
NIYOGIN FINTECH LIMITED

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

Objective of the Policy

The objective of this policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the such transactions between the Company and its related parties based on the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

2. Definitions

1. **“Act”** means Companies Act, 2013 and as amended from time to time.
2. **“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.
3. **“Board of Directors”** or **“Board”** in relation to a Company, means the collective body of Directors of the Company. (Section 2(10) of the Companies Act, 2013)
4. **“Company”** means Niyogin Fintech Limited, a Company incorporated under the Companies Act, 1956.
5. **“SEBI (LODR) Regulations, 2015”** or **“LODR”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.
6. **“Material Related Party Transaction”** shall have the meaning as per Clause 6 of this Policy.
7. **“Material Modification”** shall have the meaning as per Clause 7.1 of this Policy.
8. **“Ordinary Course of Business”** means transaction will be considered in ordinary course if they are normal course of the business pursuant to the objects of the Company as per the Memorandum & Articles of the Company.
9. **“Policy”** means this Policy, as amended from time to time.
10. **“Relative”** means a relative as defined under the Companies Act, 2013 or rules made thereunder and LODR, as amended from time to time.
11. **“Related Party”** means a related party as defined under the Companies Act, 2013 or rules made thereunder and LODR, as amended from time to time.
12. **“Related Party Transactions”** or **“RPT”** shall mean such transactions as specified under the

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provisions of the Companies Act, 2013 & LODR including any amendment or modification thereof, as may be applicable.

13. **“SEBI”** means Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).
14. **"The Audit Committee or Committee"** means Committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013 and LODR.
15. **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions.

The terms ‘Related Party’, ‘Related Party Transactions’, ‘Relative’, ‘Material Related Party Transaction(s)’, ‘Arms’ length transaction’, ‘Omnibus Approval’ & such other terms will carry the meaning as stated under the Companies Act, 2013 or LODR, as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, LODR, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation, including any amendment or modification thereof, as may be applicable.

3. Objectives

- This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.
- The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

4. Rationale of the Policy

- The Audit Committee shall review and approve all RPTs including subsequent material modifications thereof based on this Policy.
- All proposed RPTs must be reported to the Committee for prior approval by the Committee in accordance with this Policy. In the case of frequent/regular/ repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval/omnibus approval, details whereof are given in a separate section of this Policy.
- In cases, where a prior approval is not taken due to an inadvertent omission or due to unforeseen circumstances, the Committee and the Board may ratify the transactions in accordance with the applicable law and this Policy.

5. Identification of Related Parties & Transactions

- a) Every Director will be responsible for providing a declaration in the format as per *Annexure 1* containing the following information to the Company Secretary/ Compliance officer on an annual basis:

Sr. No.	Particulars
1.	Names of his/her Relatives
2.	Partnership firms in which he/she or his / her Relative is a partner
3.	Private Companies in which he/she or his/her Relative is a member or a Director
4.	Public Companies in which he/she is a Director and holds along with his/her Relatives more than 2% of paid up share capital
5.	Any Body Corporate who's Board of Directors, Managing Director or Manager is accustomed to act in accordance with his/her advice, directions or instructions
6.	Persons on whose advice, directions or instructions, he/she is accustomed to act (other than advice, directions or instructions obtained from a person in professional capacity)

Every Director and the Key Managerial Personnel will also be responsible to update the Company Secretary of any changes in the above relationships, directorships, holdings, interests and/or controls immediately on him/her becoming aware of such changes.

- b) Besides the above, the Company will also identify other Related Parties as required under the Companies Act, 2013 and Clauses mentioned under the SEBI (LODR) Regulations, 2015, as amended from time to time.

6. Materiality of the transaction (Material Related Party Transactions)

- a) Transactions with a Related Party covered under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, shall be governed by the respective limits provided under the said rules.
- b) A transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.
- c) Notwithstanding the above, 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 5 percent of the annual

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consolidated turnover of the Company as per the last audited financial statements of the Company.

7. Review and Approval of Related Party Transactions

7.1 Approval of the Audit Committee

(1) All Related Party Transactions including subsequent Material Modifications thereof of the Company shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by circulation or electronic mode or any other manner as provided by the Act or Rules made thereunder. Provided that only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

For the above purpose, ‘**Material Modifications**’ as defined by the Audit Committee would refer to the following:

Material Modification will mean & include any modification to an existing RPT having variance of 20% of the existing limit or Rs.1 crore whichever is higher, as sanctioned by the Audit Committee/ Shareholders, as the case may be. Provided further that:

- a related party transaction 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 if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company;
- With effect from April 1, 2023, a related party transaction 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 whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

(2) The onus will be on Finance Department to refer RPT or potential RPT to the Audit Committee. The Audit Committee shall consider all the relevant facts such as 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.

