



CAPITALINDIA

Rediscover Business

POLICY ON RELATED PARTY TRANSACTIONS

Version	7.0
Owned by	Finance/Compliance
Approved by	Board of Directors
Effective from	May 20, 2026

1. PREAMBLE

Capital India Finance Limited (hereinafter referred as “**Company**”) has always been committed to good corporate governance practices. As a matter of practice, the Company transacts business on an arm's length basis with its related parties which are in the ordinary course of business.

The Board of Directors has adopted Policy on Related Party Transactions (“**Policy**”) upon recommendation of the Audit Committee. The said Policy includes materiality thresholds and the manner of dealing with Related Party Transactions in compliance with the requirements of Section 177(4) and Section 188 of the Companies Act, 2013 read with the Rules framed thereunder (“**Act**”) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulation**”) and other statute from time to time. Amendments, from time to time, to the Policy, if any, shall be considered by the Board of Directors based on the recommendations of the Audit Committee.

This Policy regulates/applies to all transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

2. OBJECTIVE

The objective of this Policy is to set out:

- (a) the materiality thresholds for related party transaction(s);
- (b) define material modification(s); and
- (c) the manner of dealing with and disclosing the transactions between the Company and its related parties as required under the Act, the Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

- 3.1 “**Act**” means the Companies Act, 2013 and the rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- 3.2 “**Arm's Length basis**” means a transaction as defined under Companies Act, 2013 i.e. a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

For determining Arm's Length basis, guidance may be taken from the transfer pricing provisions under the Income-tax Act. 1961.

- 3.3 “**Associate Company**” means a company in which the Company has a significant influence, but which is not a subsidiary company of the Company having such influence and includes a joint venture Company.

For the purposes of this clause, “significant influence” means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement.

- 3.4 “**Audit Committee**” means Audit Committee of the Board of Directors of the Company constituted under the provisions of the Act and Listing Regulations.

- 3.5 **"Board of Directors" or "Board"** in relation to a Company, means the collective body of the directors of the Company.
- 3.6 **"Company" or "Non-Banking Financial Companies ("NBFC")"** means Capital India Finance Limited.
- 3.7 **"Contract or arrangement"** shall have the same meaning as specified in Section 188(1)(a) to (g) of the Companies Act, 2013.
- 3.8 **"Control"** shall have the same meaning as assigned to it under Section 2(27) of the Companies Act, 2013.
- 3.9 **"Director"** means a person as defined under Section 2(34) of the Companies Act, 2013 and Director of an NBFC or any other entity' shall mean a director appointed/elected to the Board of the entity.
- 3.10 **"Entity"** in the context of a 'related party' shall mean a 'person' other than an individual and a Hindu Undivided Family.
- 3.11 **"Key Managerial Personnel"** of the Company/ NBFC means as defined in Section 2(51) of the Act, 2(1)(o) of the Listing Regulations, Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, applicable Accounting Standards and applicable RBI Master Directions/ other Directions
- 3.12 **"Lending"** in the context of a 'related party' shall mean extending funded or/ and non-fund-based credit facilities to related parties. While investments in debt instruments of related parties shall be covered for this purpose, equity investments shall be excluded.

Further, the provisions pertaining to lending to related parties, including the Policy on Lending to Related Parties, shall be duly incorporated into the Company's Credit Policy.

- 3.13 **"Listing Regulations"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.14 **"Material Related Party Transactions"** as per Regulation 23 of Listing Regulations would mean the following:

- A transaction with a related party is considered material, if the transaction/ transactions to be entered individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the Listing Regulations, as mentioned under:

S. No.	Consolidated Turnover of the Company	Threshold
1.	Up to INR 20,000 Crore	10% of the annual consolidated turnover of the Company.
2.	More than INR 20,000 Crore to upto INR 40,000 Crore	INR 2,000 Crore + 5% of the annual consolidated turnover of the Company above INR 20,000 Crore.
3.	More than INR 40,000 Crore	INR 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above INR 40,000 Crore or INR 5000 Crore, whichever is lower.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

- A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements.
- A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction, exceeds the lower of the following:
 - (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
 - (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of the Listing Regulations.

