

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS
AND ON
DEALING WITH RELATED PARTY TRANSACTIONS**

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1. Background

Lendingkart Finance Limited (“**Company**”) recognizes that related party transactions may have potential or actual conflicts of interest and may raise questions whether such transactions are consistent with the Company’s & its shareholders’ best interest and in compliance to the provisions of the Companies Act, 2013 (“**Act**”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), Master Direction – Non Banking Financial Company – Systemically Important Non- Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016 (“**Directions**”), Indian Accounting Standards, (**IND AS**), IRDA (Registration of Corporate Agents) Regulations, 2015 (“**IRDAI Regulations**”) and Framework for Scale Based Regulation for Non-Banking Financial Companies and guidelines issued thereunder from time to time to the extent applicable to loans and advances to related parties (collectively referred to as the “**RBI Guidelines**”).

Amendments, from time to time, to the Policy, if any, shall be considered by the Board of Directors of the Company based on the recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

2. Definitions

Unless the context otherwise requires, the following terms shall have the meaning as assigned below, and cognate expressions shall be construed accordingly:

Annual Consolidated Turnover	means Turnover as per the last audited Consolidated Financial Statements
Annual Standalone Turnover	means Turnover as per the last audited Standalone Financial Statements.
Associated Entities	Means the following: (i) directors (including the Chairman/ Managing Director) or relatives of directors; (ii) any firm in which any of the directors of the Company or their relatives, is interested as a partner, manager, employee or guarantor; (iii) any company in which any of the directors of the Company, or their relatives is interested as a Major Shareholder, director, manager, employee or guarantor.
Key Managerial Personnel (KMPs)	The KMPs shall mean and include, i. Chief Executive Officer or the Managing Director or the Manager; ii. Company Secretary; iii. the Whole-time Director; iv. the Chief Financial Officer;

	v. such other officer as may be prescribed under the Companies Act 2013;
Listing Regulations	Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
Major Shareholder	means a person holding 10% or more of the paid-up share capital or rupees five crore in paid-up shares, whichever is lower.
Material Modification	in relation to a Related Party Transaction approved by the Audit Committee or a material related party transaction approved by the Shareholders, as the case may be, material modifications shall mean any variation having an impact on the monetary limits already approved by the Audit Committee or Shareholders, as the case may be, exceeding 5% of transaction value, in each case from the approved limits.
Material Related Party Transaction	Material Related Party Transaction shall have the same meaning as stated in Annexure 1 of this policy.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
Potential Conflict of Interest	Means conflict of interest either by being a party to an RPT or in case of an RPT with another body corporate, holding more than 2% of the paid-up share capital of the other body corporate.

<p>Related Party</p>	<p>Related Party with reference to a company, shall include:</p> <ul style="list-style-type: none"> (i) director or his relative; (ii) key managerial personnel or his relative; (iii) firm, in which a director, manager or his relative is a partner; (iv) private company in which a director or manager or his relative is a member or director; (v) public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital; (vi) body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager excluding person giving directions or instructions in a professional capacity; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act other than advice, directions or instructions given in a professional capacity excluding person giving directions or instructions in a professional capacity; (viii) any body corporate which is: <ul style="list-style-type: none"> (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; (C) an investing company or the venturer of the company; (ix) a director (other than an independent director) or key managerial personnel of the holding company or his relative with reference to the company. <p>Related Party is further defined as per Reg. 2 (zb) of the Listing Regulations and applicable accounting standards. Please refer to Annexure 1 for Related Party Definition as per Listing Regulations and Accounting Standard.</p>
<p>Related Party Transaction' or 'RPT'</p>	<p>Shall mean a contract or arrangement with a Related Party as provided under the Act and the Rules made thereunder, as amended from time to time.</p>
<p>Relative</p>	<p>For an individual, 'Relative' shall mean and include:</p> <ul style="list-style-type: none"> • Members of Hindu undivided family; • Husband or wife; • Father (including step-father) and Mother (including step-mother); • Daughter and Daughter's husband; • Son (including step-son) and Son's wife; • Brother (including step-brother) and Sister (including step-sister); • Domestic partner of any of the said persons, children and dependants of such domestic partner or spouse (IND AS-24).

