



## **ANANYA FINANCE FOR INCLUSIVE GROWTH PVT. LTD.**

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### POLICY ON RELATED PARTY TRANSACTIONS

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## I. BACKGROUND

Ananya Finance for Inclusive Growth Private Limited (“the Company” or “Ananya”) is a Non-Banking Financial Company - Systemically Important - Non-Deposit taking (NBFC- NDSI) registered with Reserve Bank of India (“RBI”). As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“the directions”), the Company needs to frame and disclose a policy on Related Party Transaction.

## II. PREFACE

The Board of Directors (the “Board”) of the Company has adopted this Policy in order to ensure compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013 (“the Act”), the Rules made thereunder and RBI Directions. This Policy has been formulated to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

## III. OBJECTIVE

The objective of framing this policy is to:

- a) Identify Related Party Transactions
- b) Stipulate the materiality of thresholds of Related Party Transactions, and
- c) Stipulate the process to be followed for approval of transactions identified as RPTs.

## IV. DEFINITIONS

- a) “Act” means the Companies Act, 2013 and rules made thereunder
- b) “Arm’s Length Transactions” shall have the meaning as described under Section 188 of the Companies Act, 2013
- c) “Audit Committee” means Committee of Board of Directors of Ananya constituted pursuant to the Companies Act, 2013
- d) “Board” means Board of Directors of Ananya
- e) “Key Managerial Personnel” shall have the meaning described to it under Section 2(51) of the Act
- f) “Material Related Party Transaction” means and includes transactions which exceed the threshold limits as defined under Section 188 of the Companies Act, 2013 read with rules made thereunder, as amended from time to time
- g) “Related Party(ies)” shall have the meaning described to it under section 2(76) of the Act, read with rule 3 of the Companies (Specification of definition details) Rules, 2014, as amended from time to time
- h) “Relative” shall have the meaning described to it under Section 2(77) of the Act and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014, as amended from time to time.
- i) “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961 (43 of 1961)

## V. IDENTIFICATION OF RELATED PARTIES

An illustrative list of persons/entities that will be treated as parties related to Ananya Finance is given below:

- a) A director of Ananya Finance or his relative (Relative includes a member of the same HUF, husband, wife, father, stepfather, mother, stepmother, son, stepson, son's wife, daughter, daughter's husband, brother, stepbrother, sister, step-sister)
- b) Key managerial personnel (KMP) of Ananya Finance or their relative
- c) A firm where the director, manager (KMP) of Ananya Finance, or their relative is a partner.
- d) A private company where a director, manager of Ananya Finance, or their relative is a member or director.
- e) A public company in which a director or manager of Ananya Finance is a director and holds along with his relatives more than 2% of its paid-up capital.
- f) A body corporate whose board of directors, Managing Director or manager is required to act on the advice, directions or instructions of a director or manager of Ananya Finance (not applicable in cases where these directions are followed in the professional capacity)
- g) A person on whose advice, directions, or instructions a director or manager of Ananya Finance needs to act (not applicable when this is done in a professional capacity)
- h) Holding, Subsidiary or Associate company of Ananya Finance
- i) Any company which is a subsidiary of a holding company to which Ananya is also a subsidiary (fellow subsidiary)

## VI. RESPONSIBILITY OF DIRECTORS TO DISCLOSE THE NATURE OF RELATIONSHIP / CONCERN / INTEREST

- a) Every Director, at the first meeting of the Board in which he participates in the capacity as a Director and thereafter at the first meeting of the Board in every financial year, or in the event of change in the disclosures already made by the Director, shall disclose his concern or interest, in any company(ies) or body corporate, firms, or other association of individuals which shall include the shareholding, in such manner as prescribed.
- b) Every Director, who either directly or indirectly, is concerned or interested in a contract or a proposed contract or arrangement shall disclose the nature of his concern or interest, as provided in the Act, at the meeting or Board in which the contract or arrangement is discussed and shall not participate in such meeting.
- c) Every Director who is not concerned or interested at the time of entering such contract or arrangement but becomes interested or concerned after the contract or arrangement is entered, shall disclose his concern or interest forthwith or at the first Board meeting held after he became so concerned or interested.
- d) Further, it shall be the responsibility of every Director or Key Managerial Personnel to disclose to the Company, within 30 days of his appointment or relinquishment of his office, the details as prescribed in the above-mentioned sub-clause (a), which relate to his concern or interest in other associations, which are required to be recorded in the register(s) to be maintained by the Company or such other information relating to himself as may be prescribed in the relevant rules made thereunder.

## VII. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

The following transactions, if entered with Related Party, shall be considered as RPT:

- 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 or associate company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the Company.