3.15 “Material Modification” of related party transaction will mean and include any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

3.16 “Ordinary course of business” means the usual transactions that are necessary, customs and practices undertaken by the Company to conduct its business operations and activities, has connection with the normal business carried on by the Company and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

3.17 “Person” shall have the same meaning as assigned to it under Section 3 (23) of Part I of Insolvency and Bankruptcy Code (IBC), 2016.

3.18 “Personal Loans” shall have the same meaning as defined under Banking Statistics (Harmonised Definitions). However, for these Directions, personal loans shall exclude loans for investments in financial assets.

3.19 “Promoter” shall have the same meaning as assigned to it under Section 2(69) of the Companies Act, 2013.

3.20 “Policy” means the policy on Related Party Transactions of the Company.

3.21 “Related Party” have the meaning as defined under Section 2(76) of the Act, Regulation 2(1)(zb) of the Listing Regulations, Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, applicable Accounting Standards and applicable RBI Master Directions/ other Directions.

3.22 “Related Person” with respect to a NBFC shall mean a person, and the relatives of such a person, where the person:

- (a) is either a promoter, or a director, or a KMP of the NBFC; or

- (b) owns more than five per cent of paid-up equity share capital of the NBFC or can, either singly or jointly, exercise more than five per cent of the voting rights of the NBFC on account of either ownership or voting agreement or through shareholders' agreement or through any other arrangement; or
- (c) can, through an agreement with the NBFC, nominate a director to its Board; or
- (d) is either singly or jointly, in control of the NBFC.

3.23 "Related Party Transactions" have the meaning as defined under Section 177 and 188 of the Act, Regulation 2(1)(zc) of the Listing Regulations, Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, applicable Accounting Standards and applicable RBI Master Directions/ other Directions.

3.24 "Relative" have the meaning as defined under Section 2(77) of the Act, Regulation 2(1)(zd) of the Listing Regulations, Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, applicable Accounting Standards and applicable RBI Master Directions/ other Directions.

3.25 "Specified employees" mean all employees of a NBFC who are positioned upto two levels below the Board and any employee designated as such as per the NBFC's policy.

3.26 "Subsidiary Company" means as defined under Section 2(87) of the Companies Act, 2013 read with rules issued thereon, including any statutory modification and amendment thereof as may be issued from time to time.

Any other term not defined herein shall have the same meaning as defined under the Companies Act, 2013, Listing Regulations, applicable Accounting Standards, RBI Master Directions/ other Directions and any other applicable law or regulations.

4. MATERIALITY THRESHOLDS

Regulation 23 of Listing Regulations requires the Company to provide clear threshold limits duly approved by the Board of Directors for related party transactions.

4.1 Materiality Thresholds for related party transactions ("RPTs"):

The RPTs which crosses the Materiality thresholds as mentioned in clause 3.14 and in regulation 23 of the Listing Regulations shall be entered by the Company only with prior approval of shareholders of the Company through resolution, as per applicable provisions of the Act and the Listing Regulations, as may be amended from time to time.

Any other Related Party Transaction shall also be placed before the shareholders for approval, as per the threshold limits mentioned and in terms of the provisions of Section 188 of the Companies Act, 2013 read with relevant Rules.

All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2) of regulation 23 of the Listing Regulations shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

4.2 Materiality Thresholds for loan to related party, as per Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026:

Credit Facilities to related parties can be extended by the Company in terms of their credit policy. However, such loans, including personal loans to directors or a KMP, shall be subject to a materiality threshold as per the credit policy, which shall not be higher than the following ceilings:

Category of NBFC	Materiality Threshold
Upper Layer and Top Layer	Rs. 10 crores
Middle Layer	Rs. 5 crores
Base Layer	Rs. 1 crore

Note: Layer of the NBFC shall be based on the last audited balance sheet.

