SMFG INDIA CREDIT COMPANY LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

Policy on Related Party Transactions

1. SCOPE AND OBJECTIVE

Related party transactions can create conflict of interest affecting SMFG India Credit Company Limited ("the Company") and its stakeholders. To maintain transparency and compliance, the Company adheres to legal norms such as the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Directions, IND AS-24, and IRDA Regulations ('Applicable Laws').

The Company's Policy on Related Party Transactions (RPT(s)) ensures:

i. Systematic identification of Related Parties (RP) per applicable laws.
ii. Transparent processes for identifying, approving, and disclosing RPTs as per applicable laws.
iii. Fair conduct of RPTs in line with legal requirements.
iv. To set out Materiality thresholds for RPTs.

This policy is to be read with the Internal SOP/ Process Manual formulated by the Company for RPTs.

2. DEFINITIONS

Annual Consolidated Turnover	Turnover as per the last audited Consolidated Financial Statements
Annual Standalone Turnover	Turnover as per the last audited Standalone Financial Statements.
Company	SMFG India Credit Company Limited
Act	Companies Act, 2013
Arm's length basis	a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest.
Key Managerial Personnel (KMPs)	i. the Chief Executive Officer (CEO)or the Managing Director (MD) or the Manager; ii. the Company Secretary (CS); iii. the Whole-time Director (WTD); iv. the Chief Financial Officer (CFO); v. 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 vi. such other officer as may be prescribed

SMFG India Credit
Pragati Ki Nayi Pehchaan

Listing Regulations/ LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
Material Modification	any modification, either individually or taken together with any previous modification, made in the nature, value/exposure, or other terms and conditions of any ongoing or proposed RPT, as originally approved by the Audit Committee/ Board and/or shareholders, as may be applicable, which has the effect of variation in the approved value of the transaction, by 20% or more, or by which the transaction ceases to be in ordinary course and/or on arm's length or such other parameter as may be determined by the Audit Committee from time to time. Provided that, a modification mandated pursuant to change in law, or pursuant to and in accordance with the terms of the approved transaction/contract, or resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.), or is of a nature which is purely technical and does not result in substantive change or alteration of rights, interests, and obligations of any of the parties, or is uniformly affected for similar transactions with unrelated parties shall not be regarded as material modification.
Material Related Party Transaction	Material Related Party Transaction shall have the same meaning as defined in the Act and Listing Regulations. For details, please refer to **Annexure 1 of this Policy**.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
Potential Conflict of Interest	conflict of interest either by being a party to an RPT or in case of an RPT with another body corporate, holding more than 2% of the paid-up share capital of the other body corporate.
Related Party (RP)	Related Party (RP) means a Related Party (RP) as defined under clause (zb) of Regulation 2(1) of the Listing Regulations and as mentioned under the applicable accounting standards read with relevant rules and proviso of the said statutes as amended from time to time. In accordance with the above, RP with reference to a company, shall include: i. director or his relative; ii. key managerial personnel or his relative; iii. firm, in which a director, manager or his relative is a partner; iv. private company in which a director or manager or his relative is a member

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

	or director; v. 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 other than advice, directions or instructions given in a professional capacity vii. any person on whose advice, directions or instructions a director or manager is accustomed to act other than advice, directions or instructions given in a professional capacity,; viii. any body corporate which is: (a) a holding, subsidiary or an associate company of the company; (b) a subsidiary of a holding company to which it is also a subsidiary; (c) an investing company or the venturer of the company ("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 KMP of the holding company or his relative with reference to the Company. x. any person or entity forming a part of the promoter or promoter group of the Company, xi. any person or any entity, holding ten per cent or more equity shares in the Company 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. xii. any related party as identified under IND-AS 24.
Related Party Transaction (RPT)	Means a transaction involving transfer of resources, services or obligations between: i. the Company or any of its subsidiaries on one hand with a RP of the Company or any of its subsidiaries on the other hand; or ii. the Company or any of its subsidiaries on one hand with any other person or entity on the other hand, the purpose and effect of which is to benefit a RP of the Company or any of its subsidiaries. It is clarified that regardless of whether a price is charged, a "transaction" with a RP shall be construed to include a single transaction or a group of transactions in a contract. Provided that the transactions specified under Para 3 of this Policy shall be excluded from the definition of a RPT.
Relative	'Relative' with reference to any person, means anyone who is related to another, if they are - i. members of Hindu Undivided Family;

