



# **APAC FINANCIAL SERVICES PRIVATE LIMITED**

## **(“APAC FS” or “the Company”)**

### **POLICY ON RELATED PARTY**

### **TRANSACTIONS**

### **AND LOANS & ADVANCES TO**

### **DIRECTORS AND SENIOR OFFICERS**

#### **Review Calendar:**

- Annual review in January of each year, unless in the opinion of the Managing Director or Policy Owner a review of the policy is needed sooner.

**Approval Month – January 23, 2026**

**Owners:**

**Chief Peoples Officer**

**Chief Financial Officer**

**Company Secretary & Compliance Officer**

**Owner:**

Name	Designation	Date	Signature
Akhil Parikh	Company Secretary & Compliance Officer		
Sanjay Sharma	Chief Peoples Officer		
Vivekanand R	Chief Financial Officer		

**Reviewed By**

Name	Designation	Date	Signature
K Selvaraj	Chief Compliance Officer and General Counsel		

**Approved by the Board of Directors on January 23, 2026**

Name	Designation	Date	Signature
Gunit Chadha	Managing Director		
Shankar Dey	Executive Director		

## **Policy on Related Party Transaction and Loans & Advances to Directors and Senior Officers**

### **1. Introduction**

This Policy has been prepared in compliance with the Companies Act, 2013, Indian Accounting Standard (Ind AS) 24 and Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025 and the RBI Circular no. DOR.CRE.REC.No.25/03.10.001/2022-23 dated April 19, 2022 on regulatory restrictions on Loans and Advances by NBFC and other applicable laws, if any.

The Policy on Related Party Transactions and Loans & Advances to Directors & Senior Officers is applicable for transactions with any Related Party and aims to provide a framework for identification, review, approval and disclosure of all such Related Party Transactions. The procedures as prescribed herein shall be followed as and when a related party transaction is proposed to be originated. The Policy additionally prescribes the procedure to be followed for transactions in the nature of loans and advances extended by APAC FS to any director(s), senior officer(s) and/or their relative(s).

### **2. Objective/Purpose**

This Policy is framed in accordance with the provisions as mentioned above.

Any related party transactions and transactions in the nature of loans and advances extended by APAC FS to directors, senior officers and relatives thereof shall be entered into by the Company only in accordance with this Policy.

### **3. Definitions**

**“Arm’s 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.

**“Audit Committee”** means Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013.

**“Control”** shall have meaning as per the Companies Act 2013 & Rules made thereunder and as per Accounting Standards.

**“Joint Ventures”** A contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.

**“Managing Director”** as per clause (54) of Section 2 of the Companies Act, 2013,, means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

**“Ordinary Course of Business”** means the usual transactions, customs and practice undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per the Memorandum and Articles of Association

**“Senior Officer”** means Senior Management personnel of the Company who are members of its core management team, excluding the Board of Directors and comprising of all members of management one level below the Managing Director or part of the Management Committee (MANCOM)

**“Key Managerial Personnel”**, in relation to a company, means—

- MD / Promoter
- Executive Director
- Company Secretary
- Compliance Officer
- Chief Financial Officer

**“Employee”** means those employees who are on the payroll of the company

**“Control”** as per Clause (27) of Section 2 of the Companies Act, 2013, shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

**“Major Shareholder”** shall mean a person holding 10% or more of the paid up share capital or five crore rupees in the paid up shares, whichever is lower.

