



DIRECTORS' FIT AND PROPER CRITERIA POLICY

Tata Investment Corporation Limited

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Table of Content

Document Change Control	3
1. Policy Statement and Purpose	4
2. Objective & Purpose.....	4
3. Definitions	4
4. Procedure for Appointment	4
5. Disqualifications of Directors	5
6. Number of Directorships.....	6
7. Annexure A.....	6

Document Change Control

Date	Version	Author [Name]	Reviewed By [Name]	Approval Date	Description
23-Jul-24	1.0	Ankan Mondal	Jamshed Patel	31-Jul-24	Reviewed & recommended by the NRC and approved by Board of Directors in its meeting held on 31-Jul-24 respectively
19-Dec-24	1.1	Ankan Mondal	Jamshed Patel	11-Feb-25	Promotion of Executive Director to Managing Director w.e.f. 01-Jan-25 as approved by Board of Directors in its meeting held on 31-Oct-24. Hence, all references to ED have been amended to MD in this Policy.

1. Policy Statement and Purpose

The Reserve Bank of India (RBI) requires Non-Banking Financial Companies (NBFCs) to adopt a policy on Fit and Proper Criteria for Directors. Thus, it becomes important that the Directors who are responsible for steering the affairs of the Company are fit and proper, besides having the necessary qualifications.

Accordingly, this Fit and Proper Criteria for Directors (Policy) applies to the individuals to be considered for the position of Director on the Board of Tata Investment Corporation Limited (Company) and the continuing Directors of the Company.

This Policy will be reviewed and updated from time to time to ensure that it is current. All updates and revisions to the Policy will be approved by the Board of Directors (Board) of the Company or its delegated **Nomination and Remuneration Committee** (henceforth referred to as NRC). All such amendments to the Policy shall be recorded in in the “*Document Change Control*” section and this Policy will be displayed on the website of the Company.

2. Objective & Purpose

The objective and purpose of this Policy is:

- a) to lay down fit & proper criteria and process of due diligence for determining the suitability of the Directors on the Board of the Company based on their qualifications, technical expertise, track record, integrity, etc. at the time of their appointment and on a continuing basis.
- b) to frame fit & proper standards and measures for Directors and lay down the internal procedures for its implementation in order to comply with regulatory directions.
- c) to ensure that each Director to be appointed or already appointed understands, the Policy and their obligation to continue to meet the requirements of the Policy.

3. Definitions

- a) **Nomination and Remuneration Committee** means the Nomination and Remuneration Committee of the Board of Directors of the Company constituted under provisions of Section 178 of Companies Act, 2013 and by Reserve Bank of India.
- b) **Directors** means individual Director including Whole-time, Executive, Non-Executive, Independent and Nominee Directors on the Board of the Company, if any.

4. Procedure for Appointment

4.1. The Company, while appointing the Directors and at the time of their renewal, shall ensure that the procedures mentioned below are followed:

- 4.1.1. 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 & proper’ criteria.
- 4.1.2. The Company shall obtain the necessary declaration and undertaking from the proposed/existing Directors in the format enclosed in Annexure – A.
- 4.1.3. The process of due diligence along with the scrutiny of declarations shall be undertaken by the NRC at the time of appointment/ renewal of appointment of Directors.
- 4.1.4. Based on the information provided in the signed declaration, the NRC shall decide on the acceptance or otherwise of the Director(s).

