

BHANIX FINANCE AND INVESTMENT LIMITED

RELATED PARTY TRANSACTIONS POLICY

Board Approval Date	Prepared By	Reviewed By	Version No	Last Review Date
May 26, 2026	Chief Financial Officer (CFO)	Chief Executive Officer (CEO)	5	December 19, 2025

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1. BACKGROUND

Bhanix Finance and Investment Limited (hereafter referred to as 'BFIL' or 'Company') is a public limited company registered under the Companies Act, 1956, validly existing under the Companies Act, 2013, and licensed as a Non-Deposit Taking Non-Banking Financial Company Base Layer (NBFC-ND-BL) by the Reserve Bank of India ("RBI") as per Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time.

The Board of Directors of the Company has adopted the Related Party Transaction Policy in compliance with the Companies Act, 2013, and pursuant to the Reserve Bank of India (Non-Banking Financial Companies - Credit Risk Management) Directions, 2025 ("**CRM Direction**") as well as any other applicable directions and amendments issued thereunder.

The Policy governs the transactions with the Related Parties keeping in view the potential or actual conflicts of interest and may pose questions upon the transactions entered into by the Company with related parties and whether such transactions are consistent with the Company's and its shareholder's interest and also in compliance with the laws applicable to the Company. Such transactions shall be considered appropriate only if they are in the best interest of the Company and its shareholders.

2. DEFINITIONS

A. AS PER COMPANIES ACT, 2013

- a. '**Act**' shall mean the Companies Act, 2013 and the Rules framed thereunder including amendments, re-enactments, modifications, notifications, circulars and orders from time to time.
- b. '**Arm's Length Basis**' shall mean the transaction entered into between two related parties as if they were unrelated to avoid any conflict of interest; and, the term 'arm's length' shall be construed accordingly.
- c. '**Audit Committee**' or '**Committee**' means the Audit Committee of the Company as constituted by the Board.
- d. '**Board of Directors**' or '**Board**' shall mean the Board of Directors of the Company.
- e. '**Key Managerial Personnel**' (**KMP**) means:
 - i. Chief Executive Officer or Managing Director
 - ii. Whole-Time Director
 - iii. Chief Financial Officer
 - iv. Company Secretary
 - v. Such other officer, not more than one level below a Director who is in whole-time employment and designated as key managerial personnel by the Board; and
 - vi. Such other officer as may be prescribed, from time to time.

- f. **'Relative'** shall mean the term as defined under the relevant applicable section of the Companies Act, 2013 read with the Companies (Specification of Definitions Details) Rules, 2014.
- g. **'Related Party'** A Related Party shall have the same meaning as defined under Section 2(76) of the Act and the Rules made thereunder and the applicable Accounting Standards.

As per Section 2(76) of the Act, a Related Party with reference to a company means:

- i. A director or his relative
- ii. A key managerial personnel or his 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 or his relative 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 two per cent of its paid-up share capital
- vi. 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.
- vii. Any person on whose advice, directions or instructions a Director or Manager is accustomed to act.
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity.
- viii. Any body corporate which is –
 - a) A holding, subsidiary or an associate company of such company
 - b) A subsidiary of a holding company to which it is also a subsidiary; or
 - c) An investing company or the venturer of the company;"Provided that nothing in sub-clauses (viii) shall apply to the transaction as mentioned under Section 188 (1) (a to g);

Note: The above clause (viii) shall not be applicable for the transactions mentioned in clause (a) to (g) of sub-section (1) of Section 188 of the Act – vide Notification dated June 5, 2015, issued by the Ministry of Corporate Affairs.

- ix. Such other person as may be prescribed.
- h. **'Related Party Transaction' or ('RPT')** shall mean any transaction or contract or arrangement with a related party as defined under Section 188 of the Act and the Rules made thereunder and the Accounting Standards and as per Section 177 of the Companies Act, 2013 and Rules framed thereunder. The approval of the Audit Committee is required for any transactions of the Company with related parties including any subsequent modification thereof. Further, the Audit Committee may provide omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be required under the Companies Act, 2013 and Rules framed thereunder, RBI Directives and other applicable law.

