POLICY ON RELATED PARTY TRANSACTIONS

CFREDIFIN LIMITED
(formerly known as PHF Leasing Limited)

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POLICY ON RELATED PARTY TRANSACTIONS

1. SCOPE AND PURPOSE OF THE POLICY

This Policy is being framed with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013 ("Act"), the Rules made thereunder and the applicable provisions of the Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, Amendment Directions, 2026 and Regulations 23 read with 2(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

In the light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company ("Board") based on the recommendations of the Audit Committee. Going forward, the Audit Committee will review the Policy at least once every three years and amend the Policy, as and when required, subject to the adoption by the Board.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the basis of identifying related parties of the Company as well as related party transactions, (b) the materiality thresholds for related party transactions and (c) the manner of entering into transactions between the Company and its related parties based on the Act read with the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

3.1 "Act" means the Companies Act, 2013 as amended from time to time;

3.2 "Audit Committee" shall mean the audit committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.

3.3 Board of Directors" or "Board" means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations

3.4 "Company" means Credifin Limited;

3.5 "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 & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines;

3.6 "**Related Party Transaction**" have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:

a. the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;

b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023

regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

a. sale, purchase or supply of any goods or materials;

b. selling or otherwise disposing of, or buying, property of any kind;

c. leasing of property of any kind;

d. availing or rendering of any services;

e. appointment of any agent for purchase or sale of goods, materials, services or property;

f. appointment to any office or place of profit in the Company, its subsidiary or associate company

g. underwriting the subscription of any securities or derivatives thereof, of the Company.

Following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:

(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

(b) corporate actions which are uniformly applicable/offered to shareholders in proportion of their shareholding such as payment of dividend, subdivision or consolidation of securities by the Company, issuance of securities by way of a rights issue or a bonus issue and buy-back of securities

(c) retail purchases from any listed entity or its subsidiary by *the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel,* without establishing a business relationship and at the terms which are uniformly applicable/ offered to all *employees, directors, key managerial personnel and relatives of directors or key managerial personnel*

3.7 "**Material Related Party Transaction**" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the SEBI Listing Regulations which is provided below:

Consolidated Turnover of Listed Entity Threshold	**Threshold**
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower.

Note: Consolidated Turnover for the purpose of the abovementioned table shall be taken as audited consolidated turnover as on immediately preceding financial year.

In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

3.8 "Key Managerial Personnel" or "KMP" shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP in compliance with the provisions of Regulations 2(1)(o) and 6 of the SEBI Listing Regulations and Section 2(51) read with Section 203 of the Act.

3.9 Related Party" have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and as per RBI Guidelines Related Party' with respect to a NBFC shall mean 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. Provided further that Government of India/ State Government-owned or controlled entities shall not be treated as related parties to a government-owned NBFC just by virtue of the fact that the Government has the common ownership or control of such entities.

3.10 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.

3.11 "Material Modifications" means any change in the terms of a related party transaction which results in change in the value of the transaction by 20% or more, of the approved value of the transaction during a financial year.

4. INTERPRETATION

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or NHB Act, 1987, RBI/NHB Directions, Notifications, Circulars or guidelines as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

Identification of Related Parties

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

Identification of Related Party Transactions

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 read with Section 177 of the Act and Regulation 2(1)(zc) of the

SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company will seek external expert opinion, if necessary. Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

a. Material Related Party Transactions

b. Other Related Party Transactions, but with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest.

c. Residual Related Party Transactions.

The industry standards are not applicable to RPTs with value less than ₹1 crore in a year.

5.2 All related party transaction and subsequent material modification shall require prior approval of the Audit Committee/ Board. However, in cases where transaction has been done inadvertently or due to requirement of urgency the Audit Committee / Board may ratify the decision. However, this ratification should be done within 3 months of the date of the transanction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following condition, otherwise the transaction shall be voidable at the option of Board / Committee and if the transaction is with a related party to any director or is authorized by any other director, the director(s) concerned shall indemnify the company against any loss incurred by it

(a) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore.

(b) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;

(c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;

(d) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;

(e) any other condition as specified by the audit committee.

5.3 Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transaction entered into by India Shelter pursuant to each of the approval given.

5.4 Related Party Transaction which are neither in the 'Ordinary Course of Business' nor at 'arm's length price' and exceeds the threshold under section 188 of the companies Act, 2013 shall also require prior approval of the shareholders through resolution.

5.5 No members of the Company shall vote in a special resolution where related party contract or arrangement is being considered if such a member is a Related Party in Contract or Arrangement which is being considered.

6. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION

Approval of the Audit Committee

All Related Party Transactions covered under this policy (including all prospective transactions) and subsequent Material Modifications shall require prior approval of the Audit Committee. Only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

The Company shall provide to the Committee all relevant material information of all Related Party Transaction(s) in compliance with Companies Act and SEBI Listing Regulations. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

A. **Prior approval of the Audit Committee shall be required for:**

1. All Related Party Transactions and subsequent material modifications as defined by the Audit Committee;

2. RPTs of above ₹1 crore, where subsidiary is a party but the Company is not a party and the transaction amount exceeds the threshold of:

i. 10% of the annual standalone turnover of the subsidiary as per last audited financial statements of the subsidiary; or

ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.

If such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

i. 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

Further, the Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Prior approval of the Audit Committee shall not be required for: -

i. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
ii. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
iii. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
iv. transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
v. Remuneration and sitting fees paid by the company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Schedule I of this policy read with applicable regulations.

