



POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

OF

MONEYBOXX FINANCE LIMITED

DOCUMENT OVERVIEW

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SUMMARY OF VERSION

Policy approved by	Board of Directors
Policy prepared	Finance & Compliance
Current Approval/Revision date	28.05.2025

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

- a) **“Act”** means the Companies Act, 2013, for the time being in force and as amended from time to time.
- b) **“Applicable Law”** includes (a) the Act and rules made thereunder as amended from time to time; (b) the Listing Regulations, as amended from time to time; (c) Indian Accounting Standards; and (d) any other statute, law, standards, regulations or other governmental circulars, notifications or instructions (including circulars, notifications and guidance issued by the Securities and Exchange Board of India from time to time) relating to Related Party Transactions as may be applicable to the Company.
- c) **“Listing Regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the time being in force and as amended from time to time.
- d) **“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.
- e) **“Audit Committee or Committee”** means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and the Act.
- f) **“Board/Board of Directors”** means the Board of Directors of Moneyboxx Finance Limited, as constituted from time to time.
- g) **“Company”** means a company incorporated under the Companies Act, 2013 or under

any previous company law.

- h) **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- i) **“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
- j) **“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.
- k) **“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.
- l) **“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.
- m) **“Material Modification”** means any modifications to the related party transactions which were approved by the Audit Committee or Shareholders (in case of a material related party transaction) (i) where the variation exceeds 20% of the originally approved transaction, in case of any monetary modification; or (ii) which, in the opinion of the Audit Committee, significantly alters the nature or commercial terms of the transaction.
- n) **“Policy”** means the Policy on Related Party Transactions, including amendments, if any, from time to time.
- o) **“Relative”** means a relative as defined under the Act.
- p) **“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.
- q) **“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

All capitalized terms used in this Policy but not defined herein shall have the meaning

assigned to such term in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) or any other applicable law or regulation to the extent applicable to the company, as amended from time to time.

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

- a) Rs. 1000 Crores (individually or taken together with previous transactions during a financial year), or
- b) 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. Notwithstanding the above, a transaction involving payments made to a Related Party with respect to brand usage, or
- c) 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 Ten percent 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Whichever is lower

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

- a) All related party transactions shall require prior approval of the Audit Committee. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- b) Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions and subsequent Material Modifications. Any member of the Audit Committee who has a potential interest in any such Related Party Transaction will recuse himself and shall not participate in discussion and vote on the approval of such Related Party Transactions.
- c) All the Related Party Transactions to which the subsidiary of the Company is a party, but the Company is not a party should be pre-approved by the Audit Committee before entering into such transaction, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds threshold of:
 - a. 10 per cent of the annual consolidated turnover in accordance with the last audited financial statements of the Company.
 - b. 10 per cent of the annual standalone turnover in accordance with the last audited financial statements of the subsidiary (effective from 1 April 2023).

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

The 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 omnibus approval in line with the policy of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) The Audit Committee satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) Such omnibus approval shall specify the following:
 - Name(s) of the Related Party;
 - Nature of the transaction;
 - Period of transaction;
 - 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;
 - Such other conditions as the Audit Committee may deem fit.

In such cases where the need for RPT cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction;

- a. The Audit committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given;
- b. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

In the event transaction, contract or arrangement with the Related Party is either not in the ordinary course of business or is not at arm's length or both, the Company shall comply with the provisions of the Act and the Rules framed thereunder and obtain approval of the Board and its shareholders, as applicable.

Members of the Audit Committee, who are directly or indirectly interested in any RPT shall not participate in any meeting held for the approval of that RPT.

5.3.2 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:

5.3.3 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. RATIFICATION OF RELATED PARTY TRANSACTIONS

In the event the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction may be ratified by members of the Audit Committee, who are Independent Directors within 3 months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier subject to the following conditions:

- i. The value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore.
- ii. The transaction is not material in terms of the provisions of sub-regulation (1) of regulation 23 of SEBI Listing Regulations;
- iii. Rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- iv. The details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23 of SEBI Listing Regulations;
- v. Any other condition as specified by the Audit Committee.

7. DISCLOSURES

The Company shall disclose this Policy on its website i.e. <https://moneyboxxfinance.com/>. 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. 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.