

**WEST END INVESTMENT & FINANCE CONSULTANCY PRIVATE LIMITED
(WEIFCPL)**

RELATED PARTY TRANSACTION POLICY

Approval Date: 27th March, 2024

Last Review/Modification: 31st March, 2026

PREAMBLE

This Policy is framed to ensure that all Related Party Transactions (“RPTs”), including lending to related parties, are conducted in compliance with:

- Companies Act, 2013
- Applicable Rules thereunder
- RBI NBFC Scale Based Regulation Directions, 2023 and amendments

The Policy aims to ensure that transactions with related parties are transparent, at arm’s length, and in the best interest of the Company, with specific safeguards against connected lending risks.

OBJECTIVE

The objectives of this Policy are to:

- Establish a robust governance framework for RPTs
- Ensure independent decision-making
- Prevent misuse of position by related parties
- Regulate and monitor lending exposures to related parties
- Ensure proper approval, disclosure, and reporting

DEFINITIONS

“Audit Committee” means a committee of the Board of Directors of the Company constituted under provisions of the RBI Directions and the Companies Act, 2013.

“Director of an NBFC or any other entity” shall mean a director appointed/elected to the Board of the entity.

“Entity” in the context of ‘Related Party’ shall mean a ‘person’ other than an Individual and a Hindu Undivided Family.

“Key Managerial Personnel” means key managerial personnel as defined under section 2 (51) of the Companies Act, 2013 and includes

- i. Managing Director, or Chief Executive Officer or Manager
- ii. Company Secretary
- iii. Whole -Time Director
- iv. Chief Financial Officer

- v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed;

“Lending” to ‘Related Party’ shall include:

- a) Loan and Advances (secured/unsecured)
- b) Inter Corporate deposit
- c) investments in debt instruments
- d) Letter of Credit/Guarantee
- e) Any funded or non-funded exposure

(Excludes equity investment unless otherwise specified by RBI)

“Arm 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.

“Related Party” with respect to a NBFC shall mean a related person, or any of the following entities:

- a) where a related person is a partner, manager, KMP, director or a promoter; or
- b) where a related person is a shareholder with more than ten per cent of paid-up equity share capital; or
- c) where a related person is having control, whether singly or jointly with another person; or
- d) where a related person controls more than twenty per cent of voting rights on account of ownership or through a voting agreement or through any other arrangement; or
- e) where a related person has the power to nominate a director to its Board; or (this clause is not applying where the authority to nominate a director arises exclusively from a lending or financing arrangement.)
- f) which is accustomed to act on the advice, direction, or instruction of a related person; or (this clause not applying to the advice, directions or instructions given in a professional capacity.)
- g) where a related person is a guarantor or a surety; or
- h) where a related person is a trustee or an author or a beneficiary and where the entity is in the form of a private trust; or
- i) which is related to the related person as a subsidiary or a parent company or a holding company or an associate or a joint venture

Provided that Government of India/ State Government-owned or controlled entities shall not be treated as related parties to a government-owned NBFC just by virtue of the fact that the Government has the common ownership or control of such entities.

“Related Person” with respect to a NBFC shall mean a person, and the relatives of such a person, where the person:

- a) is either a promoter, or a director, or a KMP of the NBFC; or
- b) owns more than five per cent of paid-up equity share capital of the NBFC or can, either singly or jointly, exercise more than five per cent of the voting rights of the NBFC on account of either ownership or voting agreement or through shareholders’ agreement or through any other arrangement; or
- c) can, through an agreement with the NBFC, nominate a director to its Board; or
- d) is either singly or jointly, in control of the NBFC.

“Specified Employees” means all employees of a NBFC who are positioned upto two levels below the Board and any employee designated as such as per the NBFC’s policy.

Related Party Transaction means all the transactions between Company on one hand and one or more related party on the other hand including contracts, arrangements and transactions as envisaged in Section 188 (1) of the Companies Act, 2013.

“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 of Association & Article of Association.

Word and expression used in this policy but not defined herein shall have the meaning prescribed in the Companies Act, 2013 and the rules framed thereunder as amended from time to time.

