

**Nalwa Sons Investments Limited**

CIN: L65993DL1970PLC146414

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

**Document Control Sheet**

<b>Document Name</b>	Policy on grant of loans to Directors, Senior Officers, Relatives of Directors and to Entities where Directors or their relatives have major shareholding.
<b>Name of Company</b>	Nalwa Sons Investments Limited
<b>Policy Authorization by</b>	Board of Directors
<b>Review of the policy</b>	Bi-annual
<b>Board Approval date</b>	May 30, 2022

The Reserve Bank of India (RBI) has issued Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated 22<sup>nd</sup> October, 2021 (Guidelines). The Guidelines set certain regulatory restrictions on loans and advances in respect of NBFCs placed in different layers. In continuation to the Guidelines, the RBI has issued a Circular on Loans and Advances – Regulatory Restrictions – NBFCs dated 19<sup>th</sup> April, 2022 detailing the regulatory prescriptions as noted in the Guidelines.

Nalwa Sons Investments Limited (NSIL or the Company), being a systemically important non-deposit taking NBFC, more specifically categorized as NBFC-Middle 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.

- 1) This policy may be known as “NSIL – Policy on grant of loans to Directors, Senior Officers, Relatives of Directors and to Entities where Directors or their relatives have major shareholding” hereinafter referred to as the “Policy on grant of loans to Directors, Senior Officers, Relatives of Directors”.
- 2) This Policy on grant of loans to Directors, Senior Officers, Relatives of Directors has been made pursuant to Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs dated 22<sup>nd</sup> October, 2021 and Circular on Loans and Advances – Regulatory Restrictions – NBFCs dated 19<sup>th</sup> April, 2022, as amended from time to time.
- 3) The Board of Directors has approved and adopted this ‘Policy on grant of loans to Directors, Senior Officers, Relatives of Directors to Entities where Directors or their relatives have major shareholding’ on 30<sup>th</sup> May, 2022.

#### 4) **Company’s Profile**

Nalwa Sons Investments Limited (NSIL or the Company), being a systemically important non-deposit taking NBFC, more specifically categorized as NBFC-Middle Layer. The Board of Directors of an applicable NBFC is required to frame and approve NSIL – Policy on grant of loans to Directors, Senior Officers, Relatives of Directors and to Entities where Directors or their relatives have major shareholding.

#### 5) **Objectives**

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.

#### 6) **Definitions**

For the purpose of this Policy –

- a) “Act” means the Reserve Bank of India Act, 1934;
- b) “Board of Directors” means the Board of Directors of Nalwa Sons Investments Limited.
- c) “Body corporate” means a body corporate as defined under Section 2 of the Companies Act, 2013;
- d) “Company” or “NSIL” means Nalwa Sons Investments Limited;

- e) "Companies Act" means the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.
- f) "Control" means it 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.
- g) "Relative" means
  - i) they are members of a Hindu Undivided Family;
  - ii) — they are Husband and Spouse; or Wife and Spouse;
  - iii) — one person is related to the other in such manner as may be prescribed i.e. ;
    - (1) Father, includes the step-father;
    - (2) Mother, includes the step-mother;
    - (3) Son, includes the step son; Son's Spouse;
    - (4) Daughter; Daughter's Spouse;
    - (5) Brother, includes the step-brother; and
    - (6) Sister, includes the step-sister.
- h) "Major Shareholder" means 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.
- i) "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/Whole Time Director, including the functional heads.

Other terms not defined hereinabove shall have same meaning as defined in the rbi regulations as issued from time to time.

## **7) Guidelines:**

- a) Loans and Advances to Directors:
  - i) The Company may grant any loans and/or advances with prior sanction of the Board of Directors to under the extant guidelines:
    - (1) its Directors (including the Whole Time Director or Executive Director) or relatives of Directors.
    - (2) 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.
- b) Loans and Advances to Senior Officers/Senior Management:

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

## **8) Disclosure in financial statement:**

Loans to Directors, Senior Officers and Relatives of Directors

(₹ crore)		
	<b>Current Year</b>	<b>Previous Year</b>
Directors and their relatives		
Entities associated with directors and their		
Relatives		
Senior Officers and their relatives		

**9) Exceptions to the Policy**

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