

Policy on Related Party Transactions

Mintifi Finserve Private Limited

Version Control: 1.0 (FY 24-25)

Line of Business	Compliance Department
Approving Authority	Board of Directors
Date of Approval	12th August 2024

1. **OBJECTIVE AND SCOPE**

This policy is framed in accordance with the provisions of Master Direction - Non-Banking Financial Company Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and Companies Act 2013, and such other Rules/Regulations/Notification and Guidelines, if any and to the extent applicable in this regard including any statutory modification(s) or re-enactments thereof for the time being in force, if any.

The objective of the policy is to ensure that dealing in the related party transactions are done in a transparent manner, with required disclosures, approvals in place. The Broader scope of the policies would be as follows:-

- Identification of the related parties
- Ascertaining the transactions, if any, with the related parties are in ordinary course of business and at arm's length basis.
- Identifying related parties transactions;
- Obtaining approvals before entering into any related party transactions.
- To guide the Company to effectively comply with the provisions of Act, Accounting standards as issued by Institute of Chartered Accountants of India, Income Tax Act, 1961 and such other statutes as may be put in place, in relation to related party transactions.

2. **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.

“Audit Committee” shall mean the committee constituted by the Board as such.

“Arm's Length Transaction / Arm's Length Basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Board” shall mean the Board of Directors.

“Key Managerial Personnel” or KMP For the purpose of this Policy, KMP shall necessarily include Anup Vijaykumar Agarwal, Ankit Mehta and Sanjoy Shome and shall also include person as defined and appointed as such under the Companies Act, 2013 to be read in conjunction with any other Rules/Regulations/Guidelines, if any and to the extent applicable in this regard.

“Material RPT” means any contract/ arrangement with a related party as defined under Section 188(1) of the Act, which is equal to or exceeds the limits mentioned under Rule 15(3) of the Companies (Meetings of the Board and its powers) Rules, 2014 as per the latest audited financial statements of the Company.

“Related Party” means a related party defined and identified as such under Act, RBI Regulations, Accounting Standards and such other laws as may be applicable to the Company from time to time.

“Related Party Transaction” shall mean a transaction falling under the ambit of transaction defined as Related Party Transaction under laws applicable to the Company and inter alia should include transfer of resources, services or obligations etc. between a Company and a related party.

“Relative” means a Relative defined and identified as such under Act, RBI Regulations, Accounting Standards and such other laws as may be applicable to the Company from time to time.

“Ordinary Course of Business” means a transaction in which reasonable approach/methodology has been adopted by the Company to determine Ordinary Course of Business and which is:

- Carried out in the normal course of business as envisaged in the Memorandum of Association of the Company as amended from time to time;
- Activities carried out in promoting and or in furtherance of the company’s business objective;
- Historical practice with a pattern of frequency;
- Common commercial practices customarily taken in the ordinary course of business by the companies that are operating in the similar lines of business; or
- Meets any other parameters/criteria as decided by Board of Directors on the recommendation of Audit Committee

3. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:

Audit Committee approval

- a) All Related Party Transactions or any subsequent modifications in this regard shall require approval of the Audit Committee. The Audit Committee may grant omnibus approval for the related party transaction which are repetitive in nature and are in the ordinary course of business and are at arm’s length, subject to obtaining necessary approvals and compliance in this regard. The criteria and the limit for the omnibus approval shall be in accordance with the requirements stipulated under the Companies Act 2013, read with rules made thereunder including any statutory modification(s) or re-enactments thereof for the time being in force.
- b) Any member of the Audit Committee, if interested in the related party transaction shall abstain from discussion and voting on the matter.
- c) Audit Committee on yearly basis shall review, the details of Related Party Transactions entered into between the related party and the Company

Board of Directors approval.

- a) On the recommendation of the Audit Committee, all related party transaction shall be approved by the Board of Directors. All transactions not being in the ordinary course of business or not being at Arm Length Basis shall require prior approval of the Board of Directors, in terms of Section 188 of the Companies Act 2013.
- b) Interested Director shall not be present during the discussions and vote on the subject matter of the resolution relating to such contract or arrangement.

- c) Approval of the Board of Directors shall be obtained by way of a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Board

Shareholders approval

Approval of the shareholders of the Company shall be obtained by way of an ordinary resolution in case the contract or arrangement falls within the criteria specified as per Section 188(1) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014.

All RPT specified in the Act which are not in Ordinary Course of Business of the Company or not at Arm's Length Basis and exceed the thresholds laid down in the Companies Act, 2013 and Companies (Meeting of Board and its Power) Rules, 2014, as amended from time to time, shall be placed before the shareholders for its approval. Notwithstanding, the RPTs which cross the thresholds as defined herein shall be entered by the Company only with the prior approval of shareholders of the Company, as per Section 188 of the Act. However, shareholders' approval shall not be required for Material RPTs entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with that of the Company and placed before the shareholders at the general meeting for approval.

4. CRITERIA AND INFORMATION TO BE PROVIDED FOR APPROVAL OF RELATED PARTY TRANSACTION POLICY

Audit Committee/ Board of Directors/Shareholders, as the case may be shall be provided with all relevant material information of the Related Party Transaction, including the details of the related party, terms of the transaction, commercials, if any and any other relevant matters.

The information provided specifically covers the following:

- I. The name of the related party and nature of relationship.
- II. The nature, duration of the contract and particulars of the contract or arrangement;
- III. The material terms of the contract or arrangement including the value, if any;
- IV. The manner of determining the pricing and other commercial term
- V. Any other relevant information for to take a decision on the proposed transaction.

5. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In case the Company becomes aware of a Related Party Transaction that does not have prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including the applicable provisions in this regard and based on the evaluation, the Audit Committee might recommend measures including ratification, revision or termination of the Related Party Transaction.

6. AMENDMENT

Any amendment in this policy shall be done with the recommendation of the Audit Committee and on the approval of the Board of Directors. Notwithstanding anything contained herein, any subsequent amendment in the Companies Act 2013 or rules made thereunder or any other applicable law in this regard, shall automatically apply to this Policy. Accordingly, this policy shall be duly revised to incorporate any amendments.

7. POLICY REVIEW

This Policy shall be reviewed by the Audit Committee every year, in order to align with the ongoing regulatory and business requirements. The policy as reviewed by the Audit Committee shall be placed before the Board for its approval.

8. DISCLOSURE:

Appropriate disclosures as required under the Companies Act 2013 and other applicable laws and regulatory disclosures will be made in the Annual Report and the Board Report of the Company. This Policy shall be disclosed on the website of the Company.