- 4.1.5. As on 31st March of every year, the Company shall obtain a simple declaration from the Directors that the information provided has not undergone change and wherever there is any changes, requisite detail is furnished by them forthwith.
 - 4.1.6. It shall be ensured that a 'Deed of Covenant' be executed with the Directors as defined in the RBI Scale-based Regulations from time to time.
 - 4.1.7. The Company shall furnish to RBI, no later than 15 days from the end of every financial quarter, a quarterly statement on change of directorships, and a certificate from the Managing Director that fit and proper criteria in selection of the Directors has been followed.
- 4.2. The various 'Fit and Proper' criteria which needs to be reviewed by the NRC before an appointment of a person as Director or after a person is appointed as Director on continuing basis shall include the following:
- 4.2.1. whether the person is qualified to be appointed as a Director or not attracting any disqualifications as prescribed under various provisions of Companies Act, 2013, erstwhile Companies Act, 1956 and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - 4.2.2. whether any proceedings have been initiated against the person in the past and/or pending as on date involving any civil, criminal, economic offence and/or taxation authorities; or relating to any other regulatory bodies such as MCA, RBI, SEBI, IRDA, etc.;
 - 4.2.3. whether the person or the entities in which he/she is interested have been subject to any investigation at the instance of any government department or law enforcement agency;
 - 4.2.4. whether the person or the entities in which he/she is interested have been prosecuted/convicted for the violation of any laws and regulations; and,
 - 4.2.5. the person either:
 - a. has no conflict of interest in performing such person's duties as a Director on the Board; or
 - b. if the person has a conflict of interest, it would be prudent to conclude that the conflict will not create a material risk such that the person will fail to perform his/her duties properly and that adequate disclosures are made by the person in such regard.
- 4.3. The NRC will assess and evaluate the eligibility of the person based on the above mentioned fit and proper criteria before the appointment or any renewal of appointment of Director(s).

5. Disqualifications of Directors

- 5.1. The Company, shall not appoint any person as a Director, who:
- 5.1.1. is disqualified to discharge his/her duties as a Director u/s 164 of the Companies Act, 2013 or under any other applicable law/statute;
 - 5.1.2. is in the list of wilful defaulters as published by Credit Information Bureau (India) Limited pursuant to the directions of the RBI from time to time;
 - 5.1.3. is associated with any unincorporated body that is accepting deposits;
 - 5.1.4. is associated with any company, the application for Certificate of Registration (CoR) of which has been rejected by RBI; and/or
 - 5.1.5. has a criminal case, including for offence u/s 138 of the Negotiable Instruments Act, against him/her.
- 5.2. In the event of any Nominee Director's name appearing in the list of wilful defaulters, the Company shall notify the relevant shareholder in writing and the relevant shareholder shall ensure to take corrective action, including, if necessary, replacement of such Director, within 30 (Thirty) days of receipt of such notice.

6. Number of Directorships

No person shall hold directorship, including any alternate directorship, in more than 20 (Twenty) companies at the same time, provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed 10 (Ten), including a maximum of 3 (Three) directorships in NBFCs.

7. Annexure A

DECLARATION AND UNDERTAKING BY DIRECTOR (with enclosures as appropriate as on xx-xxx-20xx)

Name of NBFC: _____

I. Personal Details

#	Particulars	Details
a	Full Name	
b	Date of Birth	
c	Educational Qualifications	
d	Relevant background and Experience	
e	Permanent Address	
f	Present Address	
g	Telephone Number (Landline)	
h	Telephone Number (Handheld)	
i	E-mail Address	
j	PAN Number and address of Income Tax Circle	
k	Any other information relevant to Directorship of the NBFC	

II. Relevant Relationships of Director

#	Particulars	Details
a	List of Relatives, if any, who are connected with the NBFC <i>(refer Section 6 and Schedule 1A of the Companies Act, 1956 and corresponding provisions of Companies Act, 2013)</i>	
b	List of entities if any in which he/she is considered as being interested <i>(refer Section 299(3)(a) and Section 300 of the Companies Act, 1956 and corresponding provisions of Companies Act, 2013)</i>	
c	List of entities in which he/she is considered as holding substantial interest within the meaning of NBFC Prudential Norms Directions, 2016 <i>(RBI Master Direction dated 01-Sept-16 and as updated)</i>	
d	Name of NBFC in which he/she is or has been a Member of the Board <i>(details of periods during which such office was held)</i>	

#	Particulars	Details
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. Record of Professional Achievements

#	Particulars	Details
a	Relevant professional achievements	

IV. Details of Proceedings, if any, against the Director

#	Particulars	Details
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 5 (five) years against the Director	
d	Whether the Director attracts any of the disqualifications envisaged u/s 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, 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 the directors of the NBFC.

Place:

Date:

Signature

Remarks of Chairman of Nomination and Remuneration Committee/Board of Directors of NBFC

Place:

Date:

Signature
