



POLICY FOR DEALING WITH RELATED PARTY TRANSACTIONS

(Approved on 13th January 2016)

1. Preamble

The Board of Directors (the Board) of Infina Finance Private Limited (the Company) has adopted the following policy and procedures with regard to related party transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its related parties based on the applicable laws and regulations.

2. Purpose

This policy is framed to ensure the proper approval and reporting of transactions between the Company and its related parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in its financial statements certain transactions between the Company and its related parties as well as policies concerning transactions with related parties.

3. Definitions

“Audit Committee or Committee” means Committee consisting of Directors of the Company as per the provisions of the Companies Act, 2013 (the Act).

“Arm’s length transaction” means transaction between two related parties that is conducted as if the parties were unrelated.

“Board” means body of elected directors of the Company responsible for overseeing operations of the Company.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 which is as follows – “Control” includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

“Ordinary Course of Business” - The term ordinary course of business is not defined under the Act or rules made there under. For the purpose of this policy, the ordinary course of business will include the transactions undertaken

- in the normal course of business as permitted by law / regulations
- as part of customary business practices or by its long standing conduct.



“Policy” means related party transaction policy.

“Related party” is defined under section 2(76) of the Act:

1. a director or his relative;
2. a key managerial personnel or his relative;
3. a firm, in which a director, manager or his relative is a partner;
4. a private company in which a director or manager or his relative is a member or director;
5. a public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital;
6. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager (except where provided in professional capacity);
7. any person under whose advice, directions or instructions a director or manager is accustomed to act (except where provided in professional capacity);
8. *any company which is -
 - i. a holding, subsidiary, joint venture or an associate company of such company;
or
 - ii. a subsidiary of a holding company to which it is also a subsidiary;
9. a director or Key Managerial Personnel (“KMP”) of the holding company of such company or his relative
10. a related party as per Accounting Standard 18

* Section 188 of the Act shall not apply in case of transactions with companies falling under (viii) above.

“Relative:”

Relative is defined under section 2(77) of the Act as below:

“Relative” with reference to any person, means any one who is related to another, if—

- i. they are members of a Hindu Undivided Family;
 - ii. they are husband and wife; or
 - iii. one person is related to the other in such manner as may be prescribed
- Companies (Specification of definitions details) Rules, 2014 further expand the definition of a relative by specifying that a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely –

- Father (includes step-father)
- Mother (includes step-mother)
- Son (includes the step-son)



- Son's wife
- Daughter
- Daughter's husband
- Brother (includes step-brother)
- Sister (includes step-sister)

4. Policy

All related party transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. The Audit committee may grant general approval for repetitive related party transactions specifying details like name, nature, base price, maximum amount and the period of transaction. Such general approval will be valid for a period of one year and a fresh approval shall be taken for every financial year.

4.1. Identification of Potential Related Party Transactions

The Company has made a list of related parties after considering the requirements and based on the annual declaration received from directors. The directors are also required to inform the Company of any changes to such declaration during the year.

4.2. Prohibitions related to Related Party Transactions

Section 177 of the Act requires Audit committee of a company to approve all related party transactions. Considering that frequency of such transactions is too high, the Committee may look at the nature of these transactions and give its general approval specifying the terms like name, nature, base price, maximum amount, period of the transaction and subject to such modifications as it deems fit. As per section 188 of the Act, the consent of the Board/Shareholders' approval is required, by a ordinary resolution in a general meeting, for entering into the specified transactions with a related party, if they are not in ordinary course of business of the Company or at arm's length and exceeds the threshold limits as specified in the Act.

Where the need for a related party transaction cannot be foreseen and aforesaid details are not available, prior approval of Audit Committee will not be required for such transaction subject to its value not exceeding Rs.1 crore. All such transactions will be placed in the Audit Committee Meeting immediately following after such transaction has been done.

Further, all material related party transactions shall require approval of the shareholders through ordinary resolution. Transaction or transactions individually or taken together will be considered as material if they exceed 10% of the annual consolidated turnover as per last audited accounts.



Further, the transactions entered into with a holding company, a subsidiary company or an associate company, are exempt from prior approval of the Board of Directors for all related party transactions and shareholder approvals for all material related party transactions. Further, the transactions entered into with the fellow subsidiary, which is a wholly-owned subsidiary of the holding company, are also exempt from approval of audit committee. However, if a transaction is not at arm's length or is not in ordinary course of business, the Company will take the necessary approvals as required by the Act.

4.3. Review and Approval of Related Party Transactions

All related party transactions will be placed before the Audit Committee for its review and approval subject to 4.2 above. Any member of the Committee who is a related party will recuse himself or herself and refrain from discussion and voting on the approval of the related party transaction.

To review a related party transaction, the Committee will be provided with relevant material information of the related party transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company, arm's length principles and any other relevant matters. In determining whether to approve a related party transaction, the Committee will consider the following factors, among others, to the extent relevant to the related party transaction:

- The fairness and arm's length or otherwise of the related party transaction after applying the same basis as if the transaction did not involve a related party;
- The business reasons for the Company to enter into the related party transaction and the nature of alternative transactions, if any;
- Any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the related party transaction would present an improper conflict of interest for any director of the Company, taking into account the size of the transaction, the overall financial position of the director or other related party, the direct or indirect nature of the director's or other related party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.
- Any other relevant information regarding the transaction.

If the Committee determines that a related party transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for the Board to approve the related party transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.



Notwithstanding the foregoing, 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 shall not require approval of Audit Committee.

All related party transactions, including the above, will be placed before the Audit Committee at least on quarterly basis.

5. Related Party Transactions not approved under this Policy

A related party transaction entered into without approval of the Committee shall be brought to the Committee as promptly as reasonably practical after it is entered into.

The above policy will be modified to be in line with the Act.