

# VAYA FINSERV PRIVATE LIMITED

## RELATED PARTY TRANSACTION POLICY

### **1. SCOPE AND PURPOSE OF THE POLICY**

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulation 23”) and Section 188 of the Companies Act, 2013.

Also, Regulation 23(1) of the SEBI Listing Regulations and Section 188 of the Companies Act, 2013 requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In the light of the above, the Company has framed this Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on the recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

### **2. 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 transactions between the Company and its related parties based on the Section 188 of the Companies Act, 2013, Regulation 23 of the SEBI 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.

3.2 “SEBI Listing Regulations” means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

3.3 “Regulation 23” means the Regulation no. 23 of the Securities and Exchange Board of India (Listing / Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time.

3.4 “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.

3.5 “Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining the ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

3.6 “Company” means Vaya Finserv Private Limited.

3.7 “Relative” with reference to a Director or KMP means persons as defined in Section 2 (77) of the Act and rules prescribed thereunder, as amended from time to time.

3.8 “Related Party” shall have the meaning as defined in Section 2(76) of The Companies Act, 2013 and Regulation 2(l)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3.9 "Related Party Transaction" shall have the meaning as defined under Regulation 2( 1 )(zc) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as means, transfer of resources, services or obligations between a listed entity and a related party, regardless of whether price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract.

3.10 “Material Related Party Transaction” means a transaction with a Related Party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds mentioned in clause 4 of this policy or the Act or the SEBI Listing Regulations.

3.11 “Key Managerial Personnel” or “KMP” shall have the meaning as defined in Section 2 (76) of the Companies Act 2013 and as amended from time to time

*Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation and as amended from time to time.*

#### **4. MATERIALITY THRESHOLDS**

Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. None of the related parties of a company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not.

Vaya Finserv Private Limited has fixed the following materiality threshold for the purpose of Regulation 23 (1), 23 (1 A) and 23(4) of the SEBI Listing Regulations:

- Payment to a Related Party with respect to brand usage or royalty - 5% of the annual consolidated turnover of the Company as per its last audited financial statements.
- Other transactions with a Related Party - 10% of the annual consolidated turnover of the Company as per its last audited financial statements.

Related Party Transaction policy on materiality and its threshold limits shall be reviewed by the Board of Directors of the Company once every three years and updated accordingly.

## **5. PERIODIC IDENTIFICATION OF RELATED PARTIES**

The Company identifies and updates 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, as amended from time to time.

Moreover, Each Director and Key Managerial Personnel is required to provide notice to the Board regarding persons and entities to be considered as `Related Parties` by virtue of his/her being Director/ KMP in the company. Such Notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

## **6. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS**

### **A Audit Committee**

6.A.1 All the transactions which are identified as Related Party Transactions require prior approval from the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

6.A.2 Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. 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 and/or of shareholders in accordance with applicable laws.

6.A.3 The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature subject to the following conditions namely -

- a. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval which shall include the following namely:
  - Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
  - The maximum value per transaction which can be allowed;
  - extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval
  - review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
  - transactions which cannot be subject to the omnibus approval by the Audit Committee
- b. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
  - repetitiveness of the transactions (in past or in future);
  - justification for the need of omnibus approval

- c. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company;
- d. The omnibus approval shall provide details of
- the name/s of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into,
  - basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any and
  - such other conditions as the Audit Committee may deem fit.
- Provided that where the need for related party transactions 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 (rupees one crore) per transaction.
- e. 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 pursuant to the omnibus approval given;
- f. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year.
- g. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- h. Any other conditions as the Audit Committee may deem fit

6.A.5 A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

## **B Board of Directors**

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

## **C- Shareholders**

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds the thresholds mentioned under clause 4 of this policy or the Act or the SEBI Listing Regulations, it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction.

## **7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all the options available to the Company, including ratification, revision or termination of the Related Party Transaction.

In any case, where Audit Committee determines not to ratify a Related Party Transaction that has been Commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, Audit Committee has authority to modify or waive any procedural requirements of this Policy.

## **8. DISCLOSURE**

Details of all material Related Party Transactions with related parties shall be disclosed to Stock Exchange on a regular basis as prescribed under applicable laws, along with the compliance report on corporate governance. Company shall disclose the Policy on its website.

## **9. AMENDMENT**

Board has the power and authority to amend and modify the Related Party Transaction Policy in light of modifications and amendments in Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Company Act, 2013 or otherwise.

## **10. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the LODR/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such LODR / Companies Act, 2013 or statutory enactments, rules shall prevail over this policy;

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