



**MUTHOOT CAPITAL SERVICES LIMITED**

**CIN: L67120KL1994PLC007726**

**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 was approved by the Board on 24.06.2024**

**Version Control**

<b>Version</b>	<b>Name of the policy document</b>	<b>Date of Approval</b>	<b>Remarks</b>
<b><u>1.0</u></b>	Policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding	<b>24/06/2024</b>	

## **1. BACKGROUND**

As per Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“hereinafter referred to as “The Master Directions”), NBFCs 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.

The Board approved policy shall include a threshold beyond which loans to abovementioned persons shall be reported to the Board.

## **2. INTRODUCTION**

The Board of Directors (hereinafter referred as the “Board”) of the Company has adopted the following policy and procedures regarding Loans and Advances to Directors, Senior Officers, and relatives of Directors and to entities where directors or their relatives have major shareholding.

The Board on the recommendation of the Audit Committee will review and may amend this policy from time to time.

## **3. DEFINITIONS**

“Act” shall mean Companies Act, 2013 and the Rules framed thereunder including amendments, reenactments, modifications, notifications, circulars and orders from time to time.

“Audit Committee” shall mean Audit committee of the company as constituted from time to time.”

“Arm’s Length Basis” shall mean transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.”

“Board of Directors” or “Board” shall mean Board of Directors of the Company as constituted from time to time.

“Company” shall mean Muthoot Capital Services Limited”

“Control” 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.

“Relative” shall mean the relative as defined under section 2(77) of Companies Act 2013.

- they are members of a Hindu Undivided Family;
- they are Husband and Spouse; or Wife and Spouse

one person is related to the other in such manner as may be prescribed i.e.;

- Father, includes the step-father;
- Mother, includes the step-mother;
- Son, includes the step son;
- Son’s Spouse;
- Daughter;
- Daughter’s Spouse;
- Brother, includes the step-brother; and
- Sister, includes the step-sister.

“Major Shareholding’ means shareholding of 10% or more of the paid-up share capital or five crore rupees in paid-up shares, whichever is lower.

Senior Officer/Senior Management — The term “senior management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Director, including the functional heads.

All other terms and expressions used herein and not defined above shall draw inference from the Companies Act, 2013 and/or RBI regulations as issued from time to time.

#### **4. APPROVAL OF LOAN**

##### **a) Loans and Advances to Directors :**

The Company may grant any loans and/or advances with prior sanction of the Audit Committee and the Board of Directors, subject to compliance with other applicable laws and regulations, to:

- i)
  - its Directors (including the Chairman, Vice-Chairman and Executive Director) or relatives of Directors.
  - any firm in which any Director(s) or their relatives are interested as a partner, manager, employee, and/or guarantor.
- ii) any company in which any Director(s), or their relatives are interested as a major shareholder and director, manager, employee, and/or guarantor.

Provided that a director or her relatives shall be deemed to be interested in a company, being the subsidiary or holding company, if she is a major shareholder or is 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 her interest to the Board when any such proposal is discussed. She should recuse herself from the meeting unless her 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.

**b) Loans and Advances to Senior Officers/Senior Management :**

The Company may grant any loans and/or advances with prior sanction of CEO/MD to its senior officers/senior management upto Rs. 25.00 Lakh (Rupees Twenty-Five Lakh only).

Any loan or advances above Rs.25 lacs, to be reported to the Board.

**5. DISCLOSURE**

MCSL shall disclose in their Annual Financial Statement, aggregate amount of such sanctioned loans and advances as per the template provided in the Master Directions, as amended from time to time, or such other provisions as applicable. This Policy shall be disclosed on the website of the Company.

**6. EXCEPTIONS TO THE POLICY:**

Any exception to this Policy shall require prior approval of the Board of Directors of the Company.

**7. REVIEW OF POLICY**

The Board may periodically review and revise this policy as necessary.

In case of discrepancy in interpretation or information arise between this policy and applicable regulations, rules, guidelines, notifications, clarifications, circulars, master circulars, or directives issued by pertinent authorities ("Regulatory Provisions"), the interpretation of the Regulatory Provisions shall supersede.

In the event of any modifications to the Regulatory Provisions, this policy shall be revised correspondingly, in conformity with the specified effective date as stipulated within the Regulatory Provisions.