

USHAKIRAN FINANCE LIMITED

RELATED-PARTY TRANSACTION POLICY

Related-Party Transaction Policy

INTRODUCTION:

Ushakiran Finance Limited (the “Company” or “USHAKIRAN FINANCE”) and its subsidiary companies (Indian and foreign) and its associate companies (“the Group”) would, in ordinary course of business, enter into transactions with a Related Party or parties.

OBJECTIVES:

The Board of Directors (the “Board”) of USHAKIRAN FIANANCE has adopted Related-Party Transactions Policy (this “Policy”) to set forth the procedures under which transactions with Related Parties shall be reviewed for approval or ratification in accordance with the procedures set forth below.

This Policy also aims to comply with the provisions of the Companies Act ,2013, and rules framed there under and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. No Related-Party Transaction may be entered into by the Company, or any of its subsidiaries or associates, except in accordance with the provisions of this Policy.

DEFINITIONS:

“Related Party” is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

- (i) a director of the Company (hereinafter referred to as director) or his relative;
- (ii) a Key Managerial Personnel of the Company (hereinafter referred to as KMP) or his/her relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager is a member or director;
- (v) a public company in which a director or manager is a director and holds, along with his relatives, more than 2% of its paid-up share capital;
- (vi) any bodies-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;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act;
- (viii) any company which is —
 - a. a holding, subsidiary or an associate company of such company; or
 - b. a subsidiary of a holding company to which it is also a subsidiary. A director or key managerial person of the holding company or his Relative ; and Related- Party Transaction Policy.
- (ix) any entity is a related party under applicable accounting standards.

Relative:

A person shall be deemed to be the relative of another if he or she is related to another in any one of the following manner:

- (1) Member of the Hindu Undivided Family
- (2) Spouse
- (3) Father
- (4) Mother

- (5) Son
- (6) Son's wife
- (7) Daughter
- (8) Daughter's husband
- (9) Brother
- (10) Sister

Key Managerial Personnel (KMP) in relation to a company, means

- (1) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
- (2) the Company Secretary; and
- (3) the Chief Financial Officer Associate Company in relation to another company means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation. — For the purposes of this clause, “significant influence” means control of at least twenty per cent of total share capital, or of business decisions under an agreement. “Related-Party Transaction” means any transaction involving transfer of resources, services or obligations between a company and a Related Party, regardless of whether a price is charged. “Material Related-Party Transaction” means any transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year above the threshold specified in the section under Material Related - Party Transactions.”

Related Parties for USHAKIRAN FINANCE” The Related Parties of USHAKIRAN FINANCE would be:-

- 1. All directors and KMPs and their relatives of:
 - i. USHAKIRAN FINANCE
- 2. Firms in which a director of USHAKIRAN FINANCE or his/her relatives are partners or members
- 3. Private companies in which a director of USHAKIRAN FINANCE is a director or member Related-Party Transaction Policy

4. Public companies in which a director of USHAKIRAN FINANCE is a director and holds (along with his relatives) more than 2% of the voting capital
5. All subsidiaries and associate companies of USHAKIRAN FINANCE
6. Holding company of USHAKIRAN FINANCE

REVIEW AND APPROVAL OF RELATED-PARTY TRANSACTION

1. The Audit Committee of the Board will review and, if appropriate, approve Related - Party Transactions. Accordingly, at first meeting of the Audit Committee in every financial year, management shall present to the Committee the following information with respect to all Related-Party Transactions expected to be entered into during that calendar year:
 - a) the name of the Related Party and the basis on which such person or entity is a Related Party;
 - b) the Related Party's interest in the transactions, including the Related Party's position or relationship with, or ownership of, any entity that has an interest in the transactions;
 - c) the approximate rupee value of the transactions and the approximate rupee value of the Related Party's interest in the transactions;
 - d) a general description of the transactions, including material terms and conditions;
 - e) in the case of a lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments to be made;
 - f) in the case of loan, the aggregate amount of loan and the rate amount of interest to be payable on such loan;
 - g) in case of guarantees issued, the aggregate amount of guarantees and commission to be payable on such guarantees;
 - h) in assessment of whether the transactions are on terms that are comparable to the terms available to unrelated third parties or to employees generally; and
 - i) any other material information regarding the transaction(s) or the Related Party's interest in the transaction(s). After reviewing such information, the members of the Audit Committee (without the participation the Committee member(s) interested in the transaction, if

any) shall approve or disapprove such transactions. Approval of such transactions shall be given only if it is determined by the Committee that such transactions are:

- (a) in (or not inconsistent with) the best interests of the Company and its shareholders;
 - (b) to be entered into by the Company (or its subsidiary or associate entity) on terms that are comparable to those that would be obtained in arm's length transactions with unrelated third parties; and
 - (c) In the ordinary course of the business of the Company. ("Ordinary course of business for this purpose will cover the businesses of USHAKIRAN FINANCE group and usual transactions, customs and practices Related-Party Transaction Policy business and would include activities to be carried out incidental to or to facilitate the business of USHAKIRAN FINANCE group and is usual or customary to the Company and/ or its line of business).
2. No member of the Audit Committee shall participate in the review, consideration or approval of any Related-Party Transaction with respect to which such member or any of his or her relatives is a Related Party.
 3. If any material information with respect to such transactions shall change subsequent to the Committee's review of such transactions management shall provide the Committee with updated information at a subsequent meeting and will get the changes approved afresh by the Committee.
 4. If any additional Related-Party Transactions are proposed to be entered into subsequent to the Committee's first meeting in the financial year, management shall present such transactions to the Committee for approval before entering into such transaction (which can be taken by calling a meeting or by resolution passed through circulation).
 5. All the directors are required to declare and disclose his concerns or interests in any company or companies or bodies corporate at the first Board meeting in every financial year and subsequently whenever there is any change in disclosures. In addition, the directors have to give an undertaking that all business transactions entered into between

USHAKIRAN FINANCE and themselves comply with the terms of this Policy.