For loans, materiality threshold shall apply at individual transaction level, and Materiality thresholds may vary for different categories of loans to related parties and borrowers subject to ceilings prescribed above.

All loans above the prescribed materiality threshold shall be sanctioned by the Board of the Company/ NBFC. As regard to Loans below the prescribed materiality threshold may be sanctioned by the appropriate authority as per the powers delegated under the Credit Policy.

5. REPORTING AND APPROVAL OF RELATED PARTY TRANSACTIONS

All Related Party Transactions (except the transactions as mentioned in Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, as amended) and subsequent modifications must be reported to the Audit Committee and if applicable, be referred by the Audit Committee to the Board of Directors for approval in accordance with this Policy.

6. IDENTIFICATION OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS:

The Company shall identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

The Company shall identify related party transactions in accordance with Sections 177 & 188 of the Act and Regulation 2(1)(zc) of the Listing Regulations, applicable Accounting Standards and applicable RBI Master Directions/ other Directions. The Company shall determine whether the transaction is in the ordinary course of business and at arm's length basis.

Every Director and Key Managerial Personnel will be responsible for providing a Disclosure of Interest pursuant to Section 184 of the Companies Act, 2013 in the prescribed format, to the Company Secretary on an annual basis.

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of:

- i. All Directors and Key Managerial Personnel;
- ii. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
- iii. Company's holding company, subsidiary companies and associate companies;
- iv. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Regulation 23 of the Listing Regulations, the relevant Accounting Standard or applicable RBI Master Directions/ other Directions.

The database shall be updated whenever necessary and shall be reviewed periodically by the Company Secretary.

Monitoring of Loans to Related Parties as mentioned in Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026 (“Directions”), as amended:

- i. A suitable mechanism for maintaining and periodically updating the list of all the related persons, and the related parties thereof, as well as the loans sanctioned by the Company/ NBFC to such related persons and related parties shall be implemented.
- ii. Credit facilities sanctioned to 'specified employees' and their relatives shall be reported to the Board on an annual basis.
- iii. Periodic reviews shall be conducted at quarterly or shorter intervals by internal auditors to check, inter alia, whether guidelines and procedures in relation to loans to related parties are being adhered to or not.
- iv. Any deviation from the policy relating to lending to related parties and reasons therefor shall be reported to the Audit Committee of the Board.
- v. The Credit policy shall specify aggregate limits for loans towards related parties. Within the aggregate limit, there shall be sub-limits for loans to a single related party and a group of related parties. These limits shall be within the extant prudential exposure limits prescribed by the Reserve Bank.
- vi. Any product, entity or structure formed with the objective of circumventing the Directions through various means, such as reciprocal lending or quid pro quo arrangements, and identified as such by the auditors of the NBFC or by the supervisory authority and investigating agencies shall always be treated as lending to related party.
- vii. The Company shall not grant any loans or advances against the security of its own shares. Further, the Company shall not extend loans against the security of its own debentures, whether issued through private placement or public issue. However, tax-exempt bonds issued by the Company shall be exempt from the above restriction.

7. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

7.1 Audit Committee

The Managing Director/Chief Executive Officer, Chief Financial Officer and Chief Compliance Officer & Company Secretary shall provide a compliance certificate to the audit committee / board of directors on a quarterly basis pertaining to all related party transactions with Related Parties.

All related party transactions and subsequent material modification shall require prior approval of the Audit Committee of the Company. Only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.

Provided that:

- a) a related party transaction above INR 1 crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction exceeds the lower of the following:
 - i. 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
 - ii. the threshold for material related party transactions of the Company as defined in para 3.14 above;
- b) a related party transaction above INR 1 crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, and such subsidiary does not have audited financial statements for a period of at least one year, shall require prior approval of the Audit Committee of the Company if the value of such transaction exceeds the lower of the following:
 - i. 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
 - ii. the threshold for material related party transactions of the Company as defined in para 3.14 above;

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the Audit Committee.

- c) prior approval of the Audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and regulation 15(2) of the listing regulations are applicable to such listed subsidiaries.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (c) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation.