Senior Officers (SOs)/ Senior Management/ Leadership Team	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 Chief Executive Officer & Managing Director, including the functional heads.
Holding Company	shall mean Lendingkart Technologies Private Limited.
Turnover	The gross amount of revenue recognized in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by the Company as per its last audited financial accounts.

Note: All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them under the Companies Act, 2013 and Rules framed thereunder or any other applicable law.

3. Policy Exclusion

Following transactions shall not be considered as a related party transaction, in terms of this Policy [however disclosure in the financial statement as per SEBI LODR shall be made by the Company]:

- (a) Reimbursement of expenses incurred by/ for a Related Party for business purpose of the Company, or reimbursement received for expenses incurred by the Company on behalf of a Related Party, provided there is no specific benefit passed on to either party.
- (b) Any transaction in which the Related Party's interest arises solely by way of ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party, or other pro rata interest of a Related Party included in a transaction involving generic interest of stakeholders involving one or more Related Parties as well as other parties.
- (c) Any transaction that involves providing of compensation to a director or Key Managerial Personnel, in accordance with the provisions of Companies Act, 2013, in connection with his or her duties to the Company or any of its subsidiaries or associates including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- (d) Recurring transactions flowing out of a principal transaction or arrangement for which the Audit Committee has granted its omnibus approval;
- (e) Requirement under Para 6 will not apply to loans and advances granted to directors, Associated Entities and Senior Officers against the following:
 - (i) Government securities
 - (ii) Life insurance policies
 - (iii) Fixed deposits
 - (iv) Stocks and shares
 - (v) Housing loans, car advances, etc. granted to an employee/director of the Company, under any scheme applicable generally to employees/directors of the Company,

provided that the Company's interest/ lien is appropriately marked with legal enforceability.

- (f) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval by the Audit Committee.

4. Identification of Related Parties and maintenance of list of Related Parties

- (a) Secretarial department shall coordinate with the concerned stakeholders viz. Shareholders, Directors, Key Managerial Personnel, Senior Officers, to collate the relevant information and maintain the database of Company's Related Parties in the format as per **Annexure 2**.
- (b) Each Director and KMPs of the Company shall, within seven days of his/her appointment and as at 31 March every, year disclose list of relatives and his/her interest in all the Companies or Firms or Body Corporate or any Association of Individuals on, in form MBP-1, which shall be placed before the Audit Committee and the Board at their first meeting held in the succeeding financial year.
- (c) Each SOs shall disclose list of their Relatives and/or Associated Entities, within seven days of his/her appointment and as at 31 March every year.
- (d) Any change in the aforesaid disclosure by the Directors, KMPs and SOs shall be disclosed by them within 7days of such change.
- (e) The database of Related Parties shall be updated based on inputs/ disclosures received from the Related Parties and other concerned stakeholders by the Secretarial Department and circulated to all the departments of the Company, in case of any change, or on a quarterly basis, whichever is earlier.
- (f) The said database of Related Parties shall be reviewed by the Secretarial team, on a quarterly basis.
- (g) The Company shall share the list of its Related Parties with its Subsidiary(ies) and obtain a similar list from its subsidiary, in case of any change or on a quarterly basis, whichever is earlier.

5. Manner of dealing with Related Party Transactions

RPTs undertaken by the Company is subject to obtaining prior approval of Audit Committee, Board and/ or the Shareholders, depending on its nature and if it exceeds the prescribed threshold limit. Situations under which said approval of Audit Committee and/or Board and/ or Shareholders, will be required, are as under:

I. Transactions requiring prior approval of Audit Committee

- a) AllRPTs including Material RPTs and subsequent Material Modifications thereof shall be subject to the prior approval of the Audit Committee. In the event any RPT is not approved and/or recommended by the Audit Committee, the RPT may be placed before

the Board of Directors for approval in accordance with the provisions of the Companies Act.

- b) Only those members of the Audit Committee of the Company, who are independent directors, shall be eligible to consider and approve RPTs. However, non-independent directors are entitled to, and may voice their opinion at the Audit Committee meeting seeking approval of the proposed RPTs and this process including the opinions (including any dissent or objection) shall be recorded in writing in the minutes of the meeting. Arm's length pricing report after external validation will be submitted before the Audit Committee for approval of any RPTs.
- c) in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorized by any other director, the director concerned shall indemnify the company against any loss incurred by it.