(3) Where the Company enters into a contract/transactions with a related party, which stipulates details of every transaction like nature of the transaction, period of transaction, contract price or methodology of price determination/variation, if any, maximum amount of transaction, credit terms etc., prior approval once given by the Audit Committee would suffice and Audit Committee would only note, if required, the transactions that are entered into pursuant to such master agreement and such transactions will not require any additional approval of the Audit Committee unless there is any Material Modification.

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(4) The Audit Committee shall, specify the criteria for making the omnibus approval which shall include the following, namely:

- (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, related party transaction entered into by the company pursuant to each of the omnibus approval made;
- (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

(5) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -

- (a) Repetitiveness of the transactions (in past or in future);
- (b) Justification for the need of omnibus approval.
- (c) The need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.

(6) 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 related party transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may make omnibus approval for such transactions subject to their value not exceeding Rupees One crore per transaction.

(7) Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of one financial year. However, the Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

(8) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

(9) In an unforeseen event where a Related Party Transaction, for which Omnibus approval has not been given by the Audit Committee, needs to be entered due to business exigencies between two Audit Committee meetings, the Audit Committee may approve such Related Party Transaction by passing a resolution by circulation, after satisfying itself that such transaction is in the interest of the Company.

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(10) A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

Ratification of Related Party Transactions by the Audit Committee:

(11) In case if a Related Party Transaction is not approved (prior / omnibus) by the audit committee, then the audit committee can ratify the Related Party Transaction within 3 months from entering into the transaction (or) in the immediate next meeting, whichever is earlier subject to the following conditions:

- i) 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 rupees one crore;
- ii) the transaction is not material in terms of point 6 of this Policy,
- iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- iv) 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 regulation 23 of the SEBI (LODR) Regulations, 2015;

(12) Subject to the applicable laws, the Audit Committee shall have the power to ratify, revise, modify or terminate the RPTs, which are not in accordance with this Policy.

7.2 Approval of the Board of Directors of the Company

a) As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, shall be placed before the Board for its approval, on recommendation of the Audit Committee.

b) In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which exceed the limits prescribed under the Act and Rules thereunder from time to time i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval;
- Transactions meeting the materiality thresholds laid as prescribed under the Companies Act, 2013 and rules made there under and the SEBI (LODR) Regulations, 2015, which are intended to be placed before the shareholders for approval.

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c) While assessing a proposal put up before the Audit Committee/Board for approval, the Audit Committee/Board may review the following documents/ seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not (*only to the extent relevant to the transaction*):

1. Name of the Related Party and nature of relationship;
2. Nature and duration of the contract/arrangement/transaction and particulars thereof;
3. Material terms of the contract or arrangement or transaction including the value, if any;
4. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
5. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
6. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
7. Whether all factors relevant to the contract/arrangement/transaction have been considered, if not, the details of factors not considered with rationale for not considering those factors;
8. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any;
9. Applicable statutory provisions, if any;
10. Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
11. Justification as to the arm's length nature of the proposed transaction;
12. Declaration whether the transaction is in the ordinary course of business;
13. Persons / authority approving the transaction;
14. Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.

d) In determining whether approval needs to be accorded to a Related Party Transaction, the Audit Committee/Board may consider the following factors:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would impair the independence of an otherwise Independent Director;
- Whether the Related Party Transaction would present a conflict of interest for any Director or KMP of the Company, taking into account the size of the transaction, the overall interest of the Director, KMP or other Related Party, the direct or indirect nature of the Director's, KMP's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Audit Committee deem fit to consider.

e) On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.

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f) Any member of the Board who has any interest in any related party transaction will recuse himself and abstain from discussion and shall not vote to approve the related party transaction.

7.3 Approval of the Shareholders of the Company

In terms of the provisions of the LODR, as may be amended from time to time, all Material Related Party Transactions including subsequent Material Modifications thereof shall require approval of shareholders of the Company 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.

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of LODR are applicable to such listed subsidiary.

Explanation: 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.

Provided further that the requirements specified under this regulation 23(4) of LODR shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

All Related Party Transactions pursuant to Section 188 of the Act which are not in the ordinary course of business and/or not an Arms' length basis and which cross the threshold limits prescribed under Act shall also require the approval of shareholders of the Company through resolution and the Related Parties with whom transactions are being entered shall abstain from voting on such resolution(s).

In case, the shareholders do not approve a Related Party Transaction, the Board/Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable to shareholders for approval.

7.4 RPTs not previously approved

- Where a Director and any other employees enters into any RPT without obtaining prior consent of the Board, the same shall be ratified by the Audit Committee and/or Board and/or Shareholders at its meeting within three months from the date of entering into such contract or arrangement.
- A Related Party Transaction including subsequent Material Modifications thereof entered into without prior approval of the Audit Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee/Board for ratification as promptly as reasonably practical after it is entered into and such transaction is ratified.
- The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but

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not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee deems appropriate under the circumstances.

