

# **DHARA MOTOR FINANCE LIMITED**

09.04.2025

## **Fit and Proper Policy for Board of Directors for FY 2025-26**

### **A. REGULATORY FRAMEWORK AND BACKGROUND**

1. As per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023 issued by the Reserve Bank of India (“RBI”) [“RBI Master Directions”], every non- banking financial company registered with the Reserve Bank of India under the provisions of RBI Act, 1934 to put in place a Policy, duly approved by the Board of Directors, for ascertaining the ‘fit and proper’ status of Directors at the time of their appointment and also on a continuous basis (hereinafter referred to as the “Fit and Proper Policy” / “Policy”).
2. Dhara Motor Finance Limited (the “Company”), being a non- banking financial company, is accordingly required to put such a Policy in place.
3. This Policy is duly approved by the Board of Director of the Company.

### **B. SCOPE AND APPLICATION**

1. The Policy shall apply in respect of appointment of directors on the Board of Directors of the Company (“Board”) as well as continuation of the appointment of the Directors on the Board.
2. All existing directors on the Board will be required to submit a Declaration and Undertaking and execute the Deed of Covenant on a yearly basis.

### **C. OBJECTIVE**

1. The objective of the Policy is to set out the ‘fit and proper’ criteria based on which new directors proposed to be appointed and existing directors whose appointment is intended to be continued can be evaluated.
2. The Company believes that this Policy will aid the Company’s constant endeavour to ensure that only individuals of high calibre and who possess the right blend of qualifications, expertise, track record and integrity are appointed to the Board.

### **D. EVALUATION OF ‘FIT AND PROPER’ CRITERIA**

1. Before appointing any person as a director on the Board or continuing to hold appointment as a director on the Board, the Nomination and Remuneration Committee (NRC) shall undertake adequate due diligence in respect of such individuals to ascertain suitability on the basis of the qualification, expertise, track record, integrity of such individual and also such other factors in respect of which information is obtained by the Company in the Declaration and Undertaking.

The Company shall prior to the appointment of any person as a director on the Board, obtain necessary information and declaration from the proposed / existing directors for the purpose in the format given in Appendix XXIII-A to the RBI Master Directions or such other format (where applicable) which may be prescribed by the RBI, from time to time (“Declaration and Undertaking”).

2. The Board shall ensure that any person who is appointed as director on the Board shall, execute a Deed of Covenant in the format given in Appendix XXIII-B of the RBI Master Directions or - 3 - such other format (where applicable) as may be prescribed for the purpose by the RBI from time to time (“Deed of Covenant”).

3. The Nomination and Remuneration Committee (NRC) shall scrutinize each Declaration and Undertaking received. The NRC shall after considering the result of its due diligence and the information provided in the signed Declaration and Undertaking, recommend to the Board, the acceptance or otherwise of the prospective new directors or existing directors whose appointment is to be continued or renewed, as the case may be.

4. In order to conclude that a person is ‘fit and proper’ to be appointed as a director on the Board or to continue in that capacity (as the case may be), the Board must be able to form a view that it would be prudent to conclude, on the basis of recommendations of the NRC, that the person meets the ‘fit and proper’ criteria expressly set out by the RBI in the RBI Master Directions or such other or additional criteria (where applicable) which may be prescribed for the purpose by RBI, from time to time.

5. The Company shall require every director on the Board to annually sign a simple declaration (reflecting the position as on 31st March) which either confirms that the information already provided to the Board, in the Declaration and Undertaking, has not undergone any change or where there is any change, requisite details are furnished by them. Any declarations which indicate a change in the information provided in the original Declaration and Undertaking shall also be scrutinized by the NRC and the NRC shall keep the Board apprised of any such changes.

#### **E. QUARTERLY REPORTING**

The Company shall provide a quarterly statement to RBI (within 15 days of the close of the respective quarter) 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. The statement submitted by the Company for the quarter ending March 31, shall be certified by the auditors as well.

#### **F. REVIEW AND AMENDMENT**

This Policy may be amended or substituted by the NRC or by the Board on the basis of notification/circular/amendment to be issued by Reserve Bank of India.

For and on behalf of the Board of Directors

**Gajendra Singh**  
Managing Director

**Ghanshyam Singh Chauhan**  
Whole-Time Director (ED)