II. Transactions requiring prior approval of the Board of Directors

- a) Transaction covered under Section 188 of the Companies Act, 2013 (**Annexure – 3**) which are not in the ordinary course of business of the Company or not on an arm's length basis.
- b) Material Related Party Transactions and Material Modifications, requiring the approval of the shareholders, shall be approved by the Board.
- c) Related Party Transactions where Audit Committee of the Company is of the opinion that the same should be brought before the Board of Directors or if the Board of Directors suo-moto decides to review any such transaction.
- d) Any transaction not approved or recommended by the Audit Committee.

III. Transactions requiring prior approval of Shareholders

- a) Material Related Party Transactions as defined herein shall require a prior approval by way of an ordinary resolution unless otherwise provided under the applicable law.
- b) The RPTs between insurance intermediaries that are not on arm's length or in the ordinary course of business shall be further approved by the shareholders of the insurance intermediaries in the general meeting.

IV. Omnibus Approval

- a) Audit Committee shall lay down the criteria for granting the omnibus approval and grant the approval in line with this Policy and such approval shall be applicable in respect of RPTs, which are repetitive in nature, detailed as under. Such criteria shall be recommended for the approval of the Board.
 - 1. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - 2. the maximum value per transaction which can be allowed;
 - 3. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

4. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
 5. transactions which cannot be subject to the omnibus approval by the Audit Committee. Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: –
 1. repetitiveness of the transactions (in past or in future);
 2. justification for the need of omnibus approval.
- b) Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval would be in the interest of the Company.
 - c) Audit Committee shall review details of RPTs entered into by the Company pursuant to omnibus approval so granted, at its meeting, on a quarterly basis.
 - d) Such omnibus approval will be valid for a period of one financial year and shall require fresh approval after the expiry of the year. Audit Committee may review the maximum value of the transactions during the year, if it is found that the value as approved earlier by Audit Committee is not sufficient.
 - e) Only those members of the Audit Committee who are independent directors, shall be entitled to approve RPTs. The omnibus approval shall specify the following:
 - o name of the Related Parties;
 - o nature and duration of the transaction;
 - o maximum amount of transaction that can be entered into;
 - o the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - o any other information relevant or important for the Audit Committee to take a decision on the proposed transaction and the minimum information as stated under para 7 herein.
 - f) The Audit Committee may grant omnibus approval for unforeseen RPTs subject to their value not exceeding INR 50 lakhs , per transaction.

V. Restrictions in voting

- a) Any member of the Audit Committee/Board of the Company who has a potential conflict of interest in respect of any RPT/Material RPT and to any subsequent Material Modification thereto, shall restrain themselves from participating or voting at the meeting of the Audit Committee/Board, as the case may be.

VI. Review of Related Party Transaction

- a) Audit Committee and the Board shall review the list of RPTs, on a quarterly basis pursuant to omnibus approval/other approvals granted by it, as per requirements above, including RPTs with insurance intermediaries.
- b) Audit Committee and the Board shall review the status of long-term (more than one year) and/or recurring RPTs, on an annual basis.
- c) The statutory auditors of insurance intermediaries shall independently review the RPTs between insurance intermediaries on an annual basis and issue a certificate confirming compliance with the provisions of Sec 188 of the Companies Act. The certificate shall be submitted to IRDA by September 30 of the subsequent financial year.

6. Additional compliances in case of transactions with Associated Entities and Senior Officers

6.1 Loans, advances or awarding of Contracts to Associated Entities

- Approval of the Audit Committees shall be required for granting of any loans, advances or awarding of Contracts aggregating to INR 5 crore and above to Associated Entities.
- Above shall not apply for any loans, advances or awarding of contracts by the Company to its holding or subsidiary Companies unless Directors of the Company or their relatives is/are a Major Shareholder or has control over the said holding or subsidiary Company.
- Directors, interested in any proposals for any loans, advances or awarding of contracts placed before the Audit Committee meeting for approval, shall disclose the nature of interest and shall recuse from the meeting and shall not vote on such proposals. However, such interested Director shall be allowed to attend the meeting with the permission of Chairman.
- Any loans, advances or awarding of Contracts to the above borrowers less than INR 5 crore shall be in pursuance of the provisions of the Companies Act, 2013 read with applicable Rules and Regulations thereof and shall be approved as per the loan approval matrix of the Company. Any such loans, advances or awarding of Contracts shall be reported to the Audit Committee and the Board in the immediate next meeting.
- Company shall obtain details of all live loans, advances or Contracts (with the company) taken by an individual or their Relatives prior to becoming Director in the Company and the same shall be reported to the Board at the time of appointment.