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

	ii. husband or wife; iii. father (including step-father) and mother (including step-mother iv. son (including step-son) and son's wife; v. daughter and daughter's husband; vi. brother (including step-brother) and sister (including step-sister);
Senior Officers (SOs)/ Senior Management/ Leadership Team	Means officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management, one level below the CEO & MD, and shall specifically include the functional heads, by whatever name called and the persons identified and designated as KMP (other than board of directors) by the Company.
Turnover	The gross amount of revenue recognized in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

Note: *All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them under the Act and Rules framed thereunder, LODR, IND-AS 24 or any other applicable laws or as per the circulars/ guidelines issued by RBI from time to time.*

3. EXCLUSION FROM THE DEFINITION OF RPTS

The following transactions shall not be considered as a related party transactions, although disclosure in the financial statement as per the Listing Regulations shall be made by the Company:

i. 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, as amended from time to time.

ii. Corporate actions uniformly applicable or offered to all shareholders in proportion to their shareholding, including:
   - Payment of dividends;
   - Subdivision or consolidation of securities;
   - Issuance of securities by way of a rights issue or bonus issue; and
   - Buy-back of securities.

iii. Acceptance of fixed deposits (including payment of interest thereon) by banks / NBFCs 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 SEBI.

iv. Acceptance of current account deposits and savings account deposits by banks in compliance with the directions issued by the relevant regulators in the relevant jurisdiction from time to time. For the purposes of these clauses, acceptance of deposits includes payment of interest thereon.

v. Retail purchases from the Company or its subsidiary by its directors or KMPs and relatives of directors or KMPs, without establishing a business relationship and at the terms which are uniformly

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

applicable or offered to all its employees, directors, KMPs and relatives of directors or KMPs. "Retail purchases" refer to the purchase or availing of products and services offered by the Company in the ordinary course of business, or, in case of any related party transaction by any subsidiary, in the ordinary course of its business of such subsidiary, through retail channels (i.e., branches or business outlets) through which the Company/subsidiary services its retail customers, at the terms which are uniformly offered to all its employees, directors, KMPs and relatives of director or KMPs as per applicable policies of the Company/subsidiary, subject to applicable laws.

vi. Any other exception consistent with the applicable laws, including any rules or regulations made thereunder.

4. APPROVAL OF RELATED PARTY TRANSACTIONS:

A. AUDIT COMMITTEE:

i. Prior approval of the Audit Committee of the Company shall required for the following transactions:

- All related party transactions and subsequent material modification thereto, where Company is one of the party to the transaction.

- a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party, if the value of such transaction exceeds (i) 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary or (ii) the threshold for material related party transactions of the Company whichever is lower;

  In case such subsidiary does not have audited financial statements for a period of at least one-year, prior approval of Audit Committee of the Company shall be obtained if value of such transaction exceeds (i) 10% of the aggregate value of paid up share capital and securities premium account (as on date , not older than 3 months prior to seeking approval of Audit Committee) of the subsidiary or (ii) the threshold for material related party transactions of the Company whichever is lower;

ii. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval. The Audit Committee may not approve a transaction but may make appropriate recommendations to the Board.

iii. Any member of the Committee who has a potential interest in any Related Party Transaction shall not be present at the meeting during the discussion and voting on such transactions. Only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

iv. The following Related party transactions would be exempted from obtaining approval from the Audit Committee:

