

## **POLICY ON LOAN TO DIRECTORS, SENIOR OFFICERS, AND OTHER RELATED PARTIES**

### **Scope and purpose of the policy**

Loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding as aforesaid as prescribed under the RBI Guidelines No. DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022, Indel Money Limited (the "**Company**") has formulated guidelines for granting loans and advances to directors, senior officers and other relatives. This Policy has been adopted by the Board of Directors of the Company. Going forward, the Board will review and amend the Policy, as and when required.

### **Objective of the policy**

The objective of this Policy is to set out (a) the materiality thresholds for loans and advances to Directors and their relatives and senior Officers of the company and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act and any other laws and regulations as may be applicable to the Company.

### **Applicability**

This policy shall be applicable for granting loans and advances in the ordinary course of business to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding. Provisions of section 185 and 186 of the Companies Act, 2013 will not be applicable for granting loans and advances to directors and relatives in the ordinary course of business of the company.

### **Definitions**

- (a) "**Act**" means the Companies Act, 2013.
- (b) "**Arm's Length Transaction**" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- (c) "**Ordinary course of business**" means the usual transactions and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.
- (d) "**Company**" means Indel Money Limited.
- (e) "**Relative**" shall have the meaning assigned to it under Clause (77) of Section 2 of the Companies Act, 2013.
- (f) "**control**" shall have the meaning assigned to it under Clause (27) of Section 2 of the Companies Act, 2013.
- (g) The term "**major shareholder**" shall mean a person holding 10 % or more of the paid-up share capital or five crore rupees in paid-up shares, whichever is lower.

- (h) The term "**Senior Officer**" shall have the same meaning as assigned to "Senior Management" under Section 178 of the Companies Act, 2013.
- (i) **Loans and Advance** means loans and advances granted in the ordinary of business of the company.

**Review and approval of Loan and Advances**

- (a) All the loans and advances under this policy shall be subject to the prior approval of the Credit Committee of the board of directors. Sanctioning power of Credit Committee is limited to Rs. 5 crore. Loans above Rs.5 crore shall be approved by the Board of Directors.
- (b) The Loan can be either secured or unsecured.
- (c) A member of the Board who (if) has a potential interest in any transaction will not remain present at the Board meeting or abstain from discussion and voting on such transaction and shall not be counted in determining the presence of a quorum of Board when such Transaction is considered.
- (d) While considering any loan Transaction, the Committee/ Board shall take into account all relevant facts and circumstances including the loan amount, interest rate, loan period, Purpose, and other terms and conditions or any other relevant matters.
- (e) For granting loan above Rs.5 crore, Approval from the Board of Directors shall be mandatory.
- (f) The Maximum loan period shall be 5 years and which can be extended by the Subcommittee/ Board upon specific written request from the borrower.
- (g) The Loan repayment can be either bullet payment or through monthly/quarterly/ half yearly equal payment.

**Policy review**

This Policy shall be reviewed by the Board as and when required, in order to align with the ongoing regulatory and business requirements.

\*\*\*\*\*