



CSL Capital
Private Limited

CIN: U65921DL1993PTC219701

**POLICY ON 'FIT AND PROPER CRITERIA' FOR THE
DIRECTORS OF CSL CAPITAL PRIVATE LIMITED**

(Amended and approved by the Board of Directors on 11.02.2025)

PREAMBLE

The Reserve Bank of India ("RBI") had, vide its notification no's RBI/DoR/2023-24/105 Master Direction on Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Direction DoR.FIN.REC.No.45/03.10.119/2023-24 dated October 19, 2023 and any amendments thereof, mandated every Non-Banking Financial Company-Middle Layer (NBFC-ML) 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 "Policy on Fit and Proper Criteria for Directors" / "Policy").

CSL Capital Private Limited (the "Company"), being a Non-Banking Financial Company, is accordingly required to put such a Policy in place.

PURPOSE

This Policy intends to establish the importance of due diligence to ascertain the suitability/eligibility of a person for the appointment/holding the position as Director on the Board of the Company on basis their qualifications, technical expertise, track-record, integrity, etc.

DEFINITIONS

- a. **"Board"** means Board of Directors of the Company.
- b. **"Company"** means CSL Capital Private Limited
- c. **"Directors"** mean individual Director or Directors on the Board of the Company.
- d. **"Nomination and Remuneration Committee/NRC"** means the Committee duly constituted by the Board of Directors of the Company, as per RBI Master Directions and perform such powers, functions and duties as laid down under Section 178 of the Companies Act, 2013.
- e. **"Policy"** means Director's Fit and Proper Policy.
- f. **"RBI"** means Reserve Bank of India.

POLICY

1. The Company shall ensure that the procedures mentioned herein below are followed while appointing/re-appointing the Directors:
 - (a) The Company shall undertake a process of due diligence to determine the suitability of the person for appointment / continuing to hold 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 from the proposed/ existing Directors shall be obtained in the format provided in Annexure- A.
 - (c) The process of due diligence shall be undertaken by the Company at the time of appointment / renewal of appointment.

- (d) The process of due diligence along with scrutiny of the declarations shall be undertaken by the Nomination and Remuneration Committee at the time of appointment / renewal of appointment. Accordingly, the Nomination and Remuneration Committee shall decide on the acceptance or otherwise of the Directors, where considered necessary and recommend the same to the Board for approval.
 - (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 there is any change, they furnish requisite details forthwith.
 - (f) It shall be ensured that a 'Deed of Covenant' is executed with the nominated/ elected Directors in public interest as per the format provided in Annexure-B
2. The Company has put in place this "Fit & Proper Criteria" for ascertaining the eligibility for appointment/re-appointment of Director of the Company on a continuing basis. The various 'Fit and Proper' criteria which need to be reviewed by the Nomination and Remuneration Committee before an appointment of a person as Director or after a person is appointed as Director on continuing basis shall include the following:
- (a) The Person is qualified to be appointed as Director, not attracting any disqualifications as prescribed under various provisions of Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(if applicable);
 - i. No proceedings have been initiated against the person in the past and / or pending as on date involving any civil, criminal, economic offence, taxation authorities or relating to any other regulatory body such as SEBI, IRDA, MCA or under any other applicable law which `disqualifies the person for being appointed as a Director at the time of appointment.
 - ii. The person or the entities in which he is interested must not have been subjected to any investigation at the instance of any Government Department or Agency.
 - iii. The person or the entities in which the person is interested must not have been prosecuted / convicted for the violation of any economic laws and regulations.
 - iv. The person has no Conflict of Interest in performing the duties as a Director and adequate disclosures are made by the person in this regard.

Name of NBFC: CSL Capital Private Limited

Declaration and Undertaking by Director (with enclosures as appropriate as on)

I. Personal details of director

- 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 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.

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 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 the adverse notice of a regulator such as SEBI, IRDA, 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 to, 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 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 :

Version 1.0



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