PROHIBITED / RESTRICTED TRANSACTIONS:

the Company shall not:

- a) Grant loans to related parties on preferential terms
- b) Evergreen loans (i.e., fresh loans to repay old loans)
- c) Lend where there is conflict of interest not mitigated

IDENTIFICATION OF RELATED PARTY TRANSACTIONS

- All Related Party Transactions shall be placed before the Audit Committee of the Company for its approval.
- Each Director, KMP, and Specified Employee shall provide notice of potential RPTs involving themselves or relatives:
 - At the time of appointment
 - At the first Board Meeting each financial year

Whenever there is a change in disclosures

APPROVAL FOR RELATED PARTY TRANSACTION:

1. Audit Committee Approval:

- ❖ Required for all RPTs, except transactions between holding company and wholly-owned subsidiary consolidated in accounts.
- ❖ The Audit Committee may make omnibus approval for related party transactions which are:
 - Repetitive in Nature
 - Ordinary Course of Business
 - Arm Length Basis
 - In the interest of the Company

The Omnibus approval shall be valid for one financial year and shall require fresh approval after expiry of such financial year.

Approval shall specify the following:

- ❖ Name of the related parties
- ❖ Nature and duration of the transaction
- ❖ Maximum amount of transaction that can be entered into
- ❖ The indicative base price or current contract price and the formula for variation in price, if any.
- ❖ Any other conditions as the Audit Committee may deem fit.

Where the need for related party transaction cannot be foreseen and aforesaid details are not available. Audit Committee may make omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore Per Transaction.

Omnibus Approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

2. Board Approval:

Following transaction shall require a prior approval of the Board:

- ❖ Related Party Transaction which are not in the ordinary course of business or not at arm length basis.
- ❖ All transaction, other than transaction refereed in section 188, and where the audit committee does not approve the transaction, it shall make its recommendations to the Board.
- ❖ Related party transactions requiring the approval of shareholders, shall be submitted for consideration of the Board.

The Agenda of Board meeting at which the resolution is proposed to be moved shall disclose:

- a) the name of the related party and nature of relationship;
- b) the nature, duration of the contract and particulars of the contract or arrangement;
- c) the material terms of the contract or arrangement including the value, if any;
- d) any advance paid or received for the contract or arrangement, if any;
- e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- g) any other information relevant or important for the Board to take a decision on the proposed transaction.

Interested Directors shall recuse themselves

3. Shareholder Approval:

- ❖ All material Related Party Transactions and subsequent Material modifications shall require prior approval of the Shareholders of the Company by way of a resolution and no related party vote to approve such resolutions whether the entity is a party to the particular transaction or not.
- ❖ All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act requiring the approval of shareholders, shall require an approval of the Shareholders by way of a resolution; and in such cases, the Related Party/(ies) to the transaction shall abstain from voting on such resolution.

4. Deemed Approval

The Transactions or arrangements which are specifically dealt under the separate provisions of the law and executed under separate approval/procedure from relevant committee shall be deemed to be approved for the purpose of this policy. Such transaction is enumerated below:

- a) Appointment and payment of remuneration, including any variations thereto, to Key Managerial Personnel pursuant to the Nomination and Remuneration Committee approval;
- b) Payment of remuneration, fees, commission, etc. to Directors of the Company pursuant to approval of the Nomination and Remuneration Committee;
- c) Grant/issuance of stock options or stock appreciation rights or other share based benefits to and payments made to/received from Directors or Key Managerial Personnel of the Company or directors/key managerial personnel/officers of its subsidiaries/associates pursuant to such share based incentive plans as approved by shareholders;
- d) Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee.
- e) Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

RATIFICATION OF TRANSACTION WITH RELATED PARTY

Where a Company enter into any related party transaction without prior approval of Audit Committee, the Company may ratify such transaction as per the provision of the Companies Act, within three months to avoid any penal consequences.

LENDING TO RELATED PARTIES – RBI BASE LAYER NBFC 2026**Materiality Threshold**

- ₹1 crore per transaction
- Transactions below this threshold may follow delegated authority limits within the Credit Policy

Approvals & Delegation

- Lending above ₹1 crore: Committee on lending to related Party
- Upto ₹1 crore: As per credit policy

Monitoring & Reporting

- Quarterly review by Audit Committee
- Internal audit reviews all related party lending quarterly

DISCLOSURE:

The Company shall disclose:

- RPTs in Financial Statements
- Notes to accounts
- Board Report

REVIEW:

- Reviewed at least annually
- By Audit Committee/Board
- Updated in line with regulatory changes

In the event of any conflict between the provisions of this Policy and Companies Act, 2013 or any other statutory enactments, rules, then, the provisions of the Companies Act, 2013 and Rules made thereunder or other statutory enactments, rules, as the case may be, shall prevail over this Policy and shall be adhered to accordingly by all concerned.