- transaction to which the listed subsidiary is a party, but the Company is not a party, if regulation 23 read with regulation 62K and regulation 15(2) are applicable to the listed subsidiary.
- transaction entered by unlisted subsidiaries of a listed subsidiary, if prior approval of the audit committee of the listed subsidiary has been obtained.
- transactions between the Company and its wholly owned subsidiary, except those transactions referred to in Section 188 of the Act.
- transactions 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.
- 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.
- Remuneration and sitting fees paid by the Company or its subsidiary to Directors, KMPs, and Senior Officers, (who are not part of the promoter and promoter group), if they are not Material RPTs under LODR.

v. The members of the Audit Committee, who are independent directors, may ratify related party transactions entered into by a director or officer of the Company without obtaining the approval of the Audit Committee, within three months from the date of the transaction or in the immediate next meeting of the AC, 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
- it is not a material related party transaction
- 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 such ratification shall be disclosed as per Regulation 62K (9) of the Listing Regulations.
- Any other condition as specified by the Audit Committee.
- 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 Company against any loss incurred by it.

vi. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company. In connection with any review of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this policy.

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

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

B. OMNIBUS APPROVAL OF AUDIT COMMITTEE:

i. The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary which are repetitive in nature and subject to certain criteria/conditions as required under Regulation 23 read with Regulation 62K of the Listing Regulations and Section 177 of the Act read with rules made thereunder and such other conditions as it may consider necessary in line with this policy and in the interest of the Company.

ii. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of one financial year.

iii. Such omnibus approval shall specify the following:

(a) the name(s) of the related party and nature of relationship with the Company and/or its subsidiary, nature of transaction, period of transaction, maximum amount of transactions (in aggregate and per transaction) that shall be entered into;
(b) the indicative base price / current contracted price and the formula for variation in the price if any; and
(c) such other conditions as the Audit Committee may deem fit.

iv. For the ease of carrying out transactions/ contracts/ arrangements, the Audit Committee may grant omnibus approvals to certain transactions based on the following criteria:

- The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year shall not exceed 10% of annual consolidated turnover of the Company, if transaction is in the nature of revenue or expenses or 10% of the total assets, if transaction is in the nature of liabilities/assets, as per the last audited financial statement.
- The maximum value per transaction which can be allowed under omnibus approval in a year shall not exceed 10% of annual consolidated turnover of the Company, if transaction is in the nature of revenue or expenses or 10% of the total assets, if transaction is in the nature of liabilities/assets, as per the last audited financial statement.
- The following transactions cannot be subject to the omnibus approval by the Audit Committee.
  - ➢ Transactions which are not in ordinary course of business or not on arm's length basis;
  - ➢ Transactions involving and in respect of sale or disposal of an undertaking of the Company;
  - ➢ Any other transaction the Audit Committee may deem not fit for omnibus approval;
  - ➢ Such other transactions specified under applicable Laws from time to time.

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

v. Where the need for related party transactions cannot be foreseen or for which specific details as required to be placed for seeking omnibus approval are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

vi. Audit Committee shall review, 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.

C. BOARD OF DIRECTORS:

i. In case any related party transactions are referred by the Audit Committee to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, or (iii) a transaction not approved but recommended by the Audit Committee, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board shall approve the transaction or require such modifications to transaction terms as it deems appropriate under the circumstances. Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during the discussion on the subject matter of the resolution relating to such contract or arrangement.

ii. The Board shall also consider the related party transaction requiring shareholder approval as per applicable laws.

iii. Any member of the Board who has any interest in any related party transaction shall not vote to approve the related party transaction.

iv. The approval of the Board is not required for a transaction, other than a transaction referred to in Section 188 of the Companies Act, 2013 with a wholly owned subsidiary of the Company.

v. The Company will ensure compliance with the provisions of Section 188 of the Act.

