

FEDEX FINANCE PRIVATE LIMITED

Policy on Grant of Loans to Directors, Senior Officers and relatives of Directors

Fedex Finance Private Limited

CIN: U65923MH1998PTC114960

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1. BACKGROUND

Fedex Finance Private Limited (hereinafter referred as “the Company” or “FFPL”) a non-deposit taking non-systemically important Non-Banking Financial Company (NBFC) licensed by the Reserve Bank of India (RBI) bearing registration No.13.00930

It is focused on offering Personal and Business Loans.

2. INTRODUCTION

The Board of Directors (hereinafter referred as the “Board”) of the Company has adopted the following policy and procedures with regard to Loans and Advances to Directors, Senior Officers, and relatives of Directors.

The Board will review and may amend this policy from time to time.

3. PURPOSE

This policy is being brought in place in terms of para 3.2.3(c) of the circular DOR.CRE.REC.No.60/03.10.001/2021-22 on Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued on October 22, 2021 and further notified under circular DOR.CRE.REC.No.25/03.10.001/2022-23 on Loans and Advances – Regulatory Restrictions – NBFCs issued on April 19, 2022 by Reserve Bank of India.

4. DEFINITIONS

“Act” shall mean Companies Act, 2013 and the Rules framed thereunder including amendments, re-enactments, 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.

“Company” shall mean Fedex Finance Private Limited

“Senior Officer” shall mean Head of the Department.

“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.

5. APPLICABILITY

This Policy applies to Directors, Senior Officers and relatives of Directors. It provides a framework for governance and reporting of loans and advances to Senior officers, Directors and its Related Parties.

6. SCOPE AND PURPOSE

This policy is intended to ensure that the loans and advances provided to its Directors, Senior Officers and relatives of Directors and to entities where directors or their relatives have major shareholding by the company should be pursuant to the circular issued by Reserve Bank of India vide RBI/2022-23/29 DOR.CRE.REC. No.25/03.10.001/2022-23 dated April 19, 2022. Provisions of this policy are designed to govern the transparency of approval process and disclosure requirements to ensure fairness in the conduct of transactions in terms of the applicable laws as amended from time to time.

7. APPROVAL OF LOAN

(A) Loan and advances to Senior officials

Loan and advances to Senior officials shall be approved by the Board of the company.

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

- Compulsory deduction of EMI from salary.
- At the time of exiting organization, the same loan to be closed before relieving.

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

(B) 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 provisions of Companies Act, 2013 and Reserve Bank of India and subject to approval of shareholders.

8. DISCLOSURE

Appropriate disclosures as required by the Act and Reserve Bank of India will be made in the Financial Statements and the Board's Report of the Company.

9. REVIEW OF POLICY

The Board shall review and amend this policy as and when required.

If at any point a conflict of interpretation / information between the policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.
