

SUN INVESTMENTS PRIVATE LIMITED

REALTED PARTY TRANSACTION POLICY

- 1) This policy may be known as "SIPL –Related Party Transaction Policy" hereinafter referred to as the "Related Party Transaction Policy".
- 2) This Related Party Transaction Policy has been made pursuant to Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 as amended from time to time.
- 3) The Board of Directors has approved and adopted this 'Related Party Transaction Policy' on 26th day of December, 2024.

4) **Company's Profile**

Sun Investments Private Limited (SIPL) is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI). In accordance with the Master Direction- Non-Banking Financial Company – Scale Based Regulations - (Reserve Bank) Directions, 2023 (hereinafter referred to as "the RBI Directions") issued by the RBI, the Board of Directors of an applicable NBFC is required to frame and approve a Related Party Transaction Policy.



5) **Objectives**

This policy will guide the Company to effectively comply with the provisions of the Companies Act, 2013, Indian Accounting standards, Income Tax Act and such applicable provisions of other statutes as may be put in place, in relation to related party transactions.

The company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

This Policy will ensure that related party transactions of the company are carried out in a transparent manner i.e., in the ordinary course of business and on an arm's length basis as per the legal provisions.

This policy also aims at providing guidance in situations of potential conflict of interest and compliance with matters relating to related party transactions.

6) **Definitions**

For the purpose of this Investment Policy –

- a) "RBI Act" means the Reserve Bank of India Act, 1934;
- b) "Companies Act" means the Companies Act, 2013;
- c) "Arm's Length Transaction" means the Explanation (b) to Section 188(1) of the Companies Act, 2013 defines an "arm's length transaction" to mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest;
- d) "Associate Company" as defined in Section 2(6) of the Companies Act, 2013, refers to a company in which another company has significant influence, but which is not a subsidiary of the influencing company. This definition also includes joint venture companies.

For the purposes of this term 'Associate Company', "significant influence" means control of at least twenty per cent of total voting power, or control of or participation in business decisions under an agreement.

- e) "Audit Committee" means the committee of Board of Directors, the Company constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder.
- f) "Board of Directors" means the Board of Directors of Sun Investments Private Limited.
- g) "Body corporate" means a body corporate as defined under Section 2 of the Companies Act, 2013;
- h) "Company" or "SIPL" means Sun Investments Private Limited;
- i) "Companies Act" means the Companies Act, 2013 or any statutory modifications or re-enactment thereof for the time being in force.
- j) "Control" means it 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.
- k) Key Managerial Personnel ("KMP" or "Key Managerial Personnel") means:
 - (a) the Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-Time Director;
 - (b) the Company Secretary;
 - (c) the Chief Financial Officer; and
 - (d) any other person appointed as the KMP by the Board of the Company.Any other term not defined herein shall have the same meaning as defined in the Act or Listing Regulations or RBI Regulations.
- l) "Ordinary Course of Business" means a transaction which is carried out in the normal course of business envisaged in accordance with the Memorandum of Association ('MoA') and the Articles of Association ("AoA") of the Company.
- m) "Material Modification" means and includes any modification to the terms of a Related Party Transaction, having a variance of 15% from the existing limit as sanctioned by the Audit Committee / Board / Shareholders, or the effect of which will be an increase over the approved limit for such transaction by an amount of more than 500 Crores in a financial year, whichever is higher.
- n) Provided that where any Related Party Transaction approval was granted on percentage basis then the absolute value shall not be considered for determining the material modification status and vice versa.
- o) "Related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

"Related party transaction" means transactions as defined under the Section 188 of the Companies Act, 2013 or Accounting Standards, Income Tax Act and SEBI Act as applicable.



“Relative” means

- i) they are members of a Hindu Undivided Family;
- ii) — they are Husband and Spouse; or Wife and Spouse;
- iii) — one person is related to the other in such manner as may be prescribed i.e.;
 - (1) Father, includes the step-father;
 - (2) Mother, includes the step-mother;
 - (3) Son, includes the step son; Son’s Spouse;
 - (4) Daughter; Daughter’s Spouse;
 - (5) Brother, includes the step-brother; and
 - (6) Sister, includes the step-sister.

Other terms not defined hereinabove shall have same meaning as defined in “Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023” and as amended from time to time.

7) Terms of Policy:

All related party transactions and subsequent Material Modifications shall require prior approval of the Audit Committee unless otherwise specifically exempted in accordance with this Policy.