B. DEFINITIONS UNDER CRM DIRECTION (EFFECTIVE APRIL 01, 2026)

The following definitions are drawn from the CRM Direction shall apply specifically for the purpose of lending to Related Parties:

- i. **'Person'** includes:
 - an individual
 - a Hindu Undivided Family
 - a company
 - a trust
 - a partnership
 - a limited liability partnership
 - any other entity established by the statuteand includes a person resident outside India.
- j. **'Lending'** in the context of a 'related party' shall mean extending funded or/ and non-fund-based credit facilities to related parties. While investments in debt instruments of related parties shall be covered for this purpose, equity investments shall be excluded.
- k. **'Specified Employee'** All employees of the Company positioned up to two levels below the Board, and any employee designated as such under the Company's policy.
- l. **'Promoter'** As defined under Section 2(69) of the Companies Act, 2013.
- m. **'Contract or Arrangement'** Shall have same meaning as specified in Section 188(1)(a) to (g) of the Companies Act, 2013.
- n. **'Committee on Lending to Related Parties'** shall mean a committee of the Board of the NBFC entrusted with sanctioning of loans to related parties. NBFCs may also identify any existing Committee, other than the Audit Committee, for this purpose.
- o. **'Personal Loans'** refers to loan given to individuals and consist of
 - Consumer Credit
 - Education loan
 - Loan given for creation/enhancement of immovable asset (e.g housing etc.) and loans given for investment in financial asset (shares and debentures)However, for these Directions, personal loan shall exclude loan for investments in financial assets
- p. **'Entity'** in the context of a 'related party' shall mean a 'person' other than an individual and a Hindu Undivided Family.

- q. **‘Major Shareholder’** shall mean a person holding 10 per cent or more of the paid-up share capital or Rs. 5 Crore in paid-up shares, whichever is less.
- r. **‘Related Person’** with respect to a Company shall mean a person, and the relatives of such a person, where the person:
- is either a promoter, or a director, or a KMP of the Company; or
 - owns more than five per cent of paid-up equity share capital of the Company or can, either singly or jointly, exercise more than five per cent of the voting rights of the Company on account of either ownership or voting agreement or through shareholders’ agreement or through any other arrangement; or
 - can, through an agreement with the Company, nominate a director to its Board; or
 - is either singly or jointly, in control of the Company.
- s. **‘Related Party’** With respect to the Company, means a related person, or any of the following entity where:
- a related person is a partner, manager, KMP, director or promoter;
 - a related person shareholder with more than 10% of paid-up equity share capital;
 - a related person is having control, whether singly or jointly with another person; or
 - 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.
 - a related person has the power to nominate a director to its Board; or
 - which is accustomed to act on the advice, direction, or instruction of a related person; or
 - a related person is a guarantor or surety; or
 - a related person is a trustee, author, or beneficiary of a private trust; or
 - the entity is a subsidiary, parent, holding company, associate, or joint venture of the related person.

Provided that nothing mentioned above shall apply in case where the authority to nominate director arises exclusively from lending or financing arrangement.

Provided further that nothing mentioned above shall apply to advice, directions or instruction given in professional capacity.

Note: In case a transaction falls under both the Companies Act, 2013 and the RBI Master Directions, the Company shall comply with the requirements of both frameworks, and, to the extent of any inconsistency, the more stringent provision shall prevail.

3. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

In order to identify the related party, the following must be noted:

- An entity shall be considered as related to the Company if:

- Such entity is a related party under Section 2 (76) of the Companies Act, 2013 read with the Rules framed thereunder; or
- Such entity is related party as per Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) Directions, 2025; or
- Such entity is a related party under the applicable accounting standards.
- Director, Key Managerial Personnel and connected Related Parties: Each Director and Key Managerial Personnel shall at the beginning of the financial year disclose to the Board of Directors of the Company their related parties and disclose any changes thereto during the financial year as immediately as practicable. The Company shall also identify related party transactions, if any, with Directors or Key Managerial Personnel of the holding company/ies or their relatives.
- The Company will identify the potential transactions with the related parties as defined under this Policy.