Any loans to firms and entities where individual or their Relatives are interested prior to becoming Director in the Company, shall be assessed at the time of appointment and approvals of the Audit Committee meeting as per this policy shall be obtained after the appointment as the Directors in the Company.

6.2 Loans, advances or awarding of Contracts to Senior Officer or their Relatives

- Any loans, advances or awarding of Contracts by the Company to its Senior Officers or their relatives shall be reported to the Audit Committee and to the Board.
- Further, any Senior Officer or any committee where senior officer is a member shall not approve any loans to his/her relatives. Such loan shall be approved by the next higher sanctioning authority under the loan approval matrix of the Company.

6.3 General requirement

- Company shall obtain declaration form the borrower giving details of the relationship of the borrower to its Directors/ Senior officers for availing loans and advances aggregating INR 5 Crore and above from the Company. Loans to borrower shall be recalled if any false declaration is given by the borrower.

- Company shall disclose in the Annual Report, any loans, advances or Contracts made to Associated entities/ Senior Officer or relatives of Senior Officer in addition to disclosure w.r.t. related party transactions as mandated under RBI circular dated April 19, 2022 covering disclosure in financial statements notes to accounts of NBFCs. Disclosure shall be made in the format mentioned in **Annexure 4** of this Policy.

7. Information to be submitted for obtaining prior approval of Audit Committee/Board/Shareholders

Below is the list of minimum information/documents to be placed before the Audit Committee, Board or the shareholders of the Company, as the case may be, for approval of the RPTs/ material RPTs and to any subsequent material modification thereto.

- (a) Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- (b) Type, material terms and particulars of the proposed transaction;
- (c) Tenure of the proposed transaction (particular tenure shall be specified);
- (d) Value of the proposed transaction;
- (e) The percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- (f) any advance paid or received, if any;
- (g) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (h) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (i) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
 - i. details of the source of funds in connection with the proposed transaction;
 - ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- (j) Summary of the information and justification as to why the RPTs/ material RPTs and to any subsequent material modification thereto is in the interest of the Company, as placed before the Audit Committee and/ Board;

- (k) A copy of the valuation or other external party arm's length pricing report, if any such report has been relied upon and submitted by the Company, as aforesaid;
- (l) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPTs/ material RPTs and to any subsequent material modification thereto, on a voluntary basis;
- (m) Any other information that may be relevant.

8. Roles and Responsibility

Stakeholders	Roles and Responsibilities
Secretarial Team	<ul style="list-style-type: none"> • To obtain relevant details from directors and key managerial personnel of the Company as per Clause 4 of this Policy; • To obtain relevant details of other Related Parties; • To identify and prepare list of Related Parties; • To prepared and maintain data base of Related Party Transactions; • To send the list of Related Parties, including changes thereto, to all the concerned departments of the Company; • To ensure disclosures as per this Policy; • To upload the Policy on Related Party Transactions, as may be amended, from time to time on the website of the Company; • To place before the Audit Committee/ Board, details of existing loans and advances and contracts of directors proposed to be appointed.
Finance Team	<ul style="list-style-type: none"> • Based on updated list of related parties, updated by the Secretarial department, from time to time. • Provide details of RPTs/ material RPTs and any subsequent material amendment(s) thereto, including details of existing loans and advances and other contracts entered into with directors who are proposed to be appointed. • Ensure disclosure of details of RPTs in the Financial Statement of the Company as set out in this Policy and as per IND AS 24; • Make disclosure in the Financial Statement of the Company, in respect of any loans, advances and contracts with directors amounting to INR 5 crore and above. • Arrange for arm's length report in respect of Related Party Transactions proposed to be entered into by

