

Related Party Transactions Policy

Namdev Finvest Private Limited

Registered Office:

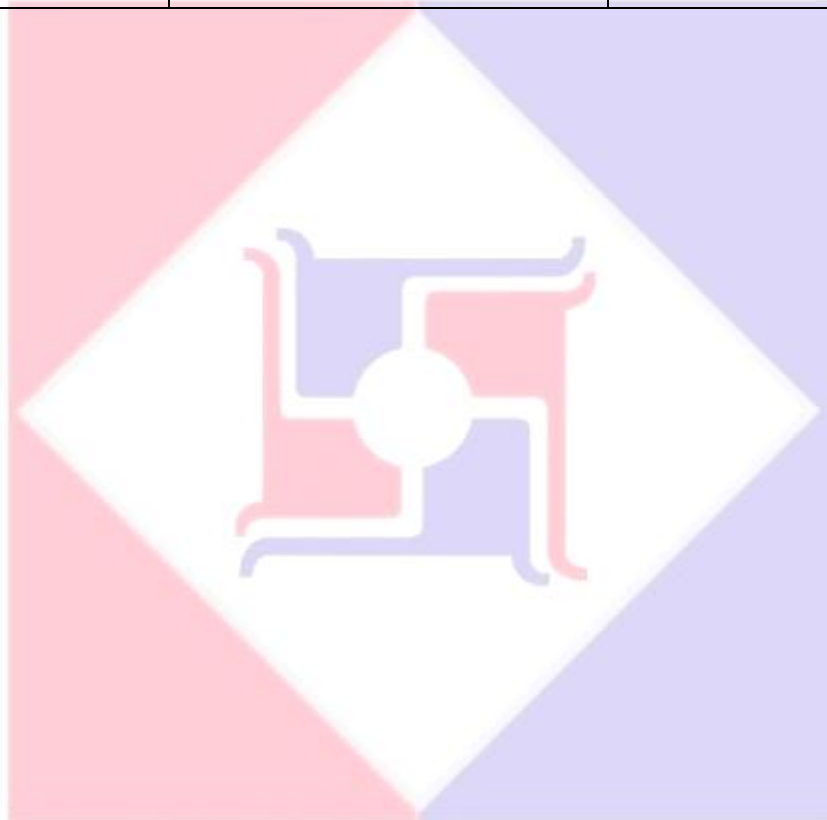
S1-S7-S8, 2ND FLOOR, SHREENATH PLAZA
NEER SAGAR MARKET, AJMER ROAD, BHANKROTA
JAIPUR-302026, RAJASTHAN

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Prepared and proposed by	Ms. Sakshi Sharma	
Approver	Board of Directors	May 2025



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Related Party Transaction Policy

1. Introduction

Namdev Finvest Private Limited (NFPL) is a Non-Banking Financial Company having valid Certificate of Registration with Reserve Bank of India vide registration No. B-10.00260 on 20th August 1997 under current RBI classification as NBFC – Non-Deposit taking Asset Finance Company.

2. Preface

The board of directors (the “Board”) of Namdev Finvest Private Limited (“Company”) has adopted the following policy and procedures with regard to Related Party Transactions (as defined hereinafter) to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company. The Company may enter into transactions with related parties to leverage scale, size and drive operational synergies while ensuring that such transactions are in compliance with the applicable legal requirements.

3. Regulatory Requirement

This Policy on dealing with Related Party Transactions is framed in consonance with the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (“Master Direction DNBR. PD. 008/03.10.119/2016-17”) dated September 01, 2016 and Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 (as updated from time to time) and is intended to ensure proper reporting, approval and disclosure of the concerned transactions between the Company and its Related Parties.

This policy deals with the review and approval mechanism of related party transactions keeping in mind the potential or actual conflict of interest that may arise because of such transactions.

From Companies Act

In accordance with the provisions of the Companies Act, 2013 (“Act”) read with the Rules framed there under and as amended from time to time. Further related party define under 2(76) define under Companies Act 2013.

4. Definitions

“Arm’s Length Transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

“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.

“Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with applicable law and under Section 177 of the Act 2013.

“Board” means Board of Directors of Namdev Finvest Private Limited.

“Joint venture” means a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.