**“Related Party”**, with reference to APAC FS, means

1. a Director or his / her Relative;
2. a Key Managerial Personnel or his/her Relative;
3. a firm, in which any Director, Manager or his/her Relative is a partner;
4. a private company in which a Director or Manager or his relative is a member or director;
5. a public company in which a Director or Manager is a Director and holds along with his Relatives, more than two per cent of the company’s paid-up share capital;
6. any Body-Corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager of APAC FS;
7. any person on whose advice, directions or instructions a director or manager of APAC FS is accustomed to act

Provided that nothing in sub-clauses (6) and (7) shall apply to the advice, directions or instructions given in a professional capacity;

8. any Company which is—
  - a holding, subsidiary or an Associate Company of such Company; or
  - a subsidiary of a holding company to which it is also a subsidiary; or
  - an investing company or the venture of the company

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

9. A Director other than an Independent Director or Key Managerial Personnel of the holding company or his Relative shall be deemed to be a Related Party.
10. Parties are considered to be related if at any time during the reporting period one party has the ability to Control the other party or exercise significant influence over the other party in making financial and /or operating decisions.

**“Relative”** means a relative as defined under the Companies Act, 2013 and includes anyone who is related in any of the following manner –

- a. Members of a Hindu undivided family;
- b. Husband or wife;
- c. Father (including step-father);
- d. Mother (including step-mother);
- e. Son (including step-son);
- f. Son's wife;
- g. Daughter;
- h. Daughter's husband;
- i. Brother (including step-brother); or
- j. Sister (including step-sister).

List of related parties shall be as per Related Party Disclosures (Ind AS) 24 - Related Party Disclosures

**“Related Party Transactions”** (or “RPTs”) means transactions specified in Section 188 of the Companies Act, 2013 as amended from time to time and as per Articles of Association of the Company. Further, RPTs means any transaction involving transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged or not.

A transaction with a Related Party shall be deemed to include either a single transaction or a group of transactions in a contract.

**“Investors Agreement”** means a Shareholders Agreement entered between the Company, Founder and Institutional Investors of the Company as amended from time to time

#### **4. Identification of Related Party**

The Company shall maintain a database of Related Party containing the names of individuals and companies identified based on the definition of Related Party and declarations provided by the Directors and Key Managerial Personnel, including any revisions therein. The list of Related Parties will be further augmented to include declarations of Directors and Key Managerial Personnel of APAC FS. The Related Parties list shall be updated whenever necessary and reviewed on a timely basis and would be communicated to the functional departments.

Each Director and Key Managerial Personnel is responsible for providing declarations of any Related Parties involving him or her or his or her Relatives, including any additional information that may reasonably be requested.

Every Director, Key Managerial Personnel, will be responsible for providing prior notice of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board may request, for being placed before the Board.

#### **5. Manner of Dealing transactions with Related Parties and Senior Officers**

The functional departments shall submit the details of any proposed RPT with draft agreements or other supporting documents justifying that the transaction is in Ordinary Course of Business and on an Arm's Length basis. Based on such information, the Company will facilitate the necessary approval.

The Company shall not make any loans or advances to:

1. Its directors (including the Chairman/ Managing Director, if any) or relatives of Directors or Senior Officers or their relatives;

2. any firm in which any of the Directors or their relatives are interested as a partner, manager, employee or guarantor; and
3. any company in which any of the Directors of the Company, or their relatives are interested as a Major Shareholder, director, manager, employee or guarantor.
4. Any directors of any company as per (3) above.

Provided that a Director or his/her relatives shall be deemed to be interested in a Company, being the subsidiary or holding company, if they are major shareholders or in control of the respective holding or subsidiary company.

Exceptions are permitted for loans and advances with the approval of the Audit Committee and Board of Directors of the Company.

Such loans shall also pass the applicability test of provision of the Companies Act 2013 with respect to Loans to the Directors.

Provided that the Director who is directly or indirectly concerned or interested in any proposal shall disclose the nature of their interest to the Board of Directors when any such proposal is discussed. Any Directors interested shall recuse themselves from the meeting, subject to their presence being required by the other Directors for the purpose of eliciting information and the Director so required to be present shall not vote on any such proposal.

Company shall obtain a declaration from the borrower giving details of the relationship of the borrower with the directors/ senior officers. The Company shall recall the loan if it comes to their knowledge that the borrower has given a false declaration

APAC FS shall disclose in its Annual Financial Statement, aggregate amount of such sanctioned loans and advances as per template provided in the **Annex I**.

