

## Related Party Transaction Policy

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Approved By	Board of Directors
Policy Owner	Prashant Kani

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## 1. Background:

Vistaar Financial Services Private Limited (hereinafter referred to as the “**Company**”) has adopted the Related party Transaction Policy (“**Policy**”) pursuant to the provisions of the RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, the Companies Act,2013 and rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Accounting Standard (AS) 18 issued by The Institute of Chartered Accountants of India as amended from time to time.

## 2. Objective

- a) The Company has formulated this Policy on materiality of and dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.
- b) All the transactions shall be considered material if the transactions fall under the criteria mentioned under the Act.
- c) The Board of Directors of the Company (“**Board**”) on recommendation of the Audit Committee of the Company (“**Committee**”) shall review the Policy on annual basis and may amend the same from time to time.

## 3. Role of the Committee:

- a) All transactions identified as Related Party Transactions should have prior approval of the Committee before entering into such transaction. The Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval;
- b) Any member of the Committee who has an interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction;
- c) The 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;
- d) A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, shall be placed before the Committee for ratification;
- e) 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 or of shareholders as discussed subsequently.

#### **4. Role of Board:**

In case any Related Party Transactions are recommended by the Committee for the approval of the Board due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board shall 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.

#### **5. Shareholders**

If a Related Party Transaction is (i) a material transaction, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Act, 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.

#### **6. Post Facto approval**

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 Company would obtain post facto approval from the Committee, the Board and/or shareholders as required under applicable laws/regulations. In case the Company is not able to take such prior approval from the Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this Policy.

#### **7. Reporting & Disclosure of Related Party Transactions:**

Every transaction, contract or arrangement, which is required to be approved by the Board or the shareholders 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.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, regulations, the provisions of such Act or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

This Policy will be uploaded on the website of the Company.

## Glossary

<i>Act</i>	<ol style="list-style-type: none"><li>1. <i>RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (Updated as on February 17, 2020)</i></li><li>2. <i>The Companies Act 2013, Rules made thereunder</i></li><li>3. <i>Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</i></li><li>4. <i>Accounting Standard (AS) 18 issued by The Institute of Chartered Accountants of India</i></li></ol> <p><i>Including all amendments, circular issued by the regulatory bodies and made applicable to the Company from time to time</i></p>
<i>Related Party Transaction</i>	<i>Any transaction shall be considered as related party if it falls within the purview of the Act</i>
<i>Related Party</i>	<i>An entity shall be considered as related if it falls within the purview of the Act</i>