“Key Managerial Personnel” shall mean the officers of the Company as defined in Section 2(51) of the Act: -

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;

- Company Secretary; and
- Chief Financial Officer

“Related party”: Related party with reference to the NFPL means:

- a director or his relative;
- a key managerial personnel (KMP) or his relative;
- a firm, in which a director, manager or his relative is a partner;
- a private company in which a director or manager or his relative is a member or director;
- a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- anybody 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;
- any person on whose advice, directions or instructions a director or manager is accustomed to act;
- any company which is a holding, subsidiary or an associate company of such company; or a subsidiary of a holding company to which it is also a subsidiary;

A director other than independent director or key managerial personnel of the holding company or his relative with reference to a company (as per Companies (Meetings of Board and its Powers) Rules, 2014);

“Related party transaction” As per Section 188 of the Act, shall mean contracts or arrangements with related party with respect to: -

- Sale, purchase or supply of any goods or materials;
- Selling or otherwise disposing of, or buying, property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agent for purchase or sale of goods, materials, services or property;
- Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- Underwriting the subscription of any securities or derivatives thereof, of the Company.

Transactions in “ordinary course of business” shall mean and include-

- Transactions that are entered in the normal and usual course of business and are identical to the business of the company.
- Transactions that are reasonable in the context of the business of the company.
- Transactions that are part of the standard industry practice.

“Subsidiary company” or “subsidiary”, in relation to any other company means a company in which the holding company:

- controls the composition of the Board of Directors; or
- exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies.

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

“Significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement.

“Total share capital” means the aggregate of the paid-up equity share capital and convertible preference share capital.

It may be noted that this policy framework, including the definitions above, is meant solely for the purposes of compliance with related party transaction requirements under Companies Act, 2013. The above terms may have different connotations for other purposes like disclosures in the financial statements, which are governed by applicable regulations, accounting standards, regulatory guidelines etc.

Identification of Related Party

Each director and Key Managerial Personal is responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as “related Party” by virtue of his/her being Director/KMP in the entity or holding certain shareholding percentage. 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.

5. Manner of dealing with Related Party Transaction Identification of related Party

Each director and KMP shall be responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as “related Party” by virtue of his/her being Director or KMP in the Company or holding certain shareholding percentage or having a common directorship amongst registered intermediaries or insurance intermediaries. 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.

In case of granting loans and advances to any Director, KMP or their relative, the Company shall obtain a declaration from the borrower giving details of the relationship of the borrower to the directors/ KMP/ senior officers in accordance with the provisions prescribed in the Relevant Law(s). Further the Company shall recall the loan if it comes to its knowledge that the borrower has given a false declaration.

Explanation: The term ‘loans and advances’ will not include loans or advances against -

- Government securities
- Life insurance policies
- Fixed deposits
- Stocks and shares
- Housing loans, car advances, etc. granted to an employee of the NBFC under any scheme applicable generally to employees.

Provided that Company’s interest/lien is appropriately marked with legal enforceability

6. Approval of Related Party Transactions

A. Approval from Audit Committee

All Related Party transactions require prior approval of the Audit Committee whether entered in the ordinary course of business and at arm’s length basis or not.

Each proposed Related Party Transaction or any modifications thereof, shall be placed before the Audit Committee for prior approval in accordance with this Policy.

The Company may obtain omnibus approval from the Audit Committee for related party transactions, proposed to be entered into by the company subject to the following conditions, as mentioned below, except for transactions in respect of selling or disposing of the undertaking of the company:

- A. 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;
- B. The Audit Committee shall satisfy itself on the need for such omnibus approval and that such approval is in the interest of the Company;
- C. Such omnibus approval shall specify:
 - The name/s of the related part(ies),
 - nature and duration of transaction(s),
 - maximum amount of transaction that can be entered into;
 - The indicative base price / current contracted price and the formula for variation in the price if any and;
 - The material terms of the contract or arrangement including the value, if any;
 - Such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 1 Crore per transaction.

- D. Audit Committee shall review, atleast on a half yearly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- E. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- F. In exceptional circumstances, where it is not feasible to seek prior approval of the Audit Committee, Board of Directors and / or shareholders, as the case may be, in respect of any Related Party Transaction, then it shall be ratified by the Audit Committee, Board of Directors and / or shareholders, as the case may be, within a period of three months of entering into Related Party Transaction.

In case, the same is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the company against any loss incurred by it.

