



MONEYBOXX FINANCE LIMITED

(Formerly Dhanuka Commercial Limited)

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POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

MONEYBOXX FINANCE LIMITED

1. PREAMBLE

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions. In the light of the above, the Company has framed this Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on the recommendations of the Audit Committee. The Audit Committee will review and amend the policy, as and when required, subject to adoption by the Board.

2. OBJECTIVE

The objectives of this Policy are to set forth below:

- i. Identification of the Related Parties;
- ii. The materiality threshold for Related Party Transactions; and
- iii. The manner of dealing with the transaction between the Company and its Related Parties based on the Act, the Listing Regulations.

3. DEFINITIONS

“**Arm’s length Transactions**” means a transaction between two Related Parties that is conducted as if they are unrelated so that there is no conflict of interest.

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and the Act.

“**Board**” means the Board of Directors of Moneyboxx Finance Limited, as constituted from time to time.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

“**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes

- i. Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- ii. Company Secretary; and
- iii. Chief Financial Officer

“**Ordinary course of Business**” means a transaction which is:-

- i. Carried out in the normal course of business envisaged in accordance with Memorandum of Association of the Company as amended from time to time;
- ii. Historical practice with a pattern of frequency; or

- iii. Common commercial practice; or
- iv. Meets any other parameters/criteria as decided by Board/Audit Committee.

“Material Related Party Transaction” means a transaction with a Related Party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

“Materiality Threshold” means limits for Related Party Transactions beyond which the shareholders' approval will be required as specified in the Act and Rule 15 of the Companies (Meetings of Board and its Power) Rules, 2014, and amendments thereto.

“Policy” means the Policy on Related Party Transactions, including amendments, if any, from time to time.

“Relative” means a relative as defined under the Act.

“Related Party” means Related Party as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, as amended from time to time.

“Related Party Transaction” have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as means transfer of resources, services or obligations between a listed

4. MATERIALITY THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. The Company has fixed its materiality threshold at 10% of the annual consolidated turnover of the company as per last audited financial statements of the company for the purpose of Regulation 23(4) of the SEBI Listing Regulations.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

5.1 Identification of Related Parties

The Company identifies and updates the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

Moreover Each Director and Key Managerial Personnel is required to provide notice to the Board regarding persons and entities to be considered as 'Related Parties' by virtue of his/her being Director/ KMP in the company. 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.

5.2 Identification of Related Party Transactions

The Company identifies related party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company will seek external expert opinion, if necessary.

5.3 PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION

5.3.1 Approval of the Audit Committee

All related party transactions require prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

OMNIBUS APPROVAL BY AUDIT COMMITTEE

Audit committee may grant omnibus approval for Related Party Transactions proposed to be entered into subject to the following conditions, namely:

- a) the Audit Committee shall lay down the criteria for granting the omnibus approval, which shall include the following:
 - i. maximum value of the transactions, in aggregate, which can be allowed under the omnibus approval route in a year;
 - ii. the maximum value per transaction which can be allowed;
 - iii. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - iv. review, at such intervals as the Audit Committee may deem fit, Related Party Transactions entered into by the Company pursuant to each of the omnibus approval made; and
 - v. transactions which cannot be subject to the omnibus approval by the Audit Committee.
- b) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval:
 - i. repetitiveness of the transactions (in past or in future); and
 - ii. justification for the need of omnibus approval.
- c) The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approvals in the interest of the Company.
- d) The omnibus approval shall contain or indicate the following:
 - i. name(s) of the Related Party, nature of transaction, period of transaction, maximum amount of transactions that can be entered into;
 - ii. the indicative base price / current contracted price and the formula for variation in the price, if any; and
 - iii. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
- e) Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. One Crore for each category of transaction.
- f) the Audit Committee shall review, periodically, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.
- g) Omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals of the Audit Committee after the expiry of such financial year;

h) Omnibus approval shall not be made for transactions in respect of selling or disposing of any undertaking of the Company.

5.3.2 Approval by Circular Resolution of The Committee

In the event the Company Management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting

5.3.3 Approval of the Board of Directors of the Company

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval. In addition to the above, Transactions meeting the materiality thresholds laid down in Clause 4 of the Policy, which are intended to be placed before the shareholders for approval should also be placed before the Board for its approval:

5.3.4 Approval of the Shareholders of the Company

All the transactions with related parties exceeding the materiality thresholds, laid down in Clause 4 of the Policy, shall be placed before the shareholders for approval. For this purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.

The transactions entered into between the company and its wholly owned subsidiary wherein the accounts are consolidated with the company and placed before the shareholders at the general meeting for approval are not required to be approved by the shareholders.

6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be promptly placed before the Audit Committee or Board of Directors or the Shareholders, as may be required in accordance with this Policy, for review and ratification.

The Audit Committee or the Board of Directors or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

7. DISCLOSURES

The Company shall disclose all Related Party Transactions whether fall under Section 188 of the Companies Act, 2013 or not, in the Board's report and shall also disclose the details of any Material Related Party Transaction to the stock exchange along with the compliance report on corporate governance.



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The Company shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013 wherever applicable.

8. AMENDMENT IN LAW

Any subsequent amendment/modification in the Listing Agreement and/or applicable laws in this regard shall automatically apply to this Policy.