4. APPROVAL OF RELATED PARTY TRANSACTIONS

- **Audit Committee Approval:**

Related Party Transactions shall be approved by the Audit Committee, as may be required in terms of the provisions of the Companies Act, 2013. To review a related party transaction which requires approval of the Audit Committee, the Audit Committee will be provided with all relevant material information to assist it in deciding whether or not to approve the transaction.

The management shall place before the Audit Committee, on a quarterly basis, a statement of all Related Party Transactions entered into during the quarter, including transactions approved under omnibus approvals, if any, specifying the nature, value, related party, arm's length status, and materiality of such transactions.

The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature subject to the following conditions:

- The Audit Committee shall satisfy itself on the need for omnibus approval and whether such approval is in the interest of the Company;
- Omnibus approval shall be valid for a period not exceeding 1 (one) financial year and shall require fresh approval after the expiry of such financial year;
- The omnibus approval shall contain the name(s) of the related party(ies), the nature and duration of the transaction, the maximum amount of transaction that can be entered into, the indicative base price or current contracted price and the formula for variation in the price (if any), and such other conditions as the Audit Committee may deem fit;

Provided that where the need for a related party transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus

approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

- Omnibus approval shall not be provided for transactions in respect of –
 - (i) Selling or disposing of the undertaking of the Company;
 - (ii) Transactions which are not in the interest of the Company
 - (iii) Such other transactions specified under the applicable laws from time to time
 - (iv) Transactions which are not in the ordinary course of business or not at arm's length.
 - (v) Transactions which are not repetitive or unforeseen in nature.
 - (vi) Inter-corporate loans given/taken by the Company to/from related parties and purchase/sale of investments from/to related parties
 - (vii) Transactions in respect of sale or disposal of the undertaking of the Company.
 - (viii) Any other transaction as may be specified by the Audit Committee.
- In an unforeseen event where an RPT needs to be entered into due to business exigencies between two Audit Committee meetings, the Audit Committee may approve such RPT by passing a resolution by circulation after satisfying itself that such transaction is in the interest of the Company.

- **Arm's Length Documentation and Benchmarking:**

All Related Party Transactions shall be supported by adequate documentation to demonstrate that the transaction is conducted on an arm's length basis and in the ordinary course of business, wherever applicable.

Such documentation shall include, inter alia, comparable market pricing, benchmarking analysis, valuation reports (where relevant), and justification of commercial terms. The Audit Committee may seek external expert or independent benchmarking, if deemed necessary.

- **Approval of Board of Directors and Shareholders:**

Except in respect of transactions entered into by the Company in its ordinary course of business (other than transactions which are not on an arm's length basis), the Company shall not enter into any contract or arrangement with its related parties with respect to the matters specified in Section 188 (1) of the Act without the following prior approvals:

- Approval of the Board of Directors given by way of a resolution at a meeting of the Board and subject to such conditions as may be prescribed by the Board; and
- Approval of the shareholders of the Company by ordinary resolution in case the contract or arrangement falls within the criteria specified as per Section 188(1) read with the Companies (Meetings of Board and its Powers) Rules, 2014.

All RPTs specified in the Companies Act, 2013 which are not in the Ordinary Course of Business of the Company or not on arm's length basis and which exceed the

thresholds laid down in the Companies Act, 2013 and Companies (Meeting of Board and its Power) Rules, 2014, as amended from time to time, shall be placed before the shareholders for approval. Notwithstanding, the RPTs which cross the thresholds as defined herein shall be entered into by the Company only with the prior approval of shareholders of the Company, as per Section 188 of the Act.