B. Omnibus approval

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

i. The Audit Committee shall lay down the criteria for granting an omnibus approval in line with this Policy and such approval shall be applicable in respect of Related Party Transactions which are repetitive in nature and such criteria shall include the following:

a) Maximum value of related party transactions, in the aggregate, which can be allowed under the omnibus approval mechanism;

b) Maximum value per related party transaction which can be allowed;

c) Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

d) Related party transactions which cannot be covered under the omnibus approval mechanism.

Based on the aforementioned criteria, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for related party transactions that are repetitive in nature, in accordance with the conditions laid down under the SEBI Listing Regulations.

ii. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;

iii. Such omnibus approval shall specify

- the indicative base price/current contracted price and the formula for variation in the price if any, and such other conditions as the Audit Committee may deem fit;

Where the need for the RPT 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 rupees one crore per transaction.

- Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given;
- Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

iv. Transactions of the following nature shall be outside the purview of the omnibus approval mechanism:

a. Transactions that are not in the ordinary course of business or not at arm's Length.

b. Transactions that are not repetitive or unforeseen in nature.

c. Transactions exceeding the threshold limits specified for omnibus approval.

d. Inter-corporate loans given/taken to/from related parties and purchase/sale of investments from/to related parties.

e. Transactions in respect of the sale or disposal of an undertaking.

f. Any other transaction as may be specified by the Audit Committee.

C. Board of Directors

Subject to applicable regulations, the following RPTs shall require additional, prior approval of Board of Directors:

(i) All transactions between the Company and its Related Parties which are not in the Ordinary Course of Business or not proposed to be executed as an Arm's length transaction.

(ii) Transactions which in the opinion of the Audit Committee, need special consideration / determination by the Board.

(iii) Whether the Related Party Transaction is in the nature of conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the Transaction, the overall financial position of the Director or other Related Party, the direct or indirect nature of the discussion and voting when such transaction is being considered.

7. Disclosures

a. The Annual Audited Financial Statements shall include details of exposures to related parties with respect to loans given & Contract / Arrangements involving related parties as per format prescribed in Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Amendment Directions, 2026. The Board's Report shall also contain details of RPTs as required under applicable law and as may be guided by the regulatory authorities.

b. This Policy shall be disclosed on the website of the Company.

c. Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

8. OTHER NOTES

8.1 Applicability of procedural requirement will be determined at the time of entering into a contract / arrangement.

8.2 During pendency / duration of a contact or arrangement, if an unrelated party becomes, Related Party, this will be presumed merely a 'Change in Circumstances' and Transactions will continue to be considered as if they are with unrelated party until and unless there is any change in the terms and conditions of the respective contract / arrangement governing such Transaction.

8.3 Disclaimers

In case of any discrepancy between this Policy, the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 or any rule or regulations made thereunder or under any other applicable statutory enactment of law, the enacted law/ rule/ regulation/ provision shall prevail over this Policy. Any subsequent amendment/ modification in the SEBI (LODR) Regulations 2015, Act and/ or applicable law in this regard shall automatically apply to this Policy.

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MATRIX FOR APPROVAL OF RELATED PARTY TRANSACTION(S)

Annexure A

	Nature	**Identified RPT**	**Approving Authority**			**Threshold**
A	**In Ordinary Course of Business + Arm's Length**	All Related Party Transactions	**AC**	**BOD**	**Shareholders**	**AC Approval:** Without any Limit **Shareholders Approval:** Material RPT
			√	×	× **(unless RPT is material)**	

B.	**RPT: Not in ordinary course of Business and/or Not at Arm's Length Basis**	**Sale, purchase or supply of any goods or material, directly or through appointment of agent**	√	√	√	**AC + BOD Approval:** Without any Limited. **Shareholders Approval**: > 10% T/O
		Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	√	√	√	**AC + BOD Approval:** Without any Limited**.** **Shareholders Approval: >** 10% NW
		Leasing of property of any kind	√	√	√	**AC + BOD** Without any Limited **Approval:. Shareholders** 10% T/O **Approval: >**
		Availing or rendering of any services, directly or through	√	√	√	**AC + BOD Approval:** Without any Limited**.**

		appointment of agent				**Shareholders Approval: >** 10% T/O
		Such related party's appointment to any office or place of profit in the Company its subsidiary company or associate company	√	√	√	**AC + BOD Approval:** Without any Limited. **Shareholders Approval:** >250,000 pm
		Remuneration for Underwriting the subscription of securities of the Company	√	√	√	**AC + BOD Approval:** Without any Limited**.** **Shareholders Approval:** > 1 % NW

Material Related Party Transaction

Consolidated Turnover of Listed Entity Threshold	**Threshold**
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower.

Materiality Threshold

Credit Facilities to related parties can be extended by the Company in terms of their credit policy. However, such loans, including personal loans to directors, KMP, shall be subject to a materiality threshold as per the credit policy, which shall not be higher than the following ceilings:

Category of NBFCs	**Materiality Threshold**
Upper Layer and Top Layer	₹10 crore
Middle Layer	₹5 crore

Base Layer	₹1 crore
Layer of the NBFC shall be based on the last audited balance sheet. For loans, materiality threshold shall apply at individual transaction level	

*Materiality thresholds may vary for different categories of loans to related parties and borrowers subject to ceilings prescribed above.