Times Guaranty Limited

POLICY ON GRANTING OF LOANS TO DIRECTORS, SENIOR OFFICERS, AND RELATIVES OF DIRECTOR

Information:

Document	Classification	Version	Status
Policy On Granting of Loans to Directors, Senior Officers, And Relatives of Director	Confidential	1.0	Approved

INDEX

Sr No.	Particulars	Page No.
1.	Background	3
2.	Definitions	3
3.	Objectives	4
4.	Scope	4
5.	Approval of Loan	4
6.	Disclosure	5
7.	Exception Handling	5
8.	Adoption, Effective Date and Review	5
	Appendix I	6

1. Background:

Times Guaranty Limited (the "Company") is a Base Layer Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) and classified as an Investment and Credit Company (ICC). The Company is listed on both major stock exchanges and is committed to maintaining high standards of corporate governance.

The company primarily focuses on providing customized financial solutions to corporate clients to support their business growth, including structured credit products such as term loans with bullet repayment options that offer repayment flexibility. The Company may also extend credit facilities to individuals with a business or professional relationship, as per its internal policies and regulatory norms. Additionally, the company manages its surplus funds through investments in mutual funds and debt securities, aiming for optimal returns with prudent risk management, while maintaining a transparent, disciplined, and compliant approach in all its operations.

This policy is prepared in line with the requirements prescribed by Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and various RBI notifications / directions ["RBI Regulations"] issued in this regard

2. Definitions:

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

- **"Arm's Length Basis"** shall mean the transaction entered into between two Related Parties as if they were unrelated to avoid any conflict of interest, and the term 'arm's length' shall be construed accordingly.

- **"Board of Directors"** or "Board" shall mean Board of Directors of the Company as constituted from time to time.

- **"Credit"** shall mean Credit Department of the Company.

- **"Key Managerial Personnel"** (KMP) means:
  a. Chief Executive Officer or Managing Director or the manager;
  b. Company Secretary;
  c. the Whole Time Director;
  d. Chief Financial Officer;
  e. Such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  f. Such other officer as may be prescribed, from time to time

- **"Senior Officer's"** shall mean Head of the Department includes KMP of the Company.

- **"Relative"** shall mean the term as defined under relevant applicable section of the Companies Act, 2013 read with the Companies (Specification of definitions details) Rules, 2014.

- **"Related Party"** shall mean a Related Party shall have the same meaning as defined under Section 2(76) of the Act and the Rules made thereunder and the applicable Accounting Standards.

3. Objectives:

The objective of this policy are as follows:

- To ensure all loans and advances to directors, senior officers, and their relatives are granted transparently and with proper disclosures and approvals.
- To prevent any preferential treatment or misuse of position by clearly defining eligibility, limits, and terms under which such loans may be sanctioned.
- To strengthen internal governance and reinforce ethical lending practices by setting boundaries for related party transactions.

4. Scope:

This policy applies to all proposals for granting loans or advances to the Company's directors, senior officers, and their relatives, either directly or indirectly. It covers the terms, conditions, approval processes, and reporting requirements to ensure compliance with applicable laws, including the RBI guidelines, and aims to uphold transparency and good corporate governance in all such transactions.

5. Approval of Loan

- **Loan and advances to Key Managerial Personnel and Senior officials**

  Loan and advances to Key Managerial Personnel and Senior officials shall be approved by the Board of Directors the company.

  The terms and conditions of Loan and advances to Key Managerial Personnel and Senior officials are:

  a. The amount cannot be exceeding Rs. 5,00,000/- only.
  b. The maximum tenure allowed is 5 years
  c. At the time of exiting the organization, the outstanding loan shall be mandatorily closed before the employee is relieved from their duties.

  The above conditions can be added/ modified or withdrawn on the sole discretion of the Board of Directors.

- **Approval of Board of Directors and Shareholders**

  The Company shall not grant any loans and advances to its Directors and its Related Parties and to entities where Directors or their relatives have major shareholding without the prior approval of Board of Directors given by way of a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Board and other approvals if required by Statutory provision of Companies Act, 2013 and Reserve Bank of India; and subject to approval of shareholders.

The terms and conditions of Loan and advances to Director are as follows

a. The amount cannot be exceeding Rs. 5,00,000/- only.
b. The maximum tenure allowed is 5years

6. Disclosures

The Company shall disclose in their Annual Financial Statement, aggregate amount of such sanctioned loans and advances in the prescribed format given in Appendix I forming party of this policy.

7. Exception Handling

The policy shall always be updated with extant regulatory provisions. However, in case of conflict between the Policy and regulations, the regulatory provisions shall always supersede the policy.

The updated policy shall be adhered at all the times and exceptions if any to the policy shall be approved by the board of directors after recording a reason in writing.

8. Adoption, Effective Date and Review

This policy has been adopted vide resolution of the Board of Directors of the Company dated 11th June 2025. This policy shall be applicable organization wide with effect from 11th June 2025. This policy shall be reviewed by the Board of Directors on at least an Annual basis.

Appendix I

Loans to Directors, Senior Officers and Relatives of Directors

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

x-x-x-x