



**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND**

**ON DEALING WITH RELATED PARTY TRANSACTIONS**

**(Adopted on 13.02.2025)**

**In terms of Regulation 23 (1) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015 and also  
provisions of the Companies Act,**

**2013.**

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

**1. PREAMBLE**

- The Board of Directors (the “Board”) of **My Money Securities Limited** (the “Company”), has adopted the following policy and procedures with regard to Materiality of Related Party Transactions and on dealing with Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.
- This Policy deals with Materiality of Related Party Transactions (RPTs) and dealing with the Related Party Transactions in terms of the Regulation 23 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) and the Companies Act, 2013.

**2. PURPOSE**

This policy is amended as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

**3. DEFINITIONS**

**Annual Standalone Turnover**” means total income as per the last audited standalone financial statements of the Company, prepared in accordance with the applicable accounting standards.

**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

**“Associate”**

(i) As defined under Accounting Standards (‘AS’) - 18, an Associate is an enterprise in which an investing reporting party has significant influence<sup>1</sup> and which is neither a subsidiary nor a joint venture of that party.

(ii) As defined under the Companies Act 2013, ‘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:**

a)“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;

b)"joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

**"Audit Committee/ ACB"** means the Audit Committee of the Board of the Company

"key managerial personnel" shall be as defined in Section 2(51) of the Companies Act, 2013. .

**"Material Related Party Transaction"**

A Related Party Transaction(s) shall be considered Material, if, (i) such transaction(s) to be entered with related party either taken individually or taken together with previous transactions during a financial year, **exceeds rupees Rs. 1,000 Crores or 10% of the annual consolidated turnover of the My Money Securities Limited** as per the last audited financial statements of the Company, whichever is lower.

However, 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, exceeds five percent of the annual consolidated turnover of the My Money Securities Limited as per the last audited financial statements of the Company, or (ii) such transaction as defined under Section 188(1) of the Companies Act, which are not in the ordinary course of business and/or not at arm's length price and, exceeds certain thresholds limits as prescribed under the Companies Act, 2013.

**"Material Modification"**

means any upward revision in the existing Related Party Transaction, which either entered individually or taken together with previous transaction during a Financial Year exceeds ten percent of the Annual Consolidated Turnover of the Company, as per its last audited financial statements.

**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:

Provided that: (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares:

(i) of twenty per cent or more; or

(ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

The list of Related Parties to be prepared/ reviewed/updated annually or as and when any change occurs in related parties.

*As per Section 2(76) of the Companies Act, 2013 read with Rule 3 of Companies (Specification of Definitions Details) Rules, 2014, "Related Party" means—*

(i) a director or his relative;

- (ii) 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 venture of the company

*Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate*

*(ix) a director, other than an independent director, or key managerial personnel of the holding company or his relative*

*As per Para 10.1 of Accounting Standard 18, a Related Party is defined as “parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and / or operating decisions.”*

**“related party transaction”**

means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity 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 listed entity 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:

Provided that the following shall not be a related party transaction:

- (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) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;

iii. issuance of securities by way of a rights issue or a bonus issue; and

iv. buy-back of securities.

(c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

(d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

(e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:

provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

#### **Relative”**

means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under 4 and Para 10.9 of AS-185;

- In terms of section 2(77) of the Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014, a person is said to be a relative of another, if –
  - They are members of a Hindu undivided family;
  - They are husband and wife;
  - Father (including step-father);
  - Mother (including step-mother);
  - Son (including step-son);
  - Son’s wife;
  - Daughter;
  - Daughter’s husband;
  - Brother (including step-brother); or
  - Sister (including step-sister)

- In terms of Para 10.9 of AS-18, Relative in relation to an individual, means the spouse, son, daughter, brother, sister, father and mother who may be expected to influence, or be influenced by, that individual in his/her dealings with the reporting enterprise.

#### **DEALING WITH RELATED PARTY TRANSACTIONS**

- All RPTs and subsequent material modifications thereto, shall require prior approval of the Audit Committee, provided that only those members of the Audit Committee who are independent directors, shall approve RPTs.
- Prior approval of Audit Committee shall not be required in following cases:
  - a) Remuneration and sitting fees paid by the Company or its subsidiary, if any, to its director, KMP or senior management, except who is part of promoter or promoter group, if the same is not a Material RPT.
  - b) a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;
  - c) a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.
  - d) RPTs of unlisted subsidiaries of a listed subsidiary as referred to in (c) above, if prior approval of the audit committee of such listed subsidiary has been obtained.
- Subject to provisions of this clause, the Audit Committee shall be empowered to grant omnibus approval for RPTs proposed to be entered into by the Bank and/or subsidiary except for the transactions covered under Prior approval of Audit Committee not required.
- Before granting any approval, the Audit Committee shall satisfy itself that the approval is in the interest of the Company.
- The Audit Committee may grant omnibus approval to those transactions which are repetitive in nature or such other transactions which the Audit Committee deems fit.
- The Audit Committee shall, after considering the information placed before it, satisfy itself that the transaction is in the ordinary course of business and meets the arm's length requirements
- The omnibus approval shall specify
  - i) the name(s) of the Related Party,
  - ii) the nature, period and maximum amount of transaction that can be entered into,
  - iii) the indicative base price or current contracted price and the formula for variation in the price, if any
  - iv) any other detail(s) as may be specified by the Audit Committee as may deem fit or stipulated by the Company from time to time.