B. Approval from Board of Directors

All the material transactions which are identified as related party transactions should be approved by the Board prior to entering into such transaction as per the provisions of section 188 of Companies Act 2013. The Board shall consider all relevant factors while deliberating the related party transactions for its approval.

In case any related party transactions are referred by the NFPL to the Board for its approval, 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 rescue himself and abstain from discussion and voting on the approval of the related party transaction.

C. Approval from Shareholders

If a related party transaction is not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a special resolution in general meeting. In such a case, any member of the NFPL who is a related party, shall not vote on resolution passed for approving such related party transaction.

7. Review of Related Party Transactions

All the related party transactions entered into by the Company shall be reviewed by the Audit committee as well as Board at least once in every financial year and as many times as it may deem fit.

To review a Related Party Transaction, the Committee and the Board will be provided with all relevant material information of the Related Party Transaction viz:

- The name of the Related Party and nature of relationship;
- The nature, duration of the contract and particulars of the contract or arrangement;
- The material terms of the contract or arrangement including the value, if any;
- Any other information relevant or important for the Audit Committee/Board to take a decision on the proposed transaction

*** NOTE:**

If a member of the Audit Committee/Board or any member of company is interested in an item of business which is a Related Party Transaction under Section 188 of the Act proposed to be entered into by the company, he/she shall recuse himself and abstain from discussion and voting on the approval or ratification of such of the Related Party transaction. Further, such interested member shall also not be reckoned for the purpose of counting quorum of the meeting.

8. Ascertaining Whether Related Party Transactions are in the Ordinary Course of the Business

1. In order to determine whether a transaction is within the ordinary course of business or not, some of the principles that may be adopted to assess are as follows:

- whether the transaction is in line with the usual transactions, customs and practices undertaken by the company to conduct its business operations and activities;
 - whether it is permitted by the Memorandum and Articles of Association of the company; and
 - whether the transaction is such that it is required to be undertaken in order to conduct the routine or usual transactions of a company.
2. The Company may also consider whether the transaction contemplated under the proposed contract or arrangement is either similar to contracts or arrangements which have been undertaken in the past, or, in the event that such transaction is being undertaken for the first time, whether the Company intends to carry out similar transactions in the future.
3. Whether the transaction value is within the reasonable range for similar types of other transactions, will also be an important consideration. An exceptionally large value transaction should invite closer scrutiny.

9. Disclosure of Interest or Concern

1. All Related Party Transactions in which Directors are interested as defined in Section 184/188 of the Act shall be entered in with all the relevant particulars in register maintained in Form MBP 4 as prescribed in Rule 16 of the Companies (Meetings of Board and its Powers) Rules, 2014.
2. Further, every member / director of Audit Committee or Board who is interested in an item of business which is a Related Party Transaction under Section 188 of the Act proposed to be entered into by the company and transacted/approved at the meeting shall disclose in advance his/her interest / concern.
3. In accordance with provisions of Section 184(2) of the Act, if any director of a company is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into:
 - with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
 - with a firm or other entity in which, such director is a partner, owner or member, as the case may be;

Then, he/she shall disclose the nature of his/her concern or interest at the meeting of the Board in which such contract or arrangement is discussed and shall not participate in such meeting during the discussion of such contract or arrangement:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

*** NOTE:**

A contract or arrangement entered into by the company without disclosure under section 184 (2) of the Act or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company

10. Reporting of Related Party Transactions

Every contract or arrangement, which is required to be approved by the Board/shareholders / Audit Committee under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

11. Review

The Audit Committee, in its meeting, will oversee the implementation of the policy and review its functioning at the intervals as it may deem necessary.

Further, this policy may be amended subject to the approval of Board of directors on recommendation of Audit Committee of the Company, from time to time in line with the business requirement of the Company or any statutory enactment or amendment thereto.

The Company's CEO, CFO and CS have been entrusted with the responsibility of enforcement of this policy. They are hereby given absolute power to jointly or severally, make necessary changes, amendments or additions or removals for the operational aspects of the policy within the overall spirit and guidance from time to time for reasons like technology or process upgradation, regulatory changes, maintaining competitive edge or responding to changes in market or risk environment, etc.

12. Validity

The Policy shall be valid till next review by Committee members and/or Board of Directors, as applicable.

