



Altico Capital India Limited

Code of Corporate Governance

Reviewing and Approving Authorities

Authority	Designation
Prepared By	Company Secretary
Reviewed By	Chief Operating Officer
Recommended By	Audit Committee
Approved By	Board of Directors
Date of approval	March 21, 2018

Version History

Version	Issue Date	Description
V1	May 15, 2007	Date of adoption
V2	March 21, 2018	Amended to reflect new policy & charter and new name pursuant to conversion

CODE OF CORPORATE GOVERNANCE (“CODE”)

I] Philosophy & Purpose:

Altico Capital India Limited (“Company”) recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through its transparent practices and processes. The Company is accountable to its customers, government, regulatory authorities and other stakeholders of the Company. The Company’s activities are carried out in accordance with good corporate governance practices and is constantly striving to improve them by adopting the best practices. The Company believes that good Corporate Governance practices enables the Board and the Management to direct and control the affairs of the Company in an efficient manner thereby helping the Company to achieve its goal and benefit the interest of all its stakeholders. Corporate Governance refers to a set of systems and procedures aimed at bringing about transparency and efficiency in the functioning of an organization within the framework of the applicable rules and regulations. This Code considers the statutory requirements and guidelines prescribed by the applicable law.

This philosophy guides us in maintaining an ethical framework within which we operate.

II] Board Composition:

The Board of Directors, along with its Committees provide leadership and guidance to the Company’s Management and directs, supervises and controls the activities of the Company. The size of the Board of the Company commensurate with the its size and business operations. In addition to the governance practices, the Board lays strong emphasis on transparency, accountability and integrity.

At present, the Board strength is 9 (nine) Directors comprising of 6 (six) Non-Executive Directors, representing shareholders and 3 (three) Independent Non-Executive Directors.

III] Committees:

In accordance with the applicable provisions of the Companies Act, 2013, the circular(s), notification(s) and directions issued by the Reserve Bank of India, the Board of Directors of the Company has constituted various Committees with specific terms of reference to focus on specific issues and ensure expedient resolution on diverse matters.

The following committees are constituted:

Sr. No.	Name of the Committee	Purpose
(a)	Credit Committee	The Credit Committee is empowered to deploy, monitor, manage the funds of the Company in terms of its charter as approved by the Board and as amended from time to time. The Members to the Credit Committee are appointed by the Board from time to time, in accordance with the applicable law.
(b)	Audit Committee	The Audit Committee deals with all material questions concerning the auditing and accounting policies of the Company and their financial controls and systems or any other function in terms of its charter as approved by the Board and as amended from time to time. The Members to the Audit Committee are appointed by the Board of the Company from time to time, in accordance with the applicable law.
(c)	Asset Liability Management Committee (ALCO)	The ALCO monitors the asset liability composition of the Company’s business and determines actions to mitigate risks associated with the asset liability mismatches in terms of its charter as approved by the Board and as

		amended from time to time. The Members to the ALCO are appointed by the Board, from time to time, in accordance with the applicable law.
(d)	Risk Management Committee (RMC)	The RMC is responsible for setting up and reviewing integrated risk management of the Company in terms of its charter as approved by the Board and as amended from time to time. The Members to the RMC are appointed by the Board, from time to time, in accordance with the applicable law.
(e)	Nomination Committee	The Nomination Committee ensure good governance in the appointment of Directors to the Board of the Company so that they fulfil the 'fit and proper' criteria. It also ensures that the general character of the management or the proposed management of the Company shall not be prejudicial to the interest of the Company. The Members to the Nomination Committee are appointed by the Board, from time to time, in accordance with the applicable law.
(f)	Remuneration Committee	The Remuneration Committee decides on specific remuneration packages (including pension rights and compensation payments) of the Directors, Key Managerial Personnel and other employees of the Company in terms of its charter and remuneration policy as approved by the Board and as amended from time to time. The Members to the Remuneration Committee are appointed by the Board, from time to time, in accordance with the applicable law.
(g)	Finance Committee	The Finance Committee is responsible for approving each kind of borrowings of the Company in line with the Business Plan/Budget of the Company, for raising leverages. The Members to the Finance Committee are appointed by the Board, from time to time, in accordance with the applicable law.
(h)	IT Strategy Committee	The IT Strategy Committee is constituted pursuant to the Master Directions – Information Technology Framework for NBFC Sector issued by the Reserve Bank of India and the Committee functions in terms of its charter as approved by the Board and as amended from time to time. The Members to the IT Strategy Committee are appointed by the Board, from time to time, in accordance with the applicable law.
(i)	CSR Committee	The CSR Committee is constituted pursuant to the provisions of Section 135 of the Companies Act, 2013 and it functions in terms of its charter as approved by the Board and as amended from time to time. The Members to the CSR Committee are appointed by the Board, from time to time, in accordance with the applicable law.
(j)	Internal Complaints Committee	To provide protection to women against sexual harassment at work, the government has enacted the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. This Committee functions in terms of its charter as approved by the Board and as amended from time to time. The Members to the Internal Complaints Committee are appointed by the Board, from time to time, in accordance with the applicable law.

