

FIT AND PROPER' POLICY

Western Capital Advisors Private Limited	
Policy Title	Fit and Proper Policy
Reviewing & Approving Authority	Board / Risk Management Committee
Version No.	1.0
Date of approval	07 May 2026
Last Reviewed on	-
Review Cycle	Annually or as recommended by the Board of Directors
Nature of Document	For internal circulation & Compliance purpose only

Amendment History

Serial No.	Version No.	Amended date	Remarks
1.	1.0		Approved as a part of Nomination & Remuneration Policy in BM dated 28 March 2022. Approved as separate Fit and Proper Policy in BM Dated 07 May 2026

FIT AND PROPER' POLICY

A. REGULATORY FRAMEWORK AND BACKGROUND

1. As per the Reserve Bank of India Master Direction DNBR.PD.008/03.10.119/2016-17 and updated as on May, 2022 for Systemically Important Non Deposit Taking Company and Reserve Bank of India ("RBI") Circular, dated July 03, 2015, titled 'Master Circular – "Non-Banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015', bearing reference number DNBR (PD) CC No.040/03.01.001/2014-15 ("RBI Circular"), every non-deposit accepting Non-Banking Financial Company with asset size of Rs.500 crore and above (NBFCs-ND-SI), as per its last audited balance sheet, is required to put into place a policy for ascertaining the fit and proper criteria to be adopted at the time of appointment of directors and on a continuing basis. WCAPL ("Company"), being an NBFC-MFI, is accordingly required to put such a policy in place. Accordingly, the same was included and formed part of the Nomination and Remuneration Policy.
2. The RBI, as part of its regulatory simplification drive, consolidated all regulatory instructions and issued different Master Directions based on types of regulated entities and the Reserve Bank of India's (RBI) Non-Banking Financial Companies – Governance Directions dated November 28, 2025 ["Governance Directions"] was one such Direction. As per the said Governance Directions every non- banking financial company is required to put into place a policy for ascertaining the 'fit and proper' criteria to be adopted at the time of appointment of directors and on a continuing basis.
3. This policy ("Policy") was accordingly recommended by the Nomination and Remuneration Committee ("NRC") of the Company and approved by the Board at its meeting held on -----. This policy was thus put in place as a "Fit and Proper" Policy.

B. OBJECTIVE

The objectives of this Policy are:

- 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.
- To lay down the criteria for determining the qualifications, positive attributes for appointment and removal of Director(s)
- To lay down fit & proper person criteria and process of due diligence to determine the suitability / eligibility of a person for appointment / holding the position as a Director on the Board of the Company.

The Company believes that this Policy will aid the Company's constant endeavor to ensure that only individuals of high caliber and who possess the right blend of qualifications, expertise, track record and integrity are appointed to the Board.

C. 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 the Declaration and Undertaking and execute the Director Covenant.

D. EVALUATION OF FIT AND PROPER CRITERIA

1. Before appointing any person as a director on the Board or continuing the appointment of any such director, the 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.
2. The Company shall prior to the appointment / renewal of 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 at Annex II of the Governance Directions or such other format (where applicable) which may prescribed by the RBI from time to time (“Declaration and Undertaking”). The Declaration and Undertaking in respect of the directors on the Board as on the Effective Date shall be obtained from the directors within the timeline specified.
3. The NRC shall scrutinize each Declaration and Undertaking received. The NRC shall after consider the result of its due diligence and the information provided in the signed Declaration and Undertaking, decide on and 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. Without limiting the generality of the foregoing paragraphs, no person will be considered for appointment as a director if such person is disqualified to act as director under applicable law.:
5. 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:
 - a. the person meets the fit and proper criteria expressly set out by the RBI in the Governance Directions or such other or additional criteria (where applicable) which may be prescribed for the purpose by the RBI from time to time;
 - b. the person possesses the qualifications, competence, technical expertise, track record, integrity and judgement to perform properly the duties of a director on the Board;
 - c. the person possesses the educational or technical qualifications, knowledge and skills relevant to the duties and responsibilities as a director on the Board;
 - d. the person either:
 - has no conflict of interest in performing such person’s duties as a director on the Board; or
 - if the person has a 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 such person’s duties properly and adequate disclosures are made by the person in this regard.
6. The Company shall require every director on the Board to annually provide not later than April 30 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, specifies the requisite details of such change. 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.

7. The Board shall ensure that any person who is appointed as director on the Board shall, on or before the date on which such person's appointment becomes effective, execute a deed of covenant in the format given in Annex III of the Governance Directions or such other format (where applicable) which may be prescribed for the purpose by the RBI from time to time ("Deed of Covenant").

E. QUARTERLY REPORTING

The Company shall provide a statement to RBI on a quarterly basis (not later than 15 days from the end of every financial quarter) setting out the change of directors of the Company and for the quarter ended March 31, the statement shall be certified by the Statutory Auditors of the Company; the quarterly statement shall also be accompanied by a certificate of the Managing Director / CEO of the Company confirming that the fit and proper criteria in selection of such new directors has been followed.

F. RECORDING OF PROCEEDINGS

The Company Secretary of the Company shall be primarily responsible for recording proceedings of the NRC and the Board in connection with Policy.