However, shareholders' approval shall not be required for Material RPTs entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with that of the Company and placed before the shareholders at the general meeting for approval.

Subject to the provisions of the applicable laws, the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, shall have the power to ratify, revise or terminate the RPTs which are not in accordance with this Policy or as per the provisions of the applicable laws.

- **Approval of Board of Directors for lending to Related Parties:**

In accordance with CRM Direction, the Company has decided not to constitute a separate 'Committee on Lending to Related Parties'. Accordingly, all proposals relating to lending to Related Parties, irrespective of the amount, nature of credit facility, or exposure thresholds prescribed under the Credit Policy, shall require prior sanction of the Board of Directors.

Further, the Company shall not grant or extend any loan, advance, or credit facility against the security of its own shares or debentures, whether issued through private placement or public issue. Provided that this restriction shall not apply to tax-exempt bonds issued by the Company, if any, as permitted under the applicable regulatory framework. Advances in the nature of salary or other employee benefits provided to employees in the ordinary course of employment shall not be construed as related party transactions.

All sanctions, including any subsequent material modifications to the terms of such loans (such as restructuring, rescheduling, waivers, write-offs, or one-time settlements) require prior Board approval.

- **Conflict of Interest and Recusal:**

- Any Director, Key Managerial Personnel, or senior management personnel having a potential or actual conflict of interest in a Related Party Transaction shall not take part in the discussions, deliberations, and voting on such transaction.

- Such recusal shall also extend to deliberations and decisions relating to any subsequent material changes to the terms of such loans, including one-time settlements, write-offs, waivers, enforcement of security, and implementation of resolution plans.
- Any official who was part of sanctioning the original loan (individually or as part of a committee) shall not be part of approving any proposal for compromise settlement of the same loan account, in any capacity.

The Audit Committee shall ensure appropriate supervisory safeguards, including independent review and enhanced scrutiny, for transactions involving senior management or controlling stakeholders.

- **Related Party Transactions not approved under this policy:**

In case of any transaction involving any amount not exceeding Rs. 1 crore that is entered into by a director or officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee; and, if the transaction is with a party related to any director or is authorised by any other director, the director concerned shall indemnify the Company against any loss incurred by it.

In case any contract or arrangement is entered into by a director or any other employee without obtaining the consent of the Board or approval by the shareholders in the General Meeting under Section 188(1) of the Act and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

5. MONITORING OF LOAN TO RELATED PARTIES

- The Company shall periodically update the list of all the related person and the parties thereof as well as the loans sanctioned by the bank to such related persons and related parties.
- Credit facilities sanctioned to 'specified employees' and their relatives shall be reported to the Board on an annual basis.
- Periodic reviews shall be conducted at quarterly by internal auditors to check, *inter alia*, whether guidelines and procedures in relation to loans to related parties are being adhered to or not.
- Any deviation from the policy relating to lending to related parties and reasons therefor shall be reported to the Audit Committee of the Board.
- Any product, entity or structure formed with the objective of circumventing CRM Direction through various means, such as reciprocal lending or quid pro quo arrangements, and identified by the auditors of the Company or by the supervisory authority and investigating agencies shall always be treated as lending to related party.

6. DISCLOSURE AND RECORD RETENTION

The Company shall make appropriate disclosures of Related Party Transactions as required under the Companies Act, 2013, applicable Accounting Standards, and RBI regulations.

All records, approvals, supporting documents, benchmarking analysis, and certifications relating to Related Party Transactions shall be maintained for such period as prescribed under applicable laws, and in any case not less than eight (8) years or such longer period as may be required by regulatory authorities.

7. REVIEW OF POLICY

This Policy shall be reviewed by the Audit Committee ('Committee') as and when any changes are to be made in the Policy or at such intervals as may be considered necessary to ensure compliance with any regulatory or statutory requirement from time to time. Any changes in or modifications to the Policy as recommended by the Committee shall be presented to the Board for approval.

Version Control

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