

**MAX VENTURES INVESTMENT HOLDINGS PRIVATE LIMITED**  
**CIN: U64990DL1988PTC030778**  
**RBI Regn No:N14.03635**

**COMPLIANCE POLICY**

Approved at the Board Meeting held on 3<sup>rd</sup> April, 2024

# MAX VENTURES INVESTMENT HOLDINGS PRIVATE LIMITED

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## **BACKGROUND:**

Max Ventures Investment Holdings Private Limited (MVIHPL) was incorporated in the year, 1988 and has obtained the Certificate of Incorporation as Core Investment Systemically Important Non Deposit Taking Company (CIC-ND-SI) under section 45 IA of the Reserve Bank of India Act 1934 vide certificate dated 19<sup>th</sup> November, 2024. MVIHPL is primarily engaged in the business activity of holding investments and other financial assets and matters incidental and ancillary thereto. As the Company is CIC-ND-SI, it is mainly investing in its group companies' shares and loans and advances to the group Companies.

## **1. OBJECTIVES**

The objectives of this Compliance policy are to:

- Lay down the compliance philosophy
- Put in place governing principles and processes for managing compliance risk.

## **2. KEY PRINCIPLES AND COMPLIANCE POLICY**

The Compliance Policy among others sets out basic principles to be followed by the staff of the Company for ensuring an effective and efficient compliance environment. These key principles, help to achieve the Company's vision, helping stakeholders, communities, and people. Compliance is most effective in the Company that emphasizes standards of honesty and integrity. It concerns everyone in the organization and should be viewed as an integral part of the business. The Company should hold itself to high standards when carrying on business and, at all times, strive to observe the spirit as well as the letter of the applicable law.

## **3. OWNERSHIP OF COMPLIANCE AND SHARING OF COMPLIANCE RESPONSIBILITY:**

Compliance starts at the top. The Board / Audit Committee of Board (ACB) is responsible for overseeing the management of compliance risk and implementation of the compliance policy and processes across the Company.

The Senior Management of the Company are responsible for managing the compliance risk and implementing the compliance policy. The Compliance Officer will support the Senior Management of the Company to enable it to function effectively.

## **4. COMPLIANCE CULTURE AND INDEPENDENCE:**

The Company promotes awareness of compliance requirements and ethical values to maintain an appropriate compliance culture throughout its businesses. The compliance culture should be enhanced through various forms of communication and interactions across the Company, e.g. awareness sessions, trainings, discussions on compliance requirements at management meetings, and other required programs.

In addition, to enable independence, the following aspects were ensured:

- The Compliance Function -is functionally independent with no business or operational responsibilities, so that there is no conflict of interest.
- The roles and responsibilities of the Compliance Function and Internal Audit of the Company kept separate.

## **5. COMMUNICATION & COORDINATION**

Both upstream and downstream communications are important for effectively managing compliance risks. The Compliance Function shall be responsible for identifying and communicating relevant compliance requirements, clarifications and regulatory requirements to all business teams and also keeping the Senior Management abreast of key changes on a timely basis. All communications, especially circulars and inspection related, received from the regulators shall be forwarded to the concerned team for further action within the Company.

In order to effectively and efficiently manage compliance risk, the Compliance Function should work in close coordination with other functions. Internal Audit should keep the Compliance Function informed of audit findings related to compliance.

## **6. REGULATORY RELATIONSHIP AND DISSEMINATION OF GUIDELINES**

Cordial regulatory relationships with all regulators are one of the key elements of the compliance culture and the Company would like to achieve and maintain the same. This shall be done by engaging proactively with the regulators. All queries / clarifications sought by the regulators shall be promptly replied / clarified by the Company. The regulatory relationship management shall be the responsibility of the Compliance Officer and shall be the focal point between the Company and regulators.

All correspondence received from the regulator requiring actions from the Company shall be sent to the relevant business/functional heads by Compliance Function and the response would be submitted within given time to the regulators.

## **7. CHIEF COMPLIANCE OFFICER/ COMPLIANCE FUNCTION**

The company shall appoint a Chief Compliance Officer/ Compliance Officer, who should be sufficiently senior in the organization hierarchy as per the requirement of the RBI Scale Based Regulation issued vide Circular no. DOR.CRE.REC.No.60/03.10.001/2021-22 dated October 22, 2021 and his appointment should be as per the terms of the Circular on Compliance Function and Role of Chief Compliance Officer (CCO) vide Circular no. Ref.No.DoS.CO.PPG./SEC. 01/11.01.005/2022-23 dated April 11, 2022.

The Compliance Department shall be headed by the Chief Compliance officer.

## **8. ROLES AND RESPONSIBILITIES**

Compliance is the responsibility of every individual in the Company and therefore each one has a role to play to ensure effective management of compliance risk.

The roles and responsibilities for management of Compliance risk are detailed below.

- a. Audit Committee of the Board (ACB)
  - i. The key compliance related responsibilities of ACB include:
    - 1. Ensuring that an appropriate Compliance Policy is in place in the Company to manage compliance risk and also overseeing its implementation.
    - 2. Ensuring that compliance issues are resolved effectively by Senior Management.
    - 3. Reviewing the Compliance Policy annually.
- b. Role of Senior Management: Senior Management, should:
  - i. Carryout an exercise at least once a year to identify and assess the main compliance risks facing the Company and manage them. Report promptly to the Board/ACB on any material compliance failure (e.g. failure that may attract a significant risk of legal or regulatory sanctions, material financial loss, or loss to reputation)
  - ii. Ensure that appropriate remedial or disciplinary action has been/is being taken if material breaches are identified.
- c. Chief Compliance Officer/ Compliance Function
  - i. Assist the Board and the Senior Management in overseeing the implementation of Compliance Policy, including policies and procedures, prescriptions in Compliance Manuals, internal codes of conduct, etc.
  - ii. Play the central role in identifying the level of Compliance risk in the company.
  - iii. Compliance Function shall monitor and test Compliance by performing sufficient and representative Compliance testing, and the results of such Compliance testing shall be reported to the Senior Management.
  - iv. Ensure compliance of regulatory/ supervisory directions given by RBI and Risk Mitigation Plan (RMP) / Monitorable Action Plan (MAP) in both letter and spirit in the best possible manner.
  - v. Attend to compliance with directions from other regulators in

cases where the activities of the company are not limited to the regulation/supervision of RBI.

- vi. The Compliance Department may also serve as a reference point for the staff from operational departments for seeking clarifications / interpretation of various regulatory and statutory guidelines
- vii. The CCO shall be the nodal point of contact between the NBFC and the regulators.

## **9. TRAINING AND EDUCATION**

Training and education build awareness and understanding of compliance risk management policies, procedures and issues. The Compliance Team should be up-to-date with developments in the areas of regulatory guidelines, rules and standards.

## **10. REVIEW AND MODIFICATION**

In case of any subsequent changes in the RBI Directions / Circular / guidelines / provisions in relation to Compliance Function in the company, the necessary changes shall be made in this policy

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