures, key executive appointments and standards of conduct;
  - (g) shall in exercise of his / her judgement in matters brought before the Board or entrusted to him / her by the Board be free from any business or other relationship which could materially interfere with the exercise of his / her independent judgement; and
  - (h) shall express his/her views and opinions at Board meetings without any fear or favour and without any influence on exercise of his /her independent judgement;
- (v) The director shall have:
- (a) fiduciary duty to act in good faith and in the interests of ACIL and not for any collateral purpose;
  - (b) duty to act only within the powers as laid down by ACIL's Memorandum and Articles of Association and by applicable laws and regulations; and
  - (c) duty to acquire proper understanding of the business of ACIL.
- (vi) The director shall:
- (a) not evade responsibility in regard to matters entrusted to him / her by the Board;
  - (b) not interfere in the performance of their duties by the whole-time directors and other officers of ACIL and wherever the director has reasons to believe otherwise, he / she shall forthwith disclose his / her concerns to the Board; and
  - (c) not make improper use of information disclosed to him / her as a member of the Board for his / her or someone else's advantage or benefit and shall use the information disclosed to him / her by ACIL in his / her capacity as director of ACIL only for the purposes of performance of his / her duties as a director and not for any other purpose.

3. ACIL covenants with the director that:

(i) ACIL shall apprise the director about:

- (a) Board procedures including identification of legal and other duties of Director and required compliances with statutory obligations;
- (b) control systems and procedures;
- (c) voting rights at Board meetings including matters in which Director should not participate because of his/her interest, direct or indirect therein;

- (d) Qualification requirements and provide copies of Memorandum and Articles of Association;
  - (e) Corporate policies and procedures;
  - (f) Insider dealing restrictions;
  - (g) Constitution of, delegation of authority to and terms of reference of various committees constituted by the Board;
  - (h) Appointments of Senior Executives and their authority;
  - (i) Remuneration policy,
  - (j) Deliberations of committees of the Board, and
  - (k) Communicate any changes in policies, procedures, control systems, applicable regulations including memorandum and articles of association of ACIL, delegation of authority, senior executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.
- (ii) ACIL shall disclose and provide to the Board including the directors all information which is reasonably required for them to carry out their functions and duties as a director of ACIL and to take informed decisions in respect of matters brought before the Board for its consideration or entrusted to the director by the Board or any committee thereof;
- (iii) The disclosures to be made by ACIL's to the directors shall include but not be limited to the following :
- (a) all relevant information for taking informed decisions in respect of matters brought before the Board;
  - (b) ACIL's strategic and business plans and forecasts;
  - (c) organisational structure of the ACIL's and delegation of authority;
  - (d) corporate and management controls and systems including procedures;
  - (e) economic features and marketing environment;
  - (f) information and updates as appropriate on ACIL's products;
  - (g) information and updates on major expenditure;
  - (h) periodic reviews of performance of ACIL; and
  - (i) report periodically about implementation of strategic initiatives and plans;
- (iv) ACIL shall communicate outcome of Board deliberations to directors and concerned personnel and prepare and circulate minutes of the meeting of Board to directors in a timely manner and to the extent possible within two business days of the date of conclusion of the Board meeting; and
- (v) advise the director about the levels of authority delegated in matters placed before the Board.
4. ACIL shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.
5. ACIL shall appoint a compliance officer who shall be a senior executive reporting to the Board and be responsible for setting forth policies and procedures and shall monitor adherence to the applicable laws and regulations and policies

and procedures including but not limited to directions of Reserve Bank of India and other concerned statutory and governmental authorities.

6. The director shall not assign, transfer, sublet or encumber his / her office and his / her rights and obligations as director of ACIL to any third party provided that nothing herein contained shall be construed to prohibit delegation of any authority, power, function or delegation by the Board or any committee thereof subject to applicable laws and regulations including Memorandum and Articles of Association of ACIL.
7. The failure on the part of either party hereto to perform, discharge, observe or comply with any obligation or duty shall not be deemed to be a waiver thereof nor shall it operate as a bar to the performance, observance, discharge or compliance thereof at any time or times thereafter.
8. Any and all amendments and / or supplements and / or alterations to this Deed of Covenants shall be valid and effectual only if in writing and signed by the director and the duly authorised representative of ACIL.
9. This Deed of Covenants has been executed in duplicate and both the copies shall be deemed to be originals.

**IN WITNESS WHEREOF THE PARTIES HAVE DULY EXECUTED THIS AGREEMENT ON THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.**

For Altico Capital India Limited

By:  
Name:  
Title:

\_\_\_\_\_

Name of Director

In Presence of:

1.

2.