

DAGGER GARMENTS PRIVATE LIMITED

Fit & Proper Criteria Policy

Version 1

Version	Adoption/Revision	Authority	Date
1	Adopted	Board of Director	April 10, 2024

ABOUT THE COMPANY

Daggar Garments Private Limited (“Company”) is registered as a non-deposit taking/accepting, systematically important NBFC with the RBI, vide certificate of registration number B.05.05897 dated 15th December, 2003, and is recognised as a base-layer NBFC with effect from March 2024.

OBJECTIVES

The Fit and Proper Policy intends to place an internal supervisory process, to streamline and bring uniformity in the process of due diligence while appointing/re-appointing persons as directors on the board of directors of the Company (“Board”) and assessing their performance for their continuance as directors. The Fit and Proper Policy lays down the norms to be followed for deciding the fit and proper criteria for the directors/ persons proposed to be appointed as directors and assessing based on their qualification, technical expertise, track record, integrity etc. (more particularly explained in Fit and Proper Criteria hereunder) on a continuous basis.

FIT AND PROPER CRITERIA

The Board shall determine the ‘fit and proper’ status of the persons proposed to be appointed as directors as well as already appointed directors for reappointment on the Board based on the following broad criteria as mentioned hereunder:

- a. Educational qualifications;
- b. Experience and field of expertise
- c. Track record and integrity
- d. Regulatory compliances
- e. Contribution to the growth of business
- f. Enhancement in the relationship with the stakeholders – existing as well as prospective investors, bankers, financial institutions, customers, etc; and
- g. Other requirements as may be determined by the Board.

The already appointed director for his reappointment/person proposed to be appointed as a director shall: -

- a) not be of unsound mind and stands so declared by a competent court, discharged insolvent, and has applied to be adjudicated as an insolvent and the application is pending
- b) Not be convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than 6 (six) months and a period of 5 (five) years has not lapsed from the date of expiry of the sentence, provided that if already appointed director for his reappointment/person proposed to be appointed as a director has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of 7 (seven) years, he shall not be eligible to be appointed as a director in the Company;
- c) not have any order passed by any court or tribunal to disqualify him from being appointed as a director;

- d) possess a valid director identification number (“DIN”) or any other identification number prescribed by the government agency, which shall be treated as a DIN for the Companies Act, 2013 (“Act”);
- e) not have failed to comply with the provision under section 165(1) of the Act;
- f) not have failed to pay any calls in respect of any shares of the company held by him, whether alone or jointly with others, and 6 (six) months have elapsed from the last day fixed for the payment of the call;
- g) have not been during the last preceding 5 (five) years, convicted of the offence dealing with the related party transactions under section 188 of the Act;
- h) have completed the age criteria as may be stipulated under the Act, SEBI regulations and by the RBI;
- i) not as a director, have failed to file financial statements or annual returns for any continuous period of 3 (three) financial years, or have been part of the company which failed repay deposits accepted by it, pay interest thereon, redeem any debentures on the due date, pay interest due thereon, or pay any declared dividend, and such failure continued for 1 (one) year or more;
- j) fulfil the criteria of independence stipulated under the Act, SEBI regulations, or any other applicable laws, if identified to be appointed as an independent director;
- k) register for inclusion in the databank maintained by the Indian Institute of Corporate Affairs (“IICA”) and have passed or been exempted from the online self-assessment test as prescribed under the Act, in case of appointment as an independent director;
- l) not have a conflict of interest in performing duties as director on the Board, or in case of conflict of interest, it would be prudent to conclude that the conflict will not create a material risk that the person will fail to perform the duties properly and independently, and adequate disclosures are made by the person in this regard; and
- m) not have been disqualified under the Act or pursuant to any order of the Securities and Exchange Board of India (“SEBI”) or any other such authority;

The above list of fit and proper criteria is an indicative list and not an exhaustive list and shall be subject to amendments from time to time.

ADOPTION

The Fit and Proper Policy and any changes made during the annual reviews shall be adopted by the resolution passed by the Board.

AMENDMENT

The Board of Directors of the Company reserves the power to review and amend this Policy from time to time, subject to revision / amendment in accordance with applicable laws as may be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.