Explanation: The term 'loans and advances' will not include the following:

(1) loans or advances against:

(i) Government securities

(ii) Life insurance policies

(iii) Fixed deposits

(iv) Stocks and shares

(2) Housing loans, car advances, etc. granted to an employee of the Company under any scheme applicable generally to employees as per Human Resource Policy of the Company.

Provided that NBFC's interest/lien is appropriately marked with legal enforceability

## **6. Related Party Transactions Approval Process**

### **I. Approval by the Institutional Investor**

All Related Party Transaction being affirmative items as per Investment Agreement, approval of Institutional Investor would be required.

## **II. Approval of the Audit Committee**

All the transactions which are identified as Related Party Transactions should be approved by the Audit Committee before entering such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

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 of Directors or of shareholders as discussed subsequently.

The Audit Committee shall approve such related party transactions with or without any subsequent modification.

## **III. Approval by Board of Directors**

Except with the consent of the Board of Directors given by a resolution at a meeting of the Board, APAC FS shall not enter into Related Party Transactions

## **IV. Approval by Shareholders**

RPTs which are specified in Section 188 of the Companies Act, 2013 which exceed the limits prescribed under Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014 and which are either not in the ordinary course of business or are not on an arms-length basis shall require approval of shareholders by way of resolution.

Provided further that no member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party. However, APAC FS being a private limited company the said proviso shall not be applicable to the Company

Where the transaction is between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval, no approval is required.

## **V. Deemed Approval**

The transactions or arrangements which are specifically dealt under the separate provisions of the Act and executed under separate approvals/procedures from relevant competent authority or committee shall be deemed to be approved under this Policy

- i. Any transaction that involves the providing of compensation to a Director or KMP in connection with his/her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, including any variations thereto, to director or KMP pursuant to the Nomination and Remuneration Committee/Board approval as may be applicable
- ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- iii. Share based incentive plans for the benefits of the Directors or Key Managerial Personnel pursuant to shareholders approval including ESOPs
- iv. Payment of remuneration, fees, commission, etc. to directors pursuant to the approval of the Board
- v. Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of the Board or the Corporate Social Responsibility

## **7. Transactions not previously approved**

In the event the Company becomes aware of an RPT or loans and advance transaction that has not been approved or ratified under this Policy, the transaction shall be placed before the Audit Committee/Board or the Shareholders as may be required in accordance with this policy for review and ratification within three months from the date on which the Company becomes aware of such contract or arrangement entered into with an RPT or as promptly as practicable.

The Committee/Board shall consider all relevant facts and circumstances regarding 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 action as the Board deems appropriate under the circumstances. In any case, where the Board determines not to ratify any RPT that has been commenced without approval, the Board, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of any RPT, the Board has authority to modify or waive any procedural requirements as specified in the Policy.

## **8. Disclosure Requirements**

This policy will be communicated to relevant functional heads and other concerned persons of Company and shall be placed on the website of the Company.

## **9. Registers and the Disclosures**

The Company shall keep and maintain a Register, physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which the Policy applies.

Every Director and KMP shall, from time to time, make the necessary disclosures to the Board, within a period of 30 days regarding his/her concern or interest which are required to be included in the Register maintained in this regard.

The Register shall be preserved permanently and shall be kept in the custody of the Company Secretary of the Company or any other person authorised by the Board for this purpose.

The Company shall provide suitable disclosures of all the Related Party Transactions entered during the financial year in its annual report and such other documents/returns as required under the applicable laws and regulations.

## **10. Review of the Policy**

Compliance with respect to all aspects of this Policy shall be reviewed by the Board annually. This Policy shall also be reviewed annually in January of each year unless in the opinion of the management a review of the policy is needed sooner.

**Annex – I**

	Current Year	Previous Year
Directors and their relatives		
Entities associated with directors and their relatives		
Senior Officers		