

POLICY ON RELATED PARTY TRANSCATIONS

[Under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”)]

INTRODUCTION

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), **Minolta Finance Limited** ("Company") is required to formulate a Policy for identification of related parties and the proper conduct and documentation of all related party transactions

Further, Regulation 23(1) of the SEBI Listing Regulations requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, **Minolta Finance Limited** ("Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

OBJECTIVE

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 the Act, Regulations, and any other laws and regulations as may be applicable to the Company;
- the materiality thresholds for related party transactions; and
- lay down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders.

DEFINITIONS

- **"Related Party"**, with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
- **"Related Party Transaction" (RPT)** means for the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188; for the purpose Regulation, means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:
- **"Arm's length transaction ('ALP')"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- A **"transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract.
- **"Material Related Party Transaction"** a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statements.

- **“Material Modification”** means any change in the value of transaction exceeding 20% of the value of the original transaction with the related party already approved by the Audit Committee / Board / Shareholder

Word and expression used in this policy but not defined herein shall have the same meaning prescribed to them in the Companies Act, 2013 and the Rules framed there under and the Listing Regulations, as amended from time to time.

PROCEDURE FOR DEALING AND APPROVAL WITH RELATED PARTY TRANSACTIONS

• **DEALING WITH RELATED PARTY TRANSACTIONS**

All Related Party Transactions, other than transactions between the Company and wholly owned subsidiaries which are in the ordinary course of business and which are on arm's length basis, shall require approval of the Audit Committee and / or the Board of Directors of the Company in accordance with this Policy.

• **IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

All Related Party Transactions shall be placed before the Audit Committee of the Company for its approval. Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Company Secretary (or such other person who may be entrusted for this purpose by the Audit Committee) who would in turn take necessary steps to place the same before the Audit Committee.

All Directors, Members of the Management Committee and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their relatives) in other companies, firms or concerns at the beginning of every financial year and any change in such interest during the year, immediately on occurrence. Further, Directors and KMPs should disclose to the Board whether they, directly, indirectly, or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company.

• **REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS**

Approval of the Audit Committee

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions.

OMNIBUS APPROVAL

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

- (a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;
- (b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such

approval is in the interest of the listed entity;

(c) the omnibus approval shall specify:

- i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
- ii. the indicative base price / current contracted price and the formula for variation in the price if any; and
- iii. 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 rupees one crore per transaction.

(d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals 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.

APPROVAL OF BOARD OF DIRECTORS OR OF SHAREHOLDERS THE COMPANY

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions, other than those with exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company. A transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, **exceeds Rs. 1000 crore or ten percent** of the annual consolidated turnover as per the last audited financial statements of the Company.

DISCLOSURES

Details of all Material Related Party Transactions shall be disclosed to the Stock Exchanges on a half yearly basis along with the compliance report on corporate governance.

The Company shall disclose this Policy on its website and provide the web link in the Annual Report. In addition to the disclosures required under the Accounting Standards, Related Party Transactions that are not at arm's length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company as part of the Board's Report.

REVIEW AND AMENDMENTS TO THE POLICY

The Audit Committee of the Company shall review this Policy from time to time, but at least once every three years, and may recommend amendments to the same for approval of the Board.

In case of any amendment(s), clarification, circular(s) etc. issued by the relevant authorities not being

consistent with the provision laid down in this policy, then such amendment(s), clarification, circular(s) etc. shall prevail upon the provisions herein and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification, circular(s) etc.
