

Policy On Grant of Loans to Directors, Senior Officers & Relatives of Directors

Company: ART Climate Finance (India) Private Ltd

Document Title: Policy on Grant of Loans to Directors, Senior Officers & Relatives of Directors

Version: 1.0

Effective Date: 7th October 2025

Approved By: Board of Directors

Recommended By: Chief Executive Officer (CEO)

Preamble

ART Climate Finance (India) Private Limited (referred to as “the Company”) is a Non- Banking Financial Company having Certificate of Registration issued by the Reserve Bank of India (‘RBI’) vide Registration No. B-06.00035, a Non-Systemically Important Non-Deposit Accepting NBFC wherein the Company is permitted to carry on the Business of Non-Banking Financial Company without accepting deposits from general public. This policy shall be called as policy on grant of loans to directors, senior officers and relatives of directors and to entities where directors or their relatives have major shareholding which is in correspondence with the RBI “Circular on Loans and Advances- Regulatory Restrictions- NBFCs” dated April 19, 2022 effective from October 1, 2022.

Objective:

1. To prescribe a threshold for providing loans to Directors, Senior Officers and relatives of directors and to entities where directors or their relatives have major shareholding.
2. To devise reporting mechanism to the Board of Directors, in case the loan provided is beyond the aforesaid threshold.

Definitions:

For the purpose of this policy:

- a. “**Relative**” shall have the meaning assigned to it under Clause (77) of Section 2 of the Companies Act, 2013.
- b. “**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.
- c. “**senior officer**” shall mean 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 Directors, including the functional heads.
- d. “**director**” shall mean a director appointed to the Board of the company.

Reporting mechanism:

A report addressed to the Board of Directors shall be submitted within 15 days from the date of disbursement

of any loan and/or advance to any Directors, Senior Officers and relatives of directors and to entities where directors or their relatives have major shareholding, if the amount of loan and/advance is beyond the threshold mentioned below:

Designation of Personnel	Director	Senior Officers	Relatives of Directors	Entities where directors or their relatives have major shareholding
Threshold Amount (INR)	10,00,000	10,00,000	10,00,000	-

Responsibility of the Board of Directors of the Company:

The Board of Directors of the Company shall take a note of Loans and advances disbursed beyond the threshold limit as aforementioned in immediately next board meeting.

Disclosure in Annual Financial Statement:

The Company shall disclose in its Annual Financial Statement, aggregate amount of such sanctioned loans and advances in format as per ANNEXURE-I of this Policy.

Fair Practice Code

The Company has adopted the Fair Practice Code in accordance with the Master Direction - Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 issued by the Reserve Bank of India.

Powers of the Board of Directors

The Board of Directors shall have overriding powers to approve or disapprove, add or modify any of the provisions of this policy to the best interest of the Company.

Policy Review

The policy will be reviewed at yearly intervals or as and when considered necessary by the Board of the Company.

ANNEXURE-I**LOANS TO DIRECTORS, SENIOR OFFICERS AND RELATIVES OF DIRECTORS**

(in ₹)

	Current Year	Previous Year
Directors and their relatives	=	=
Entities associated with directors	=	=
Senior Officers and their relatives	=	=