IV] Policies/ Procedures/Guidelines:

In terms of the RBI Regulations, the applicable provisions of the Act and the applicable regulations issued by the Securities and Exchange Board of India, the Board of Directors has adopted several policies/procedures/guidelines for the effective governance of the Company which includes the following:

- 1) Fair Practices Code
- 2) Investment Policy
- 3) Demand/call loans
- 4) Guidelines on Know Your Customer and Anti Money Laundering Policy
- 5) Interest Rate Policy
- 6) Asset Liability Management Policy
- 7) "Fit & Proper" Person Criteria
- 8) Whistle Blower Policy / Vigil Mechanism
- 9) Corporate Social Responsibility Policy
- 10) Related Party Transaction Policy
- 11) Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair
- 12) Disclosure of Unpublished Price Sensitive Information
- 13) Credit Risk Management Policy
- 14) Record Retention Policy
- 15) Internal Code of Corporate Governance
- 16) Fraud Prevention & Detection Policy
- 17) Policy for Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace
- 18) Information Security Policy
- 19) Remuneration Policy for Directors', Key Managerial Personnel and Employees
- 20) Resource Planning Policy;
- 21) Compliance Manual;
- 22) Loan Operations Manual;
- 23) Human Resource SOP; and
- 24) Valuation and Collateral Policy

V] Charters:

Each Committees of the Board functions in accordance with respective charters approved by the Board of Directors of the Company. The following committee's charters are put in place by the Company:

- a) Audit Committee;
- b) Finance Committee;
- c) Credit Committee;
- d) Remuneration Committee;
- e) Risk Committee;
- f) ALCO Committee;
- g) CSR Committee;
- h) IT Strategy Committee; and
- i) Nomination Committee

VI] Grievance Redressal Officer:

The Company has appointed Company Secretary as a Grievance Redressal Officer to address complaints of borrowers and clients, including but not limited to, applications for loans and their processing, loan appraisal and terms/conditions, disbursement of loans, change in terms and conditions, and any other grievance that a borrower or client may have against the Company. The detail of Grievance Redressal Officer and Grievance Redressal Mechanism is displayed at the registered office and website of the Company.

VII] Evaluation of the Board and Committees of the Board:

The Nomination Committee / Independent Directors of the Company shall evaluate the performance of the individual Directors, the Board, and its Committees. The Nomination Committee/Independent Directors shall provide an overview Report of the evaluation conducted by it, to the Board for their discussion and analysis.

VIII] Compliance Officer:

The Company Secretary shall be the Compliance Officer of the Company.

IX] Annual Report:

The Annual Report of the Company shall contain a separate section on Corporate Governance detailing the measures / activities undertaken by the Company as a part of its efforts towards good corporate governance.

X] Disclosures:

The Company is committed to make adequate disclosures based on the principles of transparency, timeliness, fairness and continuity. The Board of Directors and employees of the Company shall ensure and make necessary disclosures to the Company, the Regulator(s) / Statutory Authorities, the Shareholders, Investors, Members or other stakeholders as may be required by the applicable laws and the codes / policies of the Company. The Board of Directors of the Company or such other person authorized by the Board or any law / regulation, shall ensure that all the disclosures statutorily required to be made on behalf of the Company are duly made to the Regulatory / Statutory authorities or such other persons as may be required under applicable laws / regulations.

XI] Review:

The Code shall be reviewed once in a year or as and when there is any amendment in the applicable law whichever is earlier.