	the Company, after external validation, and to place the same before the Audit Committee for their review.
Human Resource Team	<ul style="list-style-type: none"> • To obtain list of Relatives from the SOs of the Company, in terms of Clause 6 of this Policy; • To update database of SOs pursuant to any change in the details of previous disclosed by the SOs.
All Departmental Heads	<ul style="list-style-type: none"> • To obtain relevant information from the person with whom the Company proposes to enter into with any transaction, so as to establish whether or not such person is to be considered as a related party under the extant related party norms. Such information is to be shared promptly with the Secretarial Department. • Based on the said information, the Secretarial Department to review whether the transaction proposed to be entered with such person, is a related party in terms of the extant related party norms. • Secretarial Department to review and confirm, whether the proposed transaction comes within the purview of related party norms, then such customer/ vendor/ person shall be categorized as a related party and database updated, to facilitate compliances in terms of this Policy. • To co-ordinate and provide relevant information in respect of any RPT/ material RPT or any subsequent material amendment thereto entered/ to be entered into by the Company to the Secretarial/ Finance Department, for seeking the requisite approval of the Audit Committee/ Board/ Shareholders of the Company, as applicable.

9. Disclosure

- (a) This Policy shall be uploaded on the website of the Company and reproduce RPT Policy in the Corporate Governance Report, which forms part of the Annual Report.
- (b) Policy on Related Party Transaction shall be appropriately disclosed in the Directors Report of the Company;
- (c) The particulars of RPTs would form part of the Board's Report prepared in compliance and requirement of section 134(3) (h) of the Act in Form AOC-2.
- (d) The Company shall disclose particulars of RPTs in prescribed Form MBP-4 Part A and Part B, as applicable.
- (e) In the event of applicability of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall disclose details of

RPTs along with its standalone financial results, on a half yearly basis, in terms of Chapter VIII of SEBI Operational Circular dated July 29, 2022 and upload the same on its website.

- (f) Details of RPTs shall be disclosed as per disclosure norms under the Listing Regulations and other applicable Guidelines that may be issued by RBI.

Annexure 1

Definition Clause

Material Related Party Transaction	<p>Material Related Party Transaction under the Companies Act, 2013</p> <p>Following transactions with Related Parties, which are not in the ordinary course of business or not on an arm's length basis. It shall include:</p> <ul style="list-style-type: none">(i) sale, purchase or supply of any goods or materials amounting to 10% or more of the turnover of the Company;(ii) selling or otherwise disposing of, or buying, property of any kind amounting to 10% or more of net worth of the Company;(iii) leasing of property of any kind amounting to 10% or more of the turnover of the Company;(iv) availing or rendering of any services amounting to 10% or more of the turnover of the Company;(v) appointment of any agent for purchase or sale of goods, materials, services or property amounting to 10% or more of the turnover of the Company;(vi) Appointment to any office or place of profit in the company, subsidiary company or associate company with monthly remuneration exceeding two and a half lakh rupees;(vii) For remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1 % of the net worth. <p>Note:</p> <ul style="list-style-type: none">i) The Limits specified in (i) to (v) above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.ii) The Turnover or Net Worth shall be computed on the basis of the Audited Financial Statement of the preceding financial year. <p>Material Related Party Transaction under Listing Regulations:</p> <ul style="list-style-type: none">(i) Means a transaction with a Related Party where the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 crore or 10 (ten) percent of the Annual Consolidated Turnover of the Company, as per the last audited financial statement of the Company, whichever is lower.(ii) However, transaction involving payments made to a Related Party for brand usage or brand royalty, shall be considered material, if it individually or taken together with previous transactions, during a financial year, exceed 5% of the Annual
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Consolidated Turnover of the Company, as per the last audited financial statement.

It is clarified that the threshold for transaction(s) of similar nature, shall be computed considering all previous transaction(s), entered into during a financial year.

<p>Related Party</p>	<p>As per Reg. 2 (zb) of the Listing Regulations Related Party means a related party as defined under Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards.</p> <p>Provided that:</p> <ul style="list-style-type: none"> (a) any person or entity forming a part of the promoter or promoter group of the Company; or (b) any person or any entity, holding equity shares: <ul style="list-style-type: none"> (i) of twenty per cent or more; or (ii) of ten per cent or more, with effect from April 1, 2023; in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediately preceding financial year; shall be deemed to be a related party. <p>Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s)</p> <p>As per IND AS 24 [Relevant for seeking approval of Audit Committee/ Board/ Shareholders and disclosure in the Annual Report]</p> <p>A related party is a person or entity that is related to the Company</p> <ul style="list-style-type: none"> (a) A person or a close member of that person’s family is related to the Company, if that person: <ul style="list-style-type: none"> (i) has control or joint control over the Company; (ii) has significant influence over the Company; or (iii) is a member of the key management personnel of the Company or of a parent of the Company. (b) An entity shall be deemed to be related to the Company, if any of the following conditions applies: <ul style="list-style-type: none"> (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others). (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member). (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of the Company or an entity related to the Company. If the Company itself is such a plan, the
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sponsoring employers are also related to the reporting entity.

