



POLICY ON LOANS TO DIRECTORS, SENIOR OFFICERS AND RELATIVES OF DIRECTORS

Version 3.00 Approved vide DBR/02/2024-25

Dept CS-16 **Policy no.** SPFSL/Policy No.34/CS-16 **Approval date** 10-02-2025

As per Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFC RBI/2021-22/112 DOR.CRE.REC. No.60/03.10.001/2021-22 dated October 22, 2021 NBFC-Base Layer shall have a Board approved policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding. This policy is formulated based on this direction

1. No Loans to Directors and Relatives: The policy explicitly states that no loans will be granted to directors, senior officers, their relatives, or entities where they have a major shareholding

2. Definition of Relatives: The definition of "relative" follows Section 6 of the Companies Act, 1956, including a comprehensive list of family members.

PART I, Section I, para 8 (b) II (iii)) Definition of "relative" as given in Section 6 of Companies Act, 1956.

A person shall be deemed to be a relative of another, if, and only if:

- (a) they are members of a Hindu undivided family; or
- (b) they are husband and wife; or
- (c) the one is related to the other in the manner indicated in Schedule IA (as under)

1. Father.
2. Mother (including step-mother).
3. Son (including stepson).
4. Son's wife.
5. Daughter (including step-daughter).
6. Father's father.
7. Father's mother.
8. Mother's mother.
9. Mother's father.

10. Son's son.
11. Son's son's wife.
12. Son's daughter.
13. Son's daughter's husband.
14. Daughter's husband.
15. Daughter's son.
16. Daughter's son's wife.
17. Daughter's daughter.
18. Daughter's daughter's husband.
19. Brother (including step-brother).
20. Brother's wife.
21. Sister (including step-sister).
22. Sister's husband



3. Senior Officers: The policy applies to key positions such as Managing Director & CEO, General Manager, Chief Compliance Officer, Chief Financial Officer, Company Secretary, and Business Head etc

4. Regulatory Compliance: Any additional directions from regulators regarding loans to directors or senior management will be incorporated into the policy.

5. Review: This policy will be reviewed annually or such shorter period as required