## VIII. RELATED PARTY TRANSACTIONS THAT REQUIRE PRIOR APPROVAL OF BOARD OF DIRECTORS

Any of the proposed transactions of the nature specified in section VII to be entered with a related party, not being in the ordinary course of business and not on arm's length basis shall have to be approved by the Board of Directors.

## IX. REVIEW OF RELATED PARTY TRANSACTIONS BY AUDIT COMMITTEE:

All the proposed transactions determined as RPTs under section VIII above shall be referred to the Audit Committee. If the Audit Committee, shall, if found appropriate, recommend the transaction for approval to the Board of Directors.

## X. APPROVAL OF RELATED PARTY TRANSACTION BY BOARD:

- In the event the Audit Committee determines that the proposed RPT should be brought before the Board, or if the Board in any case elects to review any such matter, or it is mandatory under the Act or any law for the Board to approve the RPT, then the Board shall consider and approve the RPT, at a meeting, and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstance.
- In order to ensure the independence of the decision of the Audit Committee/Board with respect to RPTs, in the event any member of the Audit Committee/Board has a potential interest in any RPT, such member shall not remain present at the meeting or abstain from discussion and voting on such RPT.

## XI. APPROVAL OF RELATED PARTY TRANSACTIONS BY SHAREHOLDERS:

- In the event a transaction is not in ordinary course of business, not on arm's length price and exceeds the limits specified in the Act read with rules made thereunder, the Board, shall recommend the transaction for approval by the shareholders through a special resolution.
- In case the member of Ananya Finance is a Related Party in the concerned transaction, such member shall not vote to approve such related party contract or arrangement. However, if Ninety Per Cent or more of the members, in number, are relatives of promoters or related parties, then they can vote to approve such related party contract or arrangement.
- Provided that the approval of shareholders is not required for transactions entered between Ananya Finance's holding company and Ananya Finance's wholly owned subsidiary whose

accounts are consolidated with such holding company. A resolution placed before the shareholders by the holding Company shall be sufficient for the purpose of entering into the transaction between the wholly owned subsidiary and the holding company.

## XII. RELATED PARTY TRANSACTIONS ENTERED INTO WITHOUT APPROPRIATE APPROVAL

- If any RPT is entered into by a director or any other employee
  - a. without obtaining the consent of the Board or
  - b. approval by a resolution in the general meeting as per applicable provisions or
  - c. if it is not ratified by the Board or, as the case may be, by the 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 or, as the case may be, of the shareholders.
- 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 Ananya Finance against any loss incurred by it.
- Ananya Finance may proceed against a Director or any other employee who had entered into such contract or arrangement in contravention of the provisions of this policy for recovery of any loss sustained by it as a result of such contract or arrangement.

## XIII. PROVISIONS RELATING TO GRANT OF AN OMNIBUS APPROVAL FOR RPTS

The Audit Committee may grant an omnibus approval for RPTs proposed to be entered into by Ananya Finance subject to the following conditions:

- A. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting an omnibus approval which shall include the following:
  - a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year
  - b) the maximum value per transaction which can be allowed
  - c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval
  - d) review, at such intervals as the Audit Committee may deem fit, of RPTs entered by the company pursuant to each of the omnibus approval granted
  - e) transactions which cannot be subjected to the omnibus approval by the Audit Committee.
  - f) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval:
    - 1) repetitiveness of the transactions (in past or in future)
    - 2) justification for the need of an omnibus approval and such approval is in the interest of the company
- B. The omnibus approval shall contain or indicate the following:
  - a) name of the related parties
  - b) nature and duration of the transaction
  - c) maximum amount of transaction that can be entered into

- d) the indicative base price or current contracted price and the formula for variation in the price, if any, and
- e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, the Audit Committee may grant an omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- C. Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
- D. Omnibus approval shall not be granted for transactions in respect of selling or disposing of the undertaking of the company.
- E. Any other conditions as the Audit Committee may deem fit.

#### XIV. MAINTENANCE OF REGISTER

Ananya Finance shall maintain a Register, in the form of MBP 4 (specified under the Companies Act /Rules) to record the RPTs which are approved by the Board/Shareholders.

Ananya shall, after entering the particulars of all contract or arrangement to which section 184(2) & 188 applies, placed before the board in the next meeting such register and such register shall be signed by all the Directors present at the meeting.

#### XV. DISCLOSURE

- a) The RPT policy shall be disclosed on Ananya's website and a URL to the website page shall be mentioned in the Annual Report.
- b) Details of all material transactions with the related parties shall be disclosed in the Annual Report.

#### XVI. REVIEW

The Policy shall be reviewed by the Board/Audit Committee at such intervals as and when deemed necessary, in order to align the same with the prevalent regulatory and business requirements and at least, once a year.