

**DOCUMENT CONTROL**

<b>Policy Name</b>	Related Party Transaction Policy
<b>Version Number</b>	03
<b>Created by</b>	Company Secretary and Chief Compliance Officer
<b>Reviewed by</b>	Chief Executive Officer
<b>Approved by</b>	Board of Directors of the Company
<b>Effective From</b>	March 30, 2022
<b>Ownership</b>	Secretarial and Compliance Department

Version	Description (First Release/Revision)	Created by	Reviewed by	Approved by	Date of Board Approval
01	First Release	Company Secretary and Chief Compliance Officer	Chief Executive Officer	Board of Directors	March 30,2022
02	Revision	Company Secretary and Chief Compliance Officer	Chief Executive Officer	Board of Directors	March 30, 2023
03	Revision	Company Secretary and Chief Compliance Officer	Chief Executive Officer	Board of Directors	March 20, 2025
03	No Change	Company Secretary and Chief Compliance Officer	Chief Executive Officer	Board of Directors	March 31, 2026

**Statement of Confidentiality**

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**CHANGES MADE IN THE CURRENT VERSION SINCE THE LAST APPROVED POLICY**

<b>Sl. No.</b>	<b>Change</b>	<b>Section</b>	<b>Reference Page No</b>
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## **1. SCOPE AND PURPOSE OF THE POLICY**

Related Party Transactions may give rise to potential or actual conflicts of interest that could be contrary to the best interests of the Company and its shareholders. Accordingly, such transactions are governed by the approval requirements prescribed under the Companies Act, 2013 (“Act”), read with the applicable rules thereunder, the Reserve Bank of India (Non-Banking Financial Companies Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time, and other relevant RBI directions and circulars.

In terms of Section 188 of the Act, this Policy is intended to ensure compliance with the requirements relating to the approval, disclosure, and reporting of transactions between the Company and its related parties.

This Policy has been adopted by the Board of Directors based on the recommendations of the Audit Committee. In accordance with the aforesaid provisions, the Company is required to disclose details of all material Related Party Transactions in the Board’s Report and place the Policy on dealing with Related Party Transactions on its website.

## **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 Section 188 of the Companies Act, 2013, RBI Master Direction, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 “Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company as per Section 177 of the Companies Act 2013.
- 3.4 “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

- 3.5 “Company” means Satin Finserv Limited.
- 3.6 “Listing Regulations” means ‘the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.7 “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 INR One Thousand Crore or ten percent of

the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower.

**Provided that** a transaction involving payments made to a related party towards brand usage or royalty shall be considered material if such transaction(s), whether entered into individually or when aggregated with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per its last audited financial statements.

- 3.8 “Material Modifications” mean any modification of the existing related party transactions which amounts to:
- a) Either change or modification in the aggregate value of the transaction for an amount exceeding 25% of the aggregate value; or
  - b) Any change in the terms and conditions of the transaction resulting in a change in its price or consideration of the individual transaction for an amount exceeding 25% of the aggregate value, where the said terms and conditions were disclosed at the time of taking approval; or
  - c) Extension in the duration of the related party transaction contract beyond a period of 12 months; or
  - d) Such other criteria as the Audit Committee may determine from time to time.
- 3.9 “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.
- 3.10 “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.
- 3.11 “Related Party” have the meaning as defined in Section 2(76) of Companies Act, 2013, as amended from time to time.
- 3.12 "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.
- A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.
- 3.13 “Key Managerial Personnel” or “KMP” shall have the meaning as defined in the Companies Act 2013 and as amended from time to time.

3.14 “Interested Director” means a director who has, directly or indirectly, any interest in a contract or arrangement, or a proposed contract or arrangement, entered into or to be entered into by or on behalf of the company, whether such interest arises personally or through any of his or her relatives, or through any firm, body corporate, or other association of individuals in which the director or any of his or her relatives is a partner, director, or member.

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

##### **4A. 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 a 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/herself 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.

##### **4B. 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.

##### **4C. 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 the resolution passed for approving such Related Party Transaction.

Every Material Related Party Transaction shall require shareholders' approval by a resolution based on the recommendation of the Audit Committee and the Board. As per Listing Regulations, all entities falling under the definition of related parties shall abstain from voting on the resolution for approval of a Material Related Party Transaction, irrespective of whether such entities are parties to the particular transaction or not.

## **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 shall be disclosed in the Company's Annual Report. Additionally, every material Related Party Transaction, including those not conducted at arm's length, shall be disclosed in the Board's Report to the shareholders, along with a clear justification for entering into such contracts or arrangements.

## **7. AMENDMENT**

Any Director, Chief Financial Officer, or Company Secretary of the Company may, individually, propose amendments or recommendations to this Policy for consideration and approval by the Board. The Board may, subject to compliance with applicable laws, approve, modify, or amend the Policy at any time, or authorize any officer of the Company to do so, as it deems necessary to meet statutory obligations.

## **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 or rules, the provisions of such Companies Act, 2013 or statutory enactments or rules shall prevail over this Policy.

## **9. REVIEW**

The policy shall be reviewed annually or earlier if required by RBI regulatory or internal/external changes.