

# **LAKME INVESTMENT AND FINANCE LIMITED**

## **POLICY ON GRANT OF LOANS TO DIRECTORS, SENIOR OFFICERS, RELATIVES OF DIRECTORS AND TO ENTITIES WHERE DIRECTORS OR THEIR RELATIVES HAVE MAJOR SHAREHOLDING**

**(As Amended & Approved by the Board of Directors vide Resolution Dated  
01.04.2024)**

CIN: U65993TN1995PLC033288

Registered Office:

No.1, Anna Pillai Street,

Chennai – 600 001.

Tel No. +91 7338735001/ +91 7708111315

Email : lakmenbfc@gmail.com

# INDEX

Chapter	Particulars	Page No
I	Policy Statement and Purpose	3
II	Scope	3
III	Guidelines	4
IV	Exceptions to the Policy	

## **1. Policy Statement and Purpose**

The Reserve Bank of India, having considered it necessary in the public interest, and being satisfied that, for the purpose of enabling the Reserve Bank to regulate the financial system to the advantage of the country and to prevent the affairs of any Non-Banking Financial Company from being conducted in a manner detrimental to the interest of investors and depositors or in any manner prejudicial to the interest of such NBFCs, issued a new Master Direction i.e., Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, in supersession of the earlier Master Direction.

Lakme Investment and Finance Limited (Lakme or the Company), being a systemically important non-deposit taking NBFC, more specifically categorized as NBFC- Base Layer, has adopted a framework which prescribes regulatory restrictions on grant of loans and advances to Directors, Senior Officers, relatives of Directors and to entities where Directors or their relatives have major shareholding. This Policy is applicable for both Lakme with effect from 01.04.2024.

This Policy will be reviewed and updated from time to time to ensure that it is current. All updates and revisions to the Policy will be approved by the Board of Directors (Board) of the Company.

## **2. Scope**

### **2.1. Objectives and Coverage**

This Policy is applicable to all Directors, Relatives of the Directors, Senior Officers, Relatives of the Directors, and entities where Directors or their Relatives have major shareholding. This Policy covers guidelines/regulatory restrictions to be followed by the Company while granting Loans and Advances to aforementioned persons/entities.

### **2.2. Definitions**

#### **a) Company**

— The term “Company” to mean and include Lakme Investment and Finance Limited.

**b) Control**

— The term “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.

**c) Relative**

- 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.

**d) Major Shareholder**

— The term “major shareholder” shall mean an entity or a person holding 10% or more of the paid-up share capital  
or Rs 5.00 cr (Rs Five Crore) in paid-up shares, whichever is lower.

**e) 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.

### 3. Guidelines

#### 3.1. Loans and Advances to Directors

a) The Company may grant any loans and/or advances with prior sanction of the Board of Directors to under the extant guidelines:

- its Directors or relatives of Directors.
- any firm in which any Director(s) or their relatives are interested as a partner, manager, employee, and/or guarantor.

b) any company in which any Director(s), or their relatives are interested as a major shareholder and director, manager, employee, and/or guarantor.

#### 3.2. Loans and Advances to Senior Officers/Senior Management

The Company may grant any loans and/or advances with prior sanction of Executive Director to its senior officers/senior management upto Rs. 10.00 Lakh (Rupees Ten Lakh only).

Upon exceeding the aforesaid limit, the details of transaction be disclosed in the financials in the following format:

	(₹ crore)	
	Current Year	Previous Year
Directors and their relatives		
Entities associated with directors and their relatives		
Senior Officers and their relatives		

#### 4. Exceptions to the Policy

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