

Related Party Transaction Policy

VERSION CONTROL

Version Control No.	Author	Date Created / updated	Date Published	Date Effective	Version Description	Signature of Director/ Department Head
V.1	Ms. Shraddha Dalvi	25/07/2017	03/08/2017	02/08/2017		

Related Party Transaction Policy

PREAMBLE:

Niyogin Fintech Limited (“the Company”) is a Non-Banking Financial Company registered with the Reserve Bank India. The Company is promoted by Information Interface India Private Limited. The Company is professionally managed and has good corporate governance and internal control system. The Board of Directors (“the Board”) of the Company understands the importance of stakeholders’ confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest inflicting any apprehension in the minds of the stakeholders, the Board of the Company, acting upon recommendation of its Audit Committee (the Committee), has adopted the following policy and procedures with respect to Related Party Transactions of the Company.

PURPOSE:

The policy is not only to be in the best interests of its stakeholders but also in due compliance with the requirements of the Companies Act, 2013 and other applicable laws of the country. Further, as per the revised Clause 49(VII) of the Listing Agreement, a policy need to be formulated to deal with Related Party Transactions including formulating a policy on materiality of Related Party Transaction. This policy therefore lays down the mechanism to deal with Related Party Transactions.

DEFINITIONS:

“Act” means the Companies Act, 2013.

“Arms length transactions” means transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Listing Agreement” means Equity Listing Agreement entered by the Company with the respective Stock Exchanges in India.

“Material Related Party Transactions” would mean related party transactions as defined under the proviso to sub-clause (C) of Clause 49(VII) and contracts or arrangements given under Rule 15 of the Companies (Meetings of Board and its Powers) Rule, 2014 requiring shareholders’ approval.

“Related Party” is a party as defined in sub-section (76) of Section 2 of the Act and sub-clause (B) of Clause 49(VII) of the Listing Agreement.

“Related Party Transactions” or “RPT” means transactions as given under clause (a) to (g) of sub-section (1) of Section 188 and as defined in sub-clause (A) of Clause 49(VII) of the Listing Agreement. These include

Related Party Transaction Policy

sale, purchase, leasing or supply of goods or property, availing / rendering of any services, appointment of agents for any of the above, underwriting of securities, transfer of resources, services or obligations between a company and a related party regardless of whether price is charged.

POLICY:

All RPT should be referred to the Audit Committee of the Company for prior approval with effect from 1st April 2017, irrespective of its materiality. The Audit Committee shall also approve any subsequent modification of RPT. The onus will be on Finance Department to refer RPT or potential RPT to the Audit Committee. The Audit Committee shall consider the following while determining approval to an RPT –

- Nature of relationship with related party;
- Nature, material terms, monetary values and particulars of the contract or arrangement;
- Method and manner of determining the pricing and other commercial terms;
- Whether the transaction is at arm's length; and
- Any other information relevant or important for the Audit Committee / Board to take a decision on the proposed transaction.

Audit Committee may also grant omnibus approval for RPT proposed to be entered into by the Company subject to fulfillment of the following conditions:

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify: (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into; (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 Crore per transaction.

- d) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- e) Audit Committee shall review on a quarterly basis, the details of RPT entered into by the Company pursuant to each of the omnibus approval given.

Related Party Transaction Policy

No prior approval of Audit Committee is required to be obtained by the Company, if the RPT is proposed to entered into with its wholly owned subsidiaries.

Any changes in the policy on account of regulatory requirements will be reviewed and approved by the Audit Committee and the Board. The Audit Committee / Board will give suitable directions / guidelines to implement the same.

APPROVAL OF TRANSACTIONS:

The Audit Committee, on the recommendation of the management, will approve certain transactions with related parties which would occur on regular basis or at regular intervals. The Audit Committee shall at the end of each year appraise the position of the approved transactions to ensure that all necessary requirements are being complied with. It has been decided that all RPT in the normal course of business would be undertaken at arm's length price. The Board will approve all RPT which are not at arm's length and / or which are not in the ordinary course of business.

APPROVAL OF TRANSACTIONS - SHAREHOLDERS APPROVAL:

All Material RPT would require approval of the shareholders, based on recommendation of the Board, through special resolution passed at the general meeting. However, approval of the shareholders would not be required to be obtained by the Company for such Material RPT as defined under the proviso to sub-clause (C) of Clause 49(VII) of the Listing Agreement, proposed to be entered into with its wholly owned subsidiaries. None of the parties concerned or having interest in the transaction, directly or indirectly, should vote on resolution for such transaction. If the Audit Committee or its Chair or the concerned Finance head determines that a RPT should be referred to the Audit Committee or if the Audit Committee in any case elects to review any such matter, the Audit Committee will review and approve the contracts / arrangements / transactions, including modifications.

DISCLOSURE:

Appropriate disclosures as required under the Act and the Listing Agreement will be made in the Financial Statements, Board's Report, Stock Exchanges and website of the Company.

APPLICABILITY:

In the event of any provisions contained in this Policy is inconsistent with the provisions contained in the Clause 49 of the Listing Agreement, Companies Act, 2013 or Accounting Standards, etc. or any amendments thereto, (Regulatory Acts), the provisions contained in the Regulatory Acts will prevail.