- Notwithstanding, the right to ratify such contract or arrangement vests with the Committee or Board or the Shareholders, as the case may be, as may be deemed appropriate in the facts and circumstances.

7.5 Prior consent of the Board and Shareholder

Prior consent of the Board and the Shareholders would be taken in respect of all RPTs, including Material Modifications thereof, except in the following cases:

- Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules thereunder or the LODR, as may be applicable;
- Where the transactions are entered into by the Company in its ordinary course of business and are on arms' length basis;
- Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the Company;
- Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed Rs 1,000 crore or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company, whichever is lower;
- Transactions entered into between the Company & any of 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.

Further, the following transactions shall not require separate approval under this Policy:

- Any transaction that involves the providing of compensation to a Director or Key Managerial Personnel 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 transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro-rata as the Related Party.
- Transactions that have been approved by the Board under the specific provisions of the Act, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;
- Payment of Dividend;
- Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off, approved by the Board and carried out in accordance with the specific provisions of the Act and the SEBI (LODR) Regulations, 2015;
- Contribution to Corporate Social Responsibility (CSR), subject to approval of CSR Committee and

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within the overall limits approved by the Board of Directors of the Company.

- Transactions entered into with the approval of the Audit Committee/ Board in accordance with previous Related Party Policy of the Company.

Notwithstanding the above, approval of the Board & shareholders would be necessary, where the RPTs exceed the following threshold limits:

Sr. No.	Description	Threshold limits (Rs. In crores)
1	Sale, purchase or supply of any goods or materials or securities	1000 Crores
2	Borrowing including by way of deposits	
3	Selling or otherwise disposing off or buying of any property including by way of leave and license arrangement	
4	Availing or rendering of any services including lending	

8. Disclosures

Appropriate disclosures as required under the Act and the LODR shall be made in the Annual Return, Directors Report and to the Stock Exchanges.

9. Amendment to the Policy

Any Changes to the policy on account of regulatory requirements will be reviewed and approved by the Audit Committee or the Board or Chief Financial Officer of the Company subject to approval of Audit Committee. The above policy is subject to review from time to time and at least once in every three years.

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

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ANNEXURE I

To,
The Company Secretary/ Compliance Officer
Niyogin Fintech Limited
 Neelkanth Corporate IT Park, 311/312,
 3rd Floor, Kirol Road,
 Vidyavihar (w), Mumbai – 400086

Dear Sir(s)/Madam

I, son/ daughter of, resident of, being a in the Company, hereby give notice of my interest or concern in the following company or companies, bodies corporate, firms or other association of individuals: [Strike out which is not applicable]

Sr. No.	Names of the Companies /bodies corporate/ firms/ association of individuals	Nature of interest or concern / Change in interest or concern*	Number of shares / Shareholding in % of paid-up share capital	Date on which interest or concern arose / changed
Public Companies¹				
Private Companies				
Non-Profit Companies / Organisations				
Body Corporates (including Foreign Companies)				
Association of Individuals				
Partnership Firms / Proprietary Concern/LLP				

* Director/ Member/ Partner/ Promoter/ Manager/CEO/ Owner

¹ Please provide the details of shareholding in public company only if director holds by himself/herself or with other directors more than 2% of the paid-up share capital of that company.

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INDIRECT INTEREST

- Names of public companies in which I am a Director and along with my relatives hold more than 2% of total paid-up share capital

Name of Public Company	Percentage of Holding

- Name of Partnership Firms/Proprietary Concern/LLP in which relative is a Partner

Name of Relative	Name of Partnership Firm/ Proprietary Concern/ LLP

- Name of Companies in which relative is a Director or Member

Name of Relative	Name of Company	Nature of Interest (Director/ Member)

- Name of Association of Individuals where relative is a Member

Name of Relative	Name of Association of Individuals

- *Name of Body Corporates whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with my advice, directions or instructions -

- *Name of Persons on whose advice, directions or instructions I am accustomed to act- NIL

**Advice, directions or instructions given in professional capacity are exempted from disclosure.*

- Name of Body Corporates in which I am a Promoter, Manager or Chief Executive Officer

Name of Company	Designation

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LIST OF RELATIVES

[Pursuant to Section 2 (77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014]

Sr. No.	Relatives	Name of the Relative
1.	Spouse	
2.	Father (includes step-father)	
3.	Mother (includes the step-mother)	
4.	Son (includes the step-son)	
5.	Son's wife	
6.	Daughter	
7.	Daughter's husband	
8.	Brother (includes the step-brother)	
9.	Sister (includes the step-sister)	

I am a member of the following HUFs. The names of other members of these HUFs are as follows:

Name of the HUF		Name of other members of the HUF
NIL	:	

Sign:

Name:

Designation:

DIN, if applicable:

Date:

Place: