

***NORTHLINK FISCAL AND CAPITAL
SERVICES LIMITED***

***POLICY ON DEALING WITH RELATED
PARTY TRANSACTIONS***

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1. Introduction

The Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that RPTs can present a risk of actual or apparent conflicts of interest of the Directors, Senior Management etc. with the interest of the Company. The Board of Directors (the “Board”) of Northlink Fiscal and Capital Services Limited (the “Company”) adopts the following policy and procedures with regard to Related Party Transactions (RPTs) as defined below in compliance with the requirements of Section 188 of the Companies Act 2013 and in compliance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 meant to lay down principles that will guide the transactions among related parties. The policy further sets forth the procedures for dealing with the Related Party Transactions including the process for their review, approval and ratification as permitted.

2. Purpose

Securities and Exchange Board of India (SEBI) has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) which, inter alia, provides that a company shall formulate a policy on dealing with Related Party Transactions. This policy intends to ensure that the transactions of the Company with its related parties are undertaken on the basis of best practices and in accordance with the provisions of the Regulation 23 of SEBI Listing Regulations read with relevant provisions of Companies Act, 2013.

3. Definitions

“**Act**” means Companies Act, 2013 read along with rules thereto;

“**Audit Committee**” or “**Committee**” means Audit Committee of the Company as constituted by the Board;

“**Board of Directors**” or “**Board**” means Board of Directors of the Company;

“**Company**” means Northlink Fiscal and Capital Services Limited;

“**Directors**” means Directors of the Company for the time being occupying the position as such;

“**Key Managerial Personnel**” (KMP) means:

- a. Chief Executive Officer or Managing Director;
- b. Whole-time Director;
- c. Chief Financial Officer;
- d. Company Secretary;
- e. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- f. Such other officer as may be prescribed, from time to time.

“Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended;

“Material Related Party Transaction” means the transaction/transactions with a Related Party that has a value, individually or taken together with previous transactions during a financial year, exceeding ten percent of the consolidated turnover of the Company as per the last recent annual audited financial statements of the Company;

A transaction involving payments made to a Related Party with respect to brand usage or 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 five per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Ministry” means the Ministry of Corporate Affairs, India;

“Policy” means this Policy on dealing with Related Party Transactions;

“Promoter” and “Promoter Group” shall have the respective meanings as assigned to them in the Listing Regulations;

“Relative” in reference to an individual means and includes:

- a. members of Hindu Undivided Family
- b. Spouse
- c. Father including step-father
- d. Mother including step-mother
- e. Son including the step-son
- f. Son’s wife
- g. Daughter
- h. Daughter’s husband
- i. Brother including the step-brother
- j. Sister including the step-sister

“Related Party” means a person/entity which is a related party under Section 2(76) of the Act or under applicable accounting standards, as amended from time to time.

Provided that any person or entity belonging to the Promoter or Promoter Group of the Company and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

“Related Party Transaction” shall mean any transaction (including a single transaction or a group of transactions in a contract), involving transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged.

4. Procedures:

This Policy will operate within the framework of the Regulation 23 of the Listing Regulations read with the Act and Rules thereunder, as amended from time to time.

A. Approval of Related Party Transaction

Audit Committee Approval

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may also grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b. The Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company;
- c. The maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year shall not exceed 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company. Further, the maximum value per transaction which can be allowed under the omnibus route shall not exceed 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- d. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction; (ii) the indicative base price/current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction;

- e. Audit Committee shall review the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given by it on a quarterly basis;
- f. Such omnibus approvals shall be valid for a period of one financial year from the date of the Audit Committee meeting where such approval is granted or such other lesser period as may be specified by the Audit Committee and shall require fresh approval after its expiry;
- g. Omnibus approval shall not be made for the following:
 - (i) transaction(s) in respect of selling or disposing off the undertaking of the Company; and.
 - (ii) transaction(s) with respect to brand usage or royalty payments.

Each Material Related Party Transaction shall also require prior approval of the Board and shareholders of the Company, in accordance with the relevant provisions of the Listing Regulations, the Act and/or the Rules, as may be applicable.

If any Member of the Committee is interested in any contract or arrangement with a

related party, such Member shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

Information to be placed before the Committee for granting approval to Related Party Transaction:

The following information may be placed before the Audit Committee:

- Name of the Related Party and nature of relationship;
- Name of the director or Key Managerial Personnel who is related;
- Nature, material terms and monetary value of the contract or arrangement along with justification; and
- Any other information relevant or important for the members to take a decision on the proposed Related Party Transaction.

Factors to be considered by the Committee while approving a Related Party Transaction:

- Whether the terms of Related Party Transaction are fair and on arm's length basis?
- Whether the Related Party Transaction is in the ordinary course of business of the Company or Related Party?
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any?
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company; and
- Any other factors the Committee deems relevant.

B. Members' Approval

Where members' approval is required on any Material Related Party Transactions, such approval will be obtained through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The explanatory statement to be annexed to the notice of a postal ballot or general meeting convened to consider the special resolution to approve a Related Party Transaction shall inter alia contain the following particulars:

- Name of the related party;
- Name of the director or key managerial personnel who is related, if any;
- Nature of relationship;
- Nature, material terms, monetary value and particulars of the contract or arrangement;
- Any other information relevant or important for the members to take a decision on the proposed resolution.

5. Exception to obtain the required approvals:

No approval of the Audit Committee and the Members shall be required for transactions between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the members at the general meeting.

6. Disclosures:

The particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under the Listing Regulations, the Act and Rules.

This policy shall be uploaded on the website of the Company and a web link thereto shall be provided in its annual report.

Details of all material transactions with related parties shall be disclosed quarterly along with compliance report on corporate governance filed with the stock exchanges.

From the date of publication of its standalone and consolidated financial results for the half year, the Company shall disclose related party transactions on a consolidated basis within 30 days, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website as may be applicable.

7. Review:

The Audit Committee will periodically review this Policy and may recommend amendments to this Policy as it deems appropriate.

8. Amendment:

The Company may amend this Policy as and when deemed fit. Any and all provisions of this Policy shall also be amended as required due to any regulatory changes from time to time.

In case any amendments, clarifications, circulars and guidelines issued by Securities and Exchange Board of India/Stock Exchanges, not being consistent with the provisions laid down under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendments, clarifications, circulars and guidelines.
