

AURUM INSTAFINANCE INDIA PRIVATE LIMITED
(Formerly Dico Transport Corporation Private Limited)

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

REGISTERED OFFICE ADDRESS

33/1, N. S. ROAD, ROOM NO. 247 2ND FLOOR, Kolkata, West Bengal-700001

CIN-U64990WB1987PTC042227

1. Introduction

In compliance to the provisions of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 the NBFC has formulated a policy approved by the Board of Directors on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding.

2. Definitions

- i) **“Board of Directors”** or **“Board”** in relation to a Company, means the collective body of the directors of the Company;
- ii) **“Company”** means Aurum Instafinance India Private Limited;
- iii) **“Control”** as per Clause (27) of Section 2 of the Companies Act, 2013, shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;
- iv) **“Employee”** means those employees who are on the payroll of the Company.
- v) **“Relative”** as per Clause (77) of Section 2 of the Companies Act, 2013, "relative", with reference to any person, means anyone who is related to another, if—
 - a. they are members of a Hindu Undivided Family;
 - b. they are husband and wife; or
 - c. one person is related to the other in such manner as may be prescribed;
- vi) **“Senior Officer”** shall have the same meaning as assigned to **“Senior Management”** under Section 178 of the Companies Act, 2013 which shall mean personnel of the Company who are

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members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

- vii) **“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.

3. Thresholds for Board Approval

i) Loans and Advances to Directors

Unless sanctioned by the Board of Directors, the Company shall not grant any loans and advances aggregating Rupees Fifty lakhs and above to –

- a. its directors (including the Chairman/ Managing Director/Whole time Director) or relatives of the directors;
- b. any firm in which any of their directors or their relatives are interested as a partner, manager, employee or guarantor; and
- c. any Company in which any of their directors, or their relatives are interested as a major shareholder, director, manager, employee or guarantor.

Provided that a 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 shall disclose the nature of their interest to the Board when any such proposal is discussed. Such interested directors shall recuse themselves from the meeting, subject to their presence being 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.

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The proposals for credit facilities of an amount being less than Rupees Fifty lakhs, to the borrowers shall be sanctioned by the Company under powers vested by the board.

In case any of the Board members is interested in the proposal for grant of loan, he /she shall rescue himself/ herself from the discussion over the said agenda and the remaining members forming the quorum shall consider the proposal.

4. Loans and advances to Senior Officers

The Company shall abide by the following when granting loans and advances to their senior officers:

- a. Loans and advances sanctioned to senior officers of the NBFC exceeding Rs. 50 lakhs shall be reported to the Board on a quarterly basis.
- b. No senior officer 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.

The above norms relating to grant of loans and advances shall equally apply to awarding of contracts to the directors, their relatives or the senior officials.

5. Provisions of Companies Act, 2013

In addition to the above conditions, the Company shall ensure that Sec 185 and the related rules of the Companies Act is complied with by the Company.

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6. DISCLOSURE

The Company shall disclose in their Annual Financial Statements, aggregate amount of loans and advances sanctioned to Directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding as per template provided in the Annexure I.

7. REVIEW OF THE POLICY

This policy shall be reviewed and modified by the Compliance Department of the Company as and when required and shall be placed before the Board for approval. In case there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended at the next possible opportunity. However, the amended regulatory requirements will supersede the Policy till the time Policy is suitably amended.

_____***End of Document***_____