

POLICY ON GRANT OF LOANS TO DIRECTORS, SENIOR OFFICERS AND RELATIVES OF DIRECTORS AND TO ENTITIES WHERE DIRECTORS OR THEIR RELATIVES HAVE MAJOR SHAREHOLDING OF CSL FINANCE LIMITED [HEREINAFTER “THE POLICY”]

OBJECTIVE OF THE POLICY

The Objective of the Policy is to lay down a framework for the grant of loans to the Directors, Senior officers and relatives of Directors and to entities where Directors or their relatives have major shareholding in compliance of the regulatory restrictions applicable to the NBFCs as per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

APPLICABILITY

This policy shall be applicable on the framework for grant of loans to Directors, Senior officers and relatives of Directors and to entities where Directors or their relatives have major shareholding as defined by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. Since the Company is classified as a Base Layer Company, the scope of this Policy shall be in accordance with the “Guidelines applicable to NBFC- Base Layer (BL)-Loans to Directors, Senior Officers and relative of Directors” issued under and forming part of the said Directions.

DEFINITIONS

The definitions for the purpose of this policy as given as below:

1. The term “relative” shall have the meaning assigned to it under Clause (77) of Section 2 of the Companies Act, 2013.
2. 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.
3. The term “Senior Officer” shall have the same meaning as assigned to “Senior Management” under Section 178 of the Companies Act, 2013.

LOANS TO DIRECTORS, SENIOR OFFICERS AND RELATIVES OF DIRECTORS

1. Unless sanctioned by the Board of Directors, loans and advances aggregating Rupees five crores and above shall not be granted to Directors, Senior officers and relatives of Directors and to any entity where Directors or their relatives have major shareholding.
2. The Company shall disclose in the Annual Financial Statement, aggregate amount of such sanctioned loans and advances as per the prescribed format as may be applicable.

REVIEW OF THE POLICY

This policy shall be reviewed and modified by Company as and when may be required and placed before the Board for approval. Further, in case there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended accordingly. However, the amended regulatory requirements will supersede the Policy till the time Policy is suitably amended.