- (vi) The entity is controlled or jointly controlled by a person identified in clause (a) above.
- (vii) A person identified in (a)(i) above, who has significant influence over the Company or is a key management personnel of the Company or its holding company.
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

- (c) Whilst determining a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

It is clarified that:

- Close members of the family of a person are those who fall within the meaning of the term 'relative' under the Companies Act 2013 and that includes a person's spouse or domestic partner, brother, sister, parents, children and dependants of that person's spouse or domestic partner.
- Compensation includes all employee benefits (as defined in Ind AS 19 Employee Benefits) including employee benefits to which Ind AS 102 Sharebased Payments applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.
- Compensation includes:
 - (a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;

- (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- (c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;
- (d) termination benefits; and
- (e) share-based payment.

- An investor shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee if and only if the investor has all the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns [IND AS 110]

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

- Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.
- Government refers to government, government agencies and similar bodies whether local, national or international. A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by a government.
- Whilst identifying each possible related party relationship, focus shall be on the substance of the relationship and not merely the legal form.

However, the following shall not be considered as related parties:

- a) two entities simply because they have common director or key management personnel or because a key management personnel of the Company has significant influence over the other entity.
- b) two venturers, simply because they share joint control over a joint venture.
 - a) providers of finance, (ii) trade unions, (iii) public utilities, and (iv) departments and agencies of a government that does not control, jointly control or significantly influence the Company, simply by virtue of their normal dealings with the Company (even though they may affect the freedom of action of the Company or participate in its decision-making process).
 - b) a customer, supplier, franchisor, distributor or general agent with whom the Company transacts a significant volume of business, simply by virtue of the resulting economic dependence.

Annexure 2

Sr. No.	Disclosure received from	Name of Related Parties	Nature of interest

Annexure 3

List of related party transactions, under Section 188 of the Companies Act, 2013:

- a) sale, purchase or supply of any goods or materials;
- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company:

Provided that no contract or arrangement, in the case of a company having a paid-up share capital of not less than such amount, or transactions exceeding such sums, as defined under 'material RPTs' herein, shall be entered into except with the prior approval of the company by a resolution.

No member of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party. Provided that this shall not apply to the company if ninety per cent. or more members, in number, are relatives of the promoters or are related parties.

However, the above stated provisions shall not apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

The requirement of passing the resolution by shareholders shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

For the purpose of this clause,

- (a) the expression "office or place of profit" means any office or place—
 - (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rentfree accommodation, or otherwise;
 - (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

- (b) the expression “arm’s length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Annexure 4

Disclosure as Loans to Directors, Senior Officers and relatives of Directors

(Amount in crores)

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

Related Party Disclosure as per Guidelines on Disclosure requirements under Scale Based Regulation for NBFCs

Items	Related Party		Parent (as per ownership or control)		Subsidiaries		Associates/ Joint ventures		Key Management Personnel@		Relatives of Key Management Personnel@		Others*		Total	
	Curr ent	Prev ious	Curr ent	Previo us	Curr ent	Previo us	Curr ent	Previo us	Curr ent	Previo us	Curr ent	Previo us	Curr ent	Previo us	Curr ent	Previo us
	year	year	year	year	year	year	year	year	year	year	year	year	year	year	year	year
Borrowings#																
Deposits#																
Placement of deposits#																
Advances#																
Investments#																
Purchase of fixed/other assets																
Sale of fixed/other assets																
Interest paid																
Interest Received																
Others*																

@ Disclosures for directors and relatives of directors should be made separately in separate columns from the KMPs and relatives of other KMPs.

The outstanding at the year end and the maximum during the year are to be disclosed.

* Specify item if total for the item is more than 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence.