



Satin Finserv Limited

RELATED PARTY TRANSACTION POLICY
OF
SATIN FINSERV LIMITED
(VERSION 1)

SATIN FINSERV LIMITED

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Haryana-122016

CIN: U65999DL2018PLC337435

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 Reserve Bank of India (RBI) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (RBI Master Direction).

This Policy has been adopted by the Board of Directors of the Company based on 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. In terms of aforesaid RBI Master Direction, the Company is required to disclose the details of all material transactions with its related parties in the Board's Report and is also required to disclose the policy on dealing with Related Party Transactions on its website and its Board's Report.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out the manner of dealing with the transactions between the Company and its related parties based on the Section 188 of the Companies Act, 2013, RBI Master Direction and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

3.1 "Act" means the Companies Act, 2013 and rules made thereunder.

3.2 "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.

3.3 "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 ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

3.4 "Company" means Satin Finserv Limited.

3.5 "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.

3.6 "Related Party" have the meaning as defined in Section 2(76) of Companies Act, 2013, as amended from time to time.

3.7 "Related Party Transaction" have the meaning as defined under the provision of Section 188 of the Companies Act and rules made thereunder, as amended from time to time, including but not limited to following, regardless of whether a price is charged:

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) appointment to any office or place of profit in the company g) underwriting the subscription of any securities or derivatives thereof, of the company.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

3.8 "Key Managerial Personnel" or "KMP" shall have the meaning as defined in the Companies Act 2013 and as amended from time to time.

3.9 Associate company in relation to another company, means a company in which that other company has a significant influence but which is not a subsidiary company of the company having such influence and includes a joint venture company. (Section 2(6) of Companies Act, 2013).

Explanation: For the purposes of this definition, 'Significant Influence' means control of at least 20% of the total share capital, or of business decisions under an agreement.

3.10 Interested Director means a director who is in any way, whether by himself or through any of his relatives or firm, body corporate or other association of individuals, in which he or any of his relatives is a partner, director or a member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of a company.

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION APPROVAL OF RELATED PARTY TRANSACTIONS

A- Audit Committee

4A.1 All the transactions which are identified as Related Party Transactions should be pre-approved by 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.

4A.2 Any member of the Audit Committee who has a potential interest in any Related Party Transaction or Interested Director, 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.

4A.3 The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under the Act. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

4A.4 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 as per provisions of the Act.

B- Board of Directors

4B.1 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. Further, if Audit Committee is of the view that a related party transaction should be placed mandatorily under any law, before the Board of Directors of the Company for its approval, and/or the Board suo moto decide to review or to approve any related party transaction, such transaction has to be placed before the Board. Any Interested Director will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

C- Shareholders

4C.1 If a Related Party Transaction is not in the ordinary course of business, or not at arm's length price and exceeds the thresholds mentioned under the Act, it shall require shareholders' approval by ordinary 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.

5. 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 consummate, the matter shall be reviewed by the Audit Committee. 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 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.

6. DISCLOSURE

Details of all material Related Party Transactions with related parties shall be disclosed on its website and in the Annual Report of the Company.

7. AMENDMENT

Audit Committee has the power and authority to amend and modify the Related Party Transaction Policy in light of modifications and amendments in the Companies Act, 2013 or otherwise or/and recommend to the Board for amendment or/and modification.

8. SCOPE AND LIMITATION

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