DVARA KSHETRIYA GRAMIN FINANCIAL SERVICES PRIVATE LIMITED

Reg. Office - IIT-M Research Park, Phase I, 10th Floor, Kanagam Village, Taramani, Chennai – 113

CIN: U65991TN1993PTC024547

DVARA KSHETRIYA GRAMIN FINANCIAL SERVICES PRIVATE LIMITED	
POLICY	Fit and Proper Criteria Policy for Directors
VERSION	6.0
DATE OF APPROVAL OF BOARD	May 12, 2015
LATEST DATE OF APPROVAL BY THE BOD	February 11, 2026
PROCESS OWNER	Secretarial

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VERSION

Version	Date of Approval
Version 1.0	May 12, 2015
Version 2.0	May 5, 2021
Version 3.0	November 02, 2022
Version 4.0	February 08, 2023
Version 5.0	February 14, 2024
Version 6.0	February 14, 2025
Version 6.0	February 11, 2026

FIT AND PROPER CRITERIA POLICY FOR DIRECTORS

1. Background:

The Reserve Bank of India (RBI) vide its Circular RBI/2014-15/299 DNBR (PD) CC.No. 002/03.10.001/2014-15 dated 10th November 2014 and subsequently amended vide Master Direction – Non Banking Financial Company – Systematically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated October 17, 2016 and subsequent amendments, and subsequently superseded by Master Direction – Non Banking Financial Company – Scale Based Regulation) Directions, 2023, issued on October 19, 2023, and subsequently superseded by Master Direction – (Non Banking Financial Company – Governance) Directions, 2025 issued on November 28, 2025 amended from time to time requires NBFCs to adopt a Policy on Fit & Proper Criteria for ascertaining the fit and proper criteria at the time of appointment/re-appointment of Directors in viewof having increasing integration of NBFCs in the financial sector and their growing systemic significance. Thus, it becomes important that the Directors who are responsible for steering the affairs of the companies are fit and proper, besides having the necessary qualifications.

2. Applicability

This Policy on Fit and Proper Criteria for Directors (the "Policy") applies to the individuals to be considered for the position of the Director on the Board of Dvara Kshetriya Gramin Financial Services Private Limited ("Dvara KGFS" or "Company") and the continuing Directors of the Company.

3. Purpose/Objective

The Objective and purpose of this policy is:

a) To lay down fit & proper criteria and the process of due diligence to determine the suitability of the person for the appointment / continuing to hold the position as the Director on the Board of the Company;

b) To frame fit and proper standards and measures for Directors and lay down the internal procedures for the implementation of the said standards and measures in order to comply with above said RBI Circular.

c) To ensure that each director to be appointed or already appointed understands, the fit and proper criteria policy and their obligation to continue to meet the fit and proper requirements on an on-going basis.

4. **Definitions**

"Nomination and Remuneration Committee" or the " Committee" means the Nomination and Remuneration Committee of the Board of Directors of the Company constituted under provisions of the Companies Act, 2013.

"Directors" mean individual Director or Directors on the Board of the Company.

"Board" means Board of Directors of the Company.

"Policy" means Director's Fit and Proper Criteria Policy.

"Company" means the Dvara Kshetriya Gramin Financial Services Private Limited.

5. **Policy**

The importance of due diligence of directors to ascertain suitability for the post by way of qualifications, technical expertise, track record, integrity, etc. needs no emphasis for any financial institution. While the Reserve Bank does carry out due diligence on directors before issuing a Certificate of Registration to an NBFC, it is necessary that NBFCs put in place an internal supervisory process on a continuing basis.

Further, in order to streamline and bring in uniformity in the process of due diligence, while appointing directors, the committee shall review and follow the procedures mentioned below and the minimum criteria fulfilled by the persons before they are appointed on the Boards:

(a) The Company shall undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold an appointment as a director on the Board, based upon qualification, expertise, track record, integrity, and other "fit and proper" criteria.

(b) To comply with the above, the necessary information and declaration/undertaking from the proposed/ existing directors for ensuring the "fit and proper" criteria shall be obtained in the format given at **Annexure– I.**

(c) Obtain a declaration and undertaking from the existing and proposed directors in future, giving additional information on the directors in the format given at Annexure II.

(d) The process of due diligence along with scrutiny of the declarations shall be undertaken by the Committee at the time of appointment / renewal of appointment. Accordingly, the Committee shall decide on the acceptance or otherwise of the Directors.

(e) Every year as on 31st March, a simple declaration from the directors shall be obtained that the information already provided has not undergone change and wherever thereis any change, requisite details are furnished by them forthwith.

(f) It shall be ensured that a “Deed of Covenant‟ is executed with the nominated/ elected directors as per the format given in **Annexure– II.**

(g) It shall be ensured that a quarterly statement on change of directors, and a certificate from the Managing Director of the Company that fit and proper criteria in selection of the directors has been followed be furnished to RBI within 15 days of the close of the respective quarter and the statement submitted for the quarter ending March 31, should be certified by the auditors.

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Annexure - I

INFORMATION ABOUT THE PROMOTERS, CHAIRMAN, MANAGING DIRECTOR, DIRECTORS AND THE CHIEF EXECUTIVE OFFICER OF THE COMPANY DECLARATION AND UNDERTAKING BY DIRECTOR SHALL BE AS PER ANNEXURE II – RBI (NBFC – GOVERNANCE) REGULATIONS, 2026

Declaration and Undertaking by Director

Name of the NBFC: ______________________________

	Declaration and Undertaking by Director (with enclosures as appropriate as on ____________)	
I	**Personal Details of Directors**	
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	
II	**Relevant Relationships of director**	
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 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 Companies Act, 2013)	
c	List of entities in which he/she is considered as holding substantial interest within the meaning of paragraph 5.1.33 of these Directions	
d	Name of NBFC in which you are 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 you and/ or by entities listed in II (b) and (c) above from the NBFC	
f	Cases, if any, where you or entities listed in II (b) and (c) above are in default or have been in default in thepast in respect of credit facilities obtained from the NBFC or any other NBFC / bank.	
III	**Records of professional achievements**	
a	Relevant professional achievements	
IV	**Proceedings, if any, against the director**	
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 inII (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 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 the adverse notice of a regulator such as SEBI, IRDA, and MCA. (*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*.)	
V	**Any other explanation / information in regard to items I to III and other information considered relevant for judging fit and proper**	

Undertaking

I confirm that the above information is true and complete to the best of my knowledge and belief. 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 Covenants required to be executed by all directors of the NBFC.

Date:

Place:

Signature

VI. Remarks of Chairman of Nomination and Remuneration Committee/Board of Directors of the NBFC

Place:

Signature

Date:

#***'Substantial Interest'***: *Holding of beneficial interest by an individual or his/ her spouse or minor child, whether singly or taken together, in shares of Company/ Capital of Firm, the amount paid up on which exceeds 10 percent of paid up capital of the Company or total capital subscribed by all the partners of partnership firm.*

Annexure-I

Form of Deed of Covenants with a Director – To be as per Appendix I of RBI (NBFC-Governance) Regulation 2026

THIS DEED OF COVENANTS is made this ____day of __________**BETWEEN** Dvara Kshetriya Gramin Financial Services Private Limited, having its registered office at 10th Floor, Phase-1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai – 600 113 (hereinafter called the 'NBFC") of the one part and ____________ of ____________ (hereinafter called the "Director") of the **other part**.

WHEREAS

A. The director has been appointed as a director on the Board of Directors of the Dvara Kshetriya Gramin Financial Services Private Limited (hereinafter called "the Board") and is required as a term of his appointment to enter into a Deed of Covenants with the Dvara Kshetriya Gramin Financial Services Private Limited.

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 appointment as director on the Board of Dvara Kshetriya Gramin Financial Services Private Limited 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 interest, direct or indirect, if he 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 the NBFC 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 contractor arrangement, then at the first meeting of the Board held after he 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 other directorships, his memberships of bodies corporate, his interest in other entities and his interest as a partner or proprietor of firms and shall keep the Board apprised of all changes therein.

(iii) The director shall provide to the NBFC a list of his relatives as defined in the Companies Act, 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 duties as director of the NBFC:

a) use such degree of skill as may be reasonable to expect from a person with his knowledge or experience;

b) in the performance of his duties take such care as he might be reasonably expected to take on his own behalf and exercise any power vested in him in good faith and in the interests of the NBFC;

c) shall keep himself informed about the business, activities and financial status of the NBFC to the extent disclosed to him;

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 obligations as director of the NBFC;

e) shall not seek to influence any decision of the Board for any consideration other than in the interests of the NBFC;

f) shall bring independent judgment to bear on all matters affecting the NBFC 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 judgement in matters brought before the Board or entrusted to him by the Board be free from any business or other relationship which could materially interfere with the exercise of his independent judgement; and

h) shall express his views and opinions at Board meetings without any fear or favour and without any influence on exercise of his independent judgement;

(v) The director shall have:

a) fiduciary duty to act in good faith and in the interests of the NBFC and not for any collateral purpose;

b) duty to act only within the powers as laid down by the NBFC's Memorandum and Articles of Association and by applicable laws and regulations; and

c) duty to acquire proper understanding of the business of the NBFC.

(vi) The director shall:

a) not evade responsibility in regard to matters entrusted to him by the Board;

b) not interfere in the performance of their duties by the whole-time directors and other officers of the NBFC and wherever the director has reasons to believe otherwise, he shall forthwith disclose his concerns to the Board; and

c) not make improper use of information disclosed to him as a member of the Board for his or someone else's advantage or benefit and shall use the information disclosed to him by the NBFC in his capacity as director of the NBFC only for the purposes of performance of his duties as a director and not for any other purpose.

3. The Board covenants with the director that:

(i) the Board 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 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 the NBFC, delegation of authority, Senior Executives, etc. and appoint the compliance officer who shall be responsible for all statutory and legal compliance.

(ii) the NBFC shall disclose and provide to the Board including the director all information which is reasonably required for them to carry out their functions and duties as a director of the NBFC 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 the NBFC 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) NBFC's strategic and business plans and forecasts;

(c) organizational structure of the NBFC 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 NBFC's products;

(g) information and updates on major expenditure;

(h) periodic reviews of performance of the NBFC; and

(i) report periodically about implementation of strategic initiatives and plans;

(iv) the NBFC 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. The NBFC shall provide to the director periodic reports on the functioning of internal control system including effectiveness thereof.

5. The NBFC 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 office and his rights and obligations as director of the NBFC 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 the NBFC.

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 the NBFC.

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 Dvara Kshetriya Gramin Financial Services Private Limited

Name:
Title : Director **Director**

In the presence of:

1.

2.