



APAC FINANCIAL SERVICES PRIVATE LIMITED
(“APAC” or “the Company”)
POLICY ON RELATED PARTY
TRANSACTIONS

Review Calendar:

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

Approval Month –April, 2026

Owners:

Chief Financial Officer &

Company Secretary & Compliance Officer

Owner:

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

Reviewed By

Name	Designation	Date	Signature
K Selvaraj	Chief Compliance Officer and General Counsel		
Sanjay Sharma	Chief Administrative and Governance Officer		

Approved by the Board of Directors on April 14, 2026

Name	Designation	Date	Signature
Gunit Chadha	Managing Director		
Sankar Sastri	Executive Director & CEO		

Policy on Related Party Transactions

1. Introduction

This Policy on Related Party Transaction (“Policy”) has been prepared in compliance with the Companies Act, 2013 (“**Companies Act**” or “**the Act**”), Indian Accounting Standard (Ind AS) 24, and Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Amendment Directions, 2026 (“**RBI Master Direction**”) dated January 05, 2026 and other applicable laws, if any.

2. Objective/Purpose

This Policy on Related Party Transactions 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.

Any Related Party Transactions, between the Company and its Directors, its KMPs, its Specified Employees or their respective related parties shall be undertaken by the Company only in accordance with this Policy. In the event of any ambiguity or conflict, RBI Master Directions as amended from time to time shall have an overriding effect.

3. Definitions

“**Company**” or “**APAC**” means APAC Financial Services Private Limited.

“**Arm’s Length Transaction**” means a transaction between two Related Parties that is conducted as if they were unrelated and acting independently, thereby ensuring that there is no conflict of interest.

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

“**Board**” or “**Board of Directors**” means the board of directors of the Company.

“**Control**” shall have the same meaning as assigned to it under as per Clause (27) of Section 2 of the Companies Act, 2013.

“**Entity**” or “**entity**” in the context of a ‘Related Party’ shall mean a ‘Person’ other than an individual and a Hindu Undivided Family.

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

“**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 its Memorandum and Articles of Association.

“**Key Managerial Personnel(s)**” or “**KMP(s)**”, in relation to a company, means—

- Managing Director / Promoter;
- Executive Director;
- Company Secretary;
- Compliance Officer; and
- Chief Financial Officer

“Person(s)” shall have the same meaning as assigned to it under Section 3 (23) of Part I of Insolvency and Bankruptcy Code (IBC), 2016

“Related Party(ies)” with respect of the Company and for purpose of the Companies Act, 2013, shall have the meaning ascribed to it under Section 2(76) of the Act as set out below:

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/her relative is a member or director.
5. a public company in which a director or manager is a director and holds along with his/her 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;
- 7.any person on whose advice, directions or instructions a director or manager of APAC 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 body corporate which is—

a holding, subsidiary or an associate company of the 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.

“Related Party(ies)” with respect of the Company and for purpose of the RBI Master Directions means 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
- (f) which is accustomed to act on the advice, direction, or instruction of a related person; or
- (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 nothing sub-clause (e) above shall apply in cases where the authority to nominate a director arises exclusively from a lending or financing arrangement.

Provided further that nothing in sub-clause (f) above shall apply to the advice, directions or instructions given in a

professional capacity.

“Related Person” or “related person” with respect of the Company and for purpose of the RBI Master Directions means a Person and the Relatives of such a Person, where the Person:

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

“Relative” means a relative as defined under Section 2(77) the Companies Act, 2013 as set out below–

- 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).

“Related Party Transactions” or “RPT” means transactions including contracts or arrangement as specified in Section 188 of the Companies Act, 2013 as amended from time to time and as per Articles of Association of the Company. A transaction with a Related Party shall be deemed to include either a single transaction or a group of transactions in a contract.

“Investment Agreement” means a Shareholders Agreement entered between the Company, the Founder/Promoter (Mr. Gunit Chadha) and Institutional Investors of the Company as amended from time to time

“Specified Employees” mean all employees of APAC who are positioned upto two levels below the Board and any employee designated as such for the purpose of this Policy.

4. Identification of Related Party

The Company shall maintain a database of Related Parties under the provisions of the Companies Act and the RBI Master Directions. All directors, and Key Managerial Personnel of the Company shall disclose their Related Parties including any additional information that may reasonably be requested. Further, all directors, and Key Managerial Personnel of the Company shall provide prior notice of any potential Related Party Transaction involving themselves or their Related Parties. They will also be responsible for providing additional information about proposed RPT that will be placed that the Board / the relevant Board appointed Committee.

The Specified Employees of Company shall disclose their Relatives including any additional information that may reasonably be requested. Further, the Specified Employees shall also provide prior notice of any potential Related Party Transaction involving themselves or their Relatives including any additional information that may reasonably be requested.

5. Manner of Dealing transactions with Related Party under Companies Act and RBI Master Directions

The functional departments shall submit the details of any proposed RPT with draft agreements or other supporting documents. Adequate justification shall be provided for considering the RPT to be in the Ordinary Course of Business and on an Arm's Length basis. Based on such information, the Company will facilitate the necessary approval. Directors and Key Managerial Personnel of the Company shall mandatorily recuse themselves from deliberation and decision-making of any proposed contracts or arrangements involving themselves or their Related Parties. Further, Specified Employees of the Company shall mandatorily recuse themselves from deliberation and decision-making of any proposed contracts or arrangements involving themselves or their Relatives. Such recusal shall also extend to deliberations and decisions relating to any subsequent material changes to the controls or arrangements.

All loans proposed to be given to any Related Party or to Specified Employee or Relatives of Specified Employees shall be governed by the Credit Risk Policy, as amended from time to time. In case of any ambiguity, RBI Master Directions shall have an overriding effect and prevail over any internal policy.

6. Approval Process for Related Party Transactions or Contracts or arrangements

I. Approval by the Institutional Investor

All RPT being affirmative items as per Investment Agreement, approval of Institutional Investors would be required.

II. Approval of the Audit Committee

All the transactions identified as RPT should be approved by the Audit Committee before entering such transaction. The Audit Committee shall consider all relevant factors while deliberating such Related Party Transactions placed for its approval. Additionally, if there is an appointment of a Related Party as defined under Companies Act and RBI Master Directions to any office or place of profit in the Company, its subsidiary company or associate company, the same shall be approved by the Nomination and Remuneration Committee.

A RPT which is (i) not in the Ordinary Course of Business, or (ii) not an Arm's Length Transaction, shall require approval of the Board of Directors or, where applicable, shareholders of the Company.

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 shall not enter Related Party Transaction as specified in Section 188 of the Companies Act, 2013.

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, as the Company is 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 with under the separate provisions of the Companies 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 of the Company 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 Directors or KMP of the Company pursuant to the approval of the Nomination and Remuneration Committee or the Board, as 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 the Directors of the Company pursuant to the approval of the Board.
- v. Contribution with respect to Corporate Social Responsibility to eligible entities pursuant to approval of the Board or the Corporate Social Responsibility Committee.

7. Transactions not previously approved

In the event the Company becomes aware of any RPT that has not been approved or ratified in accordance with this Policy, such transaction shall be placed before the relevant committee, the 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 with a Related Party, or as promptly as practicable.

The relevant 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 relevant committee/Board deems appropriate under the circumstances. In any case, where the relevant committee/ Board determines not to ratify any RPT that has commenced without approval, the relevant committee/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 employees of the 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, giving separately the particulars of all contracts or arrangements to which this Policy applies.

Every Director and KMP of the Company 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 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 April of each year unless in the opinion of the management a review of the policy is needed sooner.