

Policy on grant of loans to directors, senior officers and their relatives and to entities in which directors or their relatives are interested

## PREFACE

The Board of Directors (the “Board”) of **Finmen Advisors Private Limited** (“Company”) has adopted the following policy and procedures with regard to grant of loans to directors, senior officers and their relatives and to entities in which directors or their relatives are interested (as defined hereinafter) at its meeting held on 9<sup>th</sup> August 2025 to regulate transactions of granting loans and advances by the Company to its directors, senior officers and their relatives and to entities in which directors or their relatives are interested, based on the laws and regulations applicable on the Company, while ensuring that such transactions are in compliance with the provision of this policy and applicable legal requirements.

## OBJECTIVE & PURPOSE OF POLICY

This “Policy on grant of loans to directors, senior officers and their relatives and to entities in which directors or their relatives are interested” is framed in consonance with the RBI Master Direction on Scale Based Regulation, 2023, Chapter IV Governance Guidelines.

This policy deals with the review and approval mechanism of granting loans and advances by the Company to its directors, senior officers and their relatives and to entities in which directors or their relatives are interested keeping in mind the potential or actual conflict of interest that may arise because of such transactions.

## DEFINITIONS

- 1) “Act” means the Companies Act, 2013 and shall include all rules, regulations, sub-ordinate legislations made thereunder, amendments, modifications and re-enactments of the.
- 2) “Audit Committee or Committee” means a Committee of the Board of Directors of the Company constituted in terms of the Guidelines issued by RBI, Listing Regulations and the Act.
- 3) “Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.
- 4) “Control” means Control as defined under Clause (27) of Section 2 of the Companies Act, 2013.;
- 5) “Director” shall mean a director on the Board;
- 6) The term ‘loans and advances’ will not include loans or advances against –
  - a) Government securities
  - b) Life insurance policies
  - c) Fixed deposits
  - d) Stocks and shares

e) Housing loans, car advances, etc. granted to an employee of the Company under any scheme applicable generally to employees.

Provided that Company's interest/lien is appropriately marked with legal enforceability

7) "Major shareholder" means a person holding 10 % or more of the paid-up share capital or five crore rupees in paid-up shares, whichever is lower.

8) "Policy" means this Policy on grant of loans to directors, senior officers and their relatives and to entities in which directors or their relatives are interested;

9) "Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

10) "Senior Officer" shall have the same meaning as assigned to "Senior Management" under Section 178 of the Companies Act, 2013.

## LOANS AND ADVANCES TO DIRECTORS

### Guiding Principles

I. Unless sanctioned by the Board of Directors the Company shall not grant any loans and advances aggregating Rs. 1.00 Crores (Rupees One Crores) to –

(i) its directors (including the Chairman/ Managing Director, if any) or relatives of the directors;

(ii) any firm in which any of the Directors of the Company or their relatives are interested as a partner, manager, employee or guarantor; and

(iii) any company in which any of the Directors of the Company, or their relatives are interested as a major shareholder, director, manager, employee or guarantor

Provided that Director or his/her relatives shall be deemed to be interested in a Company, being the subsidiary or holding company, if they are major shareholder or in control of the respective holding or subsidiary company.

Provided that the Director who is directly or indirectly concerned or interested in any proposal should disclose the nature of his/her interest to the Audit Committee and Board of Directors when any such proposal is discussed.

The Directors concerned shall recuse themselves from the meeting unless their presence is required by the other directors for the purpose of eliciting information and the Director so required to be present, shall not vote on any such proposal.

The proposals for credit facilities of an amount less than Rs. 50 Lacs (Rupees Fifty Lacs) to the borrowers may be sanctioned by the Sanctioning Authority in the Company under powers vested in such authority, but the matter should be reported to the Board of Directors of the Company.

## **LOANS AND ADVANCES TO THE SENIOR OFFICERS**

### Guiding Principles

The Company shall abide by the following when granting loans and advances to their Senior Officers:

- (iv) Loans and advances sanctioned to the Senior Officers of the Company shall be reported to the Board of Directors of the Company
- (v) No Senior Officer or any Committee comprising, inter alia, a Senior Officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that Senior Officer. Such a facility shall be sanctioned by the next higher Sanctioning Authority under the delegation of powers.

## **DISCLOSURE REQUIREMENTS**

In respect of grant of aforementioned loans to Directors and senior officers

I. The Company shall obtain a declaration from the borrower giving details of the relationship of the borrower to directors/ senior officers of the Company for loans and advances aggregating Rupees 1.00 Crores and above. The Company shall recall the loan if it comes to its knowledge that the borrower has given a false declaration.

II. The Company shall disclose in their Annual Financial Statement, aggregate amount of such sanctioned loans and advances as per template provided in RBI Guidelines.

The above norms with respect to granting the loans to Directors and Senior officers will equally apply to awarding of contracts

## **SCOPE LIMITATION**

In the event of any conflict between the provisions of this Policy and Companies Act, 2013 or any other statutory enactments, rules, the provisions of the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

## **REVIEW AND AMENDMENTS**

The Board, in its meeting, will oversee the implementation of the policy and review its functioning at the intervals as it may deem necessary.

Further, this policy may be amended subject to the approval of Board of directors, from time to time in line with the statutory enactment or amendment thereto.

Version No	Version Date	Type of Changes	Prepared and Verified by	Date of Approval