Only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

8) Role of Board of Directors and Audit Committee:

The Board of the Company will approve amendment to this Related Party Transaction Policy from time to time for Related Party Transactions. The Board will be responsible to provide overall direction, approval and monitor the Related Party Transaction regime in the Company from time to time.

The Audit Committee shall test each Related Party Transactions whether or not the same is on arm’s length and done in the ordinary course of business. The Audit Committee will be responsible for overall monitoring and supervision of the Related Party Transaction regime in the Company.

9) Identification of Related Party Transactions:

Related Party Transactions are required to undergo a detailed analysis before arriving at a conclusion as to its impact as well as the course of action with regard to the approval requirements from the concerned bodies. The RBI Act and the Companies Act, 2013, has laid down procedures for dealing with Related Party Transactions.

The Related Party list shall be updated periodically and shall be reviewed at least once a year, based on the annual disclosures received, if any.

10) Ascertaining whether Related Party Transactions are on an Arm's Length Basis:

The tests for ascertaining arm's length relationship in case of contracts /arrangements that may be entered into by Sun Investments Private Limited with its Related Parties could be on the following lines -

- a. The contracts/ arrangements are entered into with related parties, at such prices/discounts/premiums and on such terms which are offered to un-related parties of similar category/ profile, if available.
- b. The contracts/ arrangements have been commercially negotiated.
- c. The pricing is arrived at as per the guidelines that may be issued by the Ministry of Corporate Affairs, Government of India/ Income Tax Act, 1961 as applicable to any of the contract/ arrangements contemplated under the Act.
- d. The payments to group companies are made in the manner and at such rates prevalent in the market for similar category of goods and services and similar category/ profile of customers.
- e. Any modification to the original contract/ arrangements is substantially on the same price/discount/ premium and on such terms, as offered to un-related parties of similar category/ profile.
- f. Such other criteria as may be issued under IND AS 24 or by any other statutory/ regulatory authority.

11) Ascertaining whether Related Party Transactions are in the Ordinary Course of Business of Sun Investments Private Limited

- a. In order to decide whether or not a contract or arrangement is being entered by the Company is in its ordinary course of business, the Company shall consider whether such contract/ arrangement is germane to attainment of the main objects as set out in its Memorandum of Association or such other activities as may be permitted, from time to time by Reserve Bank of India, the principal regulator of the Company.
- b. The Company shall also consider whether the transaction contemplated under the proposed contract or arrangement is either similar to contracts or arrangements which have been undertaken in the past, or, in the event that such transaction is being undertaken for the first time, whether the Company intends to carry out similar transactions in the future.
- c. Further, whether the transaction value is within the reasonable range for similar types of other transactions, will also be an important consideration. An exceptionally large value transaction should invite closer scrutiny.
- d. These are not exhaustive criteria and the Company will have to assess each transaction considering its specific nature and circumstances. In case of any confusion, final decision will be taken by the Board of Directors.

12) Prior Approval

Prior consent of the Board and shareholders would be taken in respect of all the Related Party Transactions including material modifications thereof, except in following cases:

1. Where the transactions are entered into by the Company in its ordinary course of business, on arm's length basis and the transactions are below the threshold limits specified under Section 188 of the Companies Act, 2013 and Rules made thereunder, as may be applicable;

2. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval; and

3. Considering the nature of business of the Company, while approving the related party transactions entered or to be entered under the policy, the total exposure to a particular related party with respect to loans borrowed or disbursed shall be considered excluding any repayments made or to be made thereon. This is to ensure that a particular transaction does not get double counted for aggregation of limits due to repetitive withdrawals pre-repayment, partial settlement and repayments made by the party in ordinary course of business.

13) DISSEMINATION OF INFORMATION BY SUN INVESTMENTS PRIVATE LIMITED ('the Company')

The Company shall disclose this Policy wherever it is required by the applicable laws.

The Company shall also make relevant disclosures in its annual report and any other report, as may be required, and maintain such registers as may be applicable, under the provisions of the Act, Companies Act, 2013 and IND AS 24.

14) Compliance:

Every person associated with Related Party Transaction shall be accountable for complying with this Related Party Transaction Policy that may be in force from time to time.

A person shall not be eligible for appointment as a Director of a company if he has been convicted of the offence under Section 188 of the Act in respect of Related Party Transaction at any time during the preceding five years.

15) Exceptions to the Policy

Any exception to this Policy shall require prior approval of the Board of Directors of the Company.

Place: Mumbai

Date: December 26, 2024

Sd/-

Chairman