The Audit Committee shall be provided with such details as may be required to assess the RPTs including the information required to be provided as per the Companies Act, 2013, Listing Regulations including Industry Standard Notes and RBI Directions.

The Audit Committee may grant prior omnibus approval for Related Party Transaction(s) proposed to be entered into by the Company or its subsidiary, which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of the following conditions:

- A. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary in line with the Policy and such criteria shall include the following namely:
 - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - ii. the indicative base price / current contracted price and the formula for variation in the price if any; and
 - iii. maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - iv. the maximum value per transaction which can be allowed;
 - v. extent and manner of disclosures to be made to the audit committee at the time of seeking omnibus approval;
 - vi. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company or its subsidiary pursuant to each omnibus approval made;
 - vii. transactions which cannot be subject to omnibus approval by the Audit Committee.
 - viii. such other conditions as the audit committee may deem fit:
- B. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - i. repetitiveness of the transactions (in past or in future);
 - ii. justification for the need of omnibus approval.
- C. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of a repetitive nature and that such approval is in the interest of the Company.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.
- D. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the Company or its subsidiaries pursuant to the omnibus approval given;
- E. Further, the Audit Committee shall review the status of non-omnibus/ long-term (more than one year) or recurring RPTs on an annual basis.

- F. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- G. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

However prior Audit Committee approval and special shareholder resolution will not be required for:

- Transactions entered into by the Company with its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- Transactions entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on the one hand and the Central Government or any State Government or any combination thereof on the other hand.
- Any transaction that involves the providing of compensation to a director or KMP 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.
- Any transactions referred in first proviso to Regulation 2(zc) of Listing Regulations.
- Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of sub-regulation (1) of the Regulation 23 of the Listing Regulations.

Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and vote on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

To review a Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act and the Listing Regulations.

While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances, including the terms and business purpose of such Transaction, the benefits to the Company and to the Related Party, whether such Transaction includes any potential reputational risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

7.2 Board of Directors

In the event of any transaction, contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Act and the Rules framed there-under and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

Further, if the Audit Committee determines that a Related Party Transaction should be brought before the Board, or where Audit Committee does not approve the transaction shall make its recommendation to the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be appropriate under the circumstances.

All loans above the prescribed materiality threshold as mentioned in clause 4.2 of this policy, shall be sanctioned by the Board of Directors for the purpose of sanctioning loans to related parties. As regard to Loans below the prescribed materiality threshold may be sanctioned by the appropriate authority as per the powers delegated under the Credit Policy of the Company.

Directors, KMP, or Specified employees shall recuse themselves from deliberations and decision on loan proposals, or contracts and arrangements, involving themselves or their related parties. Such recusal shall also extend to deliberations and decisions relating to any subsequent material changes to the terms of such loans, including one-time settlements, write-offs, waivers, enforcement of security, implementation of resolution plans, etc.

Further, any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction and shall not be counted in determining the presence of quorum when such Transaction is considered.

In terms of Regulation 4 sub clause 2(f)(ii) (6) of the Listing Regulations, the Board of Directors shall monitor and manage potential conflicts of interest of the management, Board members and shareholders, including misuse of corporate assets and abuse in Related Party Transactions.

7.3 Shareholders

All Material Related Party Transaction and subsequent Material Modification as defined by the Audit Committee shall require prior approval of the shareholders through resolution and no related party shall vote to approve on such resolution whether the Company is a related party to the particular transaction or not.

Shareholders' approval shall not be required for:

- i. a material related party transaction to which the listed subsidiary is a party, but the Company is not a party, if regulation 23 and regulation 15(2) of the Listing Regulations are applicable to such listed subsidiary.

For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

- ii. A material related party transaction in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.
- iii. Any Related Party Transaction or Material Related Party Transaction if entered into with a Wholly Owned Subsidiary, whose accounts are consolidated with the Company and placed before the shareholders of the Company at General Meetings for approval, shall not require approval of the Shareholders.
- iv. Any related party transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with Company and placed before the shareholders at the general meeting for approval, shall not require approval of the shareholders.
- v. Any related party transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand, shall not require approval of the shareholders.