OMNIBUS APPROVAL FROM AUDIT COMMITTEE

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered by the Company subject to the following conditions:-

1. The Committee and the Board will lay down the criteria for granting the omnibus approval in line with this policy.
2. The Committee should satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
3. Such omnibus approval shall specify:
 - a) Name/s of the Related Party
 - b) Nature of transaction
 - c) Period of transaction
 - d) Maximum amount of transaction that can be entered into
 - e) The indicative base price/ current contracted price and formula for variation in price, if any
 - f) Other conditions which the Committee deems fit.
4. Where the need for Related Party Transaction cannot be foreseen and the details as per above point 3 are not available, the Committee can give omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.
5. The Committee will review on a quarterly basis, the details of all related party transactions entered into by the Company pursuant to each of the omnibus approval given. Related-Party Transaction Policy.
6. Such omnibus approvals shall be valid for a period of not exceeding one year and shall require fresh approvals after expiry of one year. The Committee will consider and review the omnibus approvals at the first committee meeting of every financial year.

APPROVAL OF THE BOARD AND THE SHAREHOLDERS

The Audit Committee shall report all “Material Related-Party Transactions” to the Board of Directors. The Company will also seek shareholders’ approval for “Material Related-Party Transactions” in the subsequent annual general meeting of the year in which the Related-Party Transaction is undertaken or by postal ballot process. The resolution will be a Ordinary resolution and the related parties (if any) will abstain from voting on such resolution. In case of transactions which are not ordinary course of business or not at arm’s length, Board approval will be required. In case these are material transactions, shareholders’ approval will also be required. Material Transactions will be determined as per the following rules:

Category of Transactions Material Related - Party Transactions - Companies Act , 2013 Material Related-Party Transactions:

SEBI Sale, purchase or supply of any goods or materials 10% of turnover or Rs. 100 crore, whichever is lower:

10% of annual consolidated turnover of the company as per last audited financial statement Selling or otherwise disposing of, or buying, property of any kind;

10% of net worth or Rs. 100 crore, whichever is lower;

Leasing of property of any kind; 10% of net worth or 10% of turnover or Rs. 100 crore, whichever is lower;

Availing or rendering of any services; 10% of turnover or Rs. 50 crore, whichever is lower such Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding Rs 2.5 lakh;

Underwriting the subscription of any securities or derivatives thereof, of the company 1% of net worth any other transaction not applicable Related-Party Transaction Policy

LOAN OR GUARANTEE TO BODIES CORPORATE, DIRECTORS OR ANY OTHER PERSON

i. USHAKIRAN FINANCE shall not directly or indirectly

- a) give any loan to any person or other body corporate;
- b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid - up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Where any loan, guarantee, security or acquisition as specified above exceeds the limits, prior approval by Special Resolution passed at general meeting or by postal ballot will be required. No loan shall be given under this section at a rate of interest lower than the prevailing yield of one -year, three -year, five -year or ten-year Government Security closest to the tenor of the loan.

ii. USHAKIRAN FINANCE shall not directly or indirectly advance any loan, including any loan represented by a book debt,

- a. to any of its directors or
- b. to any other person in whom the director is interested, or
- c. give any guarantee or provide any security in connection with any loan taken by him or such other person for the purposes of above, the expression "to any other person in whom director is interested" means:

- a) any director of the lending company, or of a company which is its holding company or any partner or relative of any such director;
- b) any firm in which any such director or relative is a partner;
- c) any private company of which any such director is a director or member;
- d) any body corporate at a general meeting of which not less than twenty five per cent of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; or
- e) any body corporate, the Board of Directors, managing director or manager whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company.

However, point (ii) above will not cover loan made by holding company to its wholly owned subsidiary company or any guarantee given or security

provided by holding company in respect of any loan made to its wholly owned subsidiary company. Such loans should be utilised by the subsidiary company for its principal business activities.

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DISCLOSURE

Disclosure will be made in the Company's Annual Report of the particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties as part of Directors' Report. This Policy will also be uploaded in the website of USHAKIRAN FINANCE and will be disclosed in the Annual Report of USHAKIRAN FINANCE in every year. The Company will also disclose the details of all material Related Party on a quarterly basis along with the compliance report, if any, on corporate governance filed with the stock exchanges under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

POLICY REVIEW

This Policy is framed based on the provisions of the Companies Act, 2013, and rules there under and the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of any subsequent changes in the provisions of the Companies Act, 2013, or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. This Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Committee.