- Where the need for RPT cannot be foreseen and/or details as mentioned are not available, the Audit Committee may grant omnibus approval for such transactions of value not exceeding Rs.1 crore per transaction
- The Audit Committee shall review, at least on a quarterly basis, or as may be required, the details of all RPT entered into by the Bank or its subsidiaries pursuant to the approval (including omnibus approval) accorded by it .
- Any omnibus approval granted by the Audit Committee shall be valid for a period not exceeding one financial year and the Audit Committee shall be empowered to grant fresh approval on expiry of such validity period
- The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- In case of RPTs between the Company and intermediaries with common directors, the Company shall satisfy itself that following requirements are met.
  1. The transaction is in the ordinary course of business and undertaken on an arm's length and undertaken in accordance with applicable accounting standards.
  2. The common director (s) shall abstain from discussion and voting in a situation where contracts or arrangements between intermediary or insurance intermediary who are related, are proposed
- All the transactions other than the Material Related Party Transactions, with the related parties which are not in the ordinary course of business or at arm's length basis shall require the approval of the shareholders through appropriate resolution, (special resolution or ordinary resolution, as may be required under any law, in force from time to time) and the related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

#### **RATIFICATION**

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- 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;
- the transaction is not material in terms of the provisions of Regulation 23(1) of LODR;
- rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) of LODR;
- any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is

authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

#### **DEALING WITH MATERIAL RELATED PARTY TRANSACTIONS**

- Material related party transactions and its subsequent material modifications, as defined by the audit committee shall require prior approval of the shareholders 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.
- Provided that prior approval of the shareholders of the Company, shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of Listing Regulations, are applicable to such listed subsidiary.
- Further, for related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.
- Provided further that no approval, shall be required in respect of a resolution plan approved under Section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

#### **MATERIAL MODIFICATION IN RPTs**

“Material Modification” shall mean any upward revision in the existing Related Party Transaction, which either entered individually or taken together with previous transaction during a Financial Year exceeds ten percent of the Annual Consolidated Turnover of the Company, as per its last audited financial statements.

Provided that the following shall not be considered as Material Modification-

modifications which may be mandated pursuant to change in law;  
modifications pursuant to and in accordance with the terms of the approved transaction/contract.

modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.);

modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;

modifications uniformly affected for similar transactions with unrelated parties.

#### **DISCLOSURE OF THE RPT/ POLICY**

The Company shall disclose this Policy on its website and also a web link thereto shall be provided in the Annual Report.

The Company shall submit to the stock exchanges, disclosures of RPTs on the date of publication of its standalone and consolidated financial results, and in the format and periodicity as specified by SEBI from time to time and publish the same on its website. The remuneration and sitting fees paid by the



Company or its subsidiary to its director, KMP or senior management, except who is part of promoter or promoter group, shall not require disclosure, if the same is not a Material RPT.

Necessary disclosures are to be made in the Annual Financial Statements as required under the Accounting Standards and RBI Guidelines and SEBI (LODR) Regulations

Accounting Standard-18 on Related Party Disclosures provides that Related party disclosure requirements as laid down in the Standard do not apply in circumstances where providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of a statute or by any regulator or similar competent authority. In case a statute or a regulator or a similar competent authority governing an enterprise prohibit the enterprise to disclose certain information which is required to be disclosed as per the said Standard, disclosure of such information is not warranted.

#### **RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be c o m m u n i c a t e d t o a l l o p e r a t i o n a l employees and o t h e r concerned persons of the Company.

#### **SCOPE LIMITATION**

In the event of any conflict between the provisions of this Policy and of the Listing Regulations/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/ Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy

#### **REVIEW AND UPDATION OF THIS POLICY**

The Board of Directors shall review this Related Party Transaction Policy, at least once every three years and update it accordingly.

The Chief Executive Officer/Managing Director/ Whole Time Director is authorised to make changes in this policy in line with the statutory modifications/regulations and for smoother implementation from time to time and the same shall be placed before the Board for its approval.

Date of approval of the policy by the Board of Directors : 13-02-2025