All the transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require prior approval of the shareholders through resolution, if so required under any law, and the Related Parties shall abstain from voting on such resolution.

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as required under the Listing Regulations.

The shareholders' omnibus approval granted for material related party transactions in an Annual General Meeting ("**AGM**") of the Company shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time. In case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

8. RATIFICATION OF RELATED PARTY TRANSACTIONS

In the event the Company becomes aware of an RPT that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction(s) and shall evaluate all options available to the Company, including ratification, revision or termination of ongoing Related Party Transaction(s), if any. The Committee may examine the facts and circumstances of the case and take any such actions it deems appropriate.

If the Company becomes aware of a related party transaction that has not been previously approved by the Audit Committee, the members of the Audit Committee, who are Independent Directors, may ratify

such transaction within three months from the date of the transaction or at the immediately succeeding meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- a. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed Rs. 1 crore;
- b. the transaction is not material in terms of the provisions of sub-regulation (1) of the Regulation 23 of the Listing Regulations;
- c. rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- d. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of the Listing Regulations.
- e. any other condition as specified by the audit committee.

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

Further, in terms of Section 188(3) of the Companies Act, 2013, where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting under sub-section (1) and if it is not ratified by the Board / Shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement, shall be voidable at the option of the Board /Shareholders or, as the case may be and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the Directors concerned shall indemnify the company against any loss incurred by it.

9. DISCLOSURES

The details of Material Related Party Transaction shall be disclosed to the stock exchanges on quarterly basis along with the compliance report on corporate governance.

The Company shall make disclosures of related party transactions every six months on the date of publication of its standalone and consolidated financial results as per prescribed format and publish the same on its website.

The Company shall record the details containing the full particulars of contracts or arrangements in respect of all Related Party Transactions approved by the Audit Committee.

Necessary disclosures shall be made in the Annual Financial Statements as required under applicable Accounting Standards and RBI Master Directions/ other Directions. Further, as required under Regulation 34(3) read with Schedule V of the Listing Regulations, necessary details of all materially significant Related Party Transactions, which may have potential conflict with the interests of the Company at large, shall also be disclosed in the 'Report on Corporate Governance' forming part of the Annual Report of the Company.

The annual report shall include disclosures of transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company and also the disclosure on loan and advances in the nature of loan given to subsidiaries, associates and firms/companies in which Directors are interested, in the format prescribed in the relevant accounting standards for annual results.

The information to be placed before the Audit Committee/ Board/ Shareholders should be in accordance with the Act, Listing Regulations including Industry Standard Notes and RBI Directions.

As per RBI Master Directions, the below disclosure are required:

- a) Details of all material transactions with related party shall be disclosed in the annual report as per format prescribed in the applicable RBI Master Directions/ other Directions.
- b) The Company shall disclose the policy on dealing with Related Party Transactions on its website and also in the annual report.

The various business heads, department heads or any person authorized to enter into any transaction on behalf of the Company shall not undertake any transaction with a related party unless they confirm that the transaction has prior approval of the Audit Committee and that the transaction is both in the ordinary course of business and on an Arm's length basis.

The Company shall disclose this Policy on Related Party Transactions on its website and provide the corresponding web link in the Annual Report. It shall also make the requisite disclosures in its Annual Report and maintain such registers as may be required under the applicable provisions of the Act, the rules and regulations made thereunder, and SEBI/ RBI requirements.

10. AMENDMENT IN LAW

Any subsequent amendment/ modification to the relevant statutes, the Listing Regulations, RBI Master Directions/ other Directions and/or any other applicable regulations/ laws relation to this policy shall be deemed to be incorporated in this policy and be applicable to the Company.

11. REVIEW OF POLICY

This Policy shall be reviewed and assessed periodically, once in Three (3) years and appropriately update the Terms of Reference, based on the changes that may be brought about due to any regulatory amendments or otherwise.