D. DEBENTURE HOLDERS AND SHAREHOLDERS:

i. All material related party transaction under Listing Regulations and subsequent material modifications thereto as defined in this Policy or by the Audit Committee, shall require prior No-Objection Certificate from the Debenture Trustee and the Debenture Trustee shall in turn obtain No-Objection from the debenture holders who are not related with the Company and hold atleast more than fifty percent of the debenture in value on the basis of voting including e-voting. This No-Objection Certificate from Debenture Trustee and debenture holders shall be obtained in respect of listed debt securities issued on or after April 01, 2025.

ii. After obtaining approval of the debenture holders, approval of the shareholders through resolution shall be obtained. It is clarified that if the No-Objection Certificate has been withheld, the matter shall not be taken forward for shareholders' consideration.

iii. The following material related party transactions will be exempt from obtaining prior approval from the shareholders and No-objection Certificate by Debenture Trustee of the Company:

- Transactions with its wholly owned subsidiary whose accounts are consolidated with the Bank and placed before the shareholders at the general meeting for approval.
- Transactions to which the listed subsidiary is a party, but the Company is not a party, if regulation 23 read with 62K of the Listing Regulations are applicable to such listed subsidiary.
- 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.

iv. For material related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the shareholders of the listed subsidiary, in the manner as specified in para 4 (D) (i) above shall be obtained.

v. The shareholders may grant omnibus approval for material related party transactions under Listing Regulations proposed to be entered into by the Company or its subsidiary which are repetitive in nature. Such omnibus approval granted by the shareholders in an Annual General Meeting shall be valid till the date of the next Annual General Meeting held within the timelines prescribed under the Act read with rules, notifications or circulars issued thereunder from time to time. In case, such omnibus approval for material related party transactions are granted by the shareholders in general meetings other than the Annual General Meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

vi. Related party transaction, entered by the Company, which are either not in the ordinary course of business, or not at arm's length price and exceeds the thresholds prescribed under the Act read with rules made thereunder, shall also require prior shareholders' approval by a resolution. However, transaction between the Company and its wholly owned subsidiary will be exempt from shareholders' approval.

vii. The Related Party Transactions which would require prior approval of Shareholders, will be placed before the Shareholders after seeking prior approval of Audit Committee/Board.

5. LENDING TO RELATED PARTIES:

i. For the purpose of this section, Related Persons, Related Party, Specified employees and Lending shall have the meaning as provided under the Credit Risk Management Policy of the Company in line with the RBI (Non-Banking

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

Financial Companies – Credit Risk Management) – Amendment Directions, 2026.

ii. The Credit Risk Management Policy of the Company contains the specific provisions governing Lending to Related Parties in accordance with RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026. All such facilities, including personal loans to Directors or KMPs, shall be subject to the materiality thresholds as prescribed in the said policy. All loans beyond the prescribed materiality threshold shall be sanctioned by the Risk Oversight Committee of the Company.

iii. Any deviation from the provisions of the lending to related parties as covered in the Credit Risk Management Policy including reasons therefor shall be reported to the Audit Committee.

iv. In addition to the provisions relating to Lending to Related Parties provided under the Credit Risk Management Policy of the Company read with the RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, the Company shall continue to comply to the applicable provisions of the Act, the Listing Regulations and other applicable laws, as amended from time to time.

6. DISCLOSURE

- Website and Annual Report: The RPT Policy will be uploaded on the company's website and included in the Corporate Governance Report, which is part of the Annual Report.
- Directors Report: The Policy on Related Party Transactions should be disclosed in the Directors Report. Also, particulars of RPTs will be included in the Boards' report in the form AOC-2 as per section 134(3)(h) of the Act.
- Form MBP-4: The Company will disclose RPTs in Form MBP-4 Part A and Part B, as applicable.
- Half-Yearly Disclosure: Details of RPTs will be disclosed along with standalone financial results on a half-yearly basis in the specified format and uploaded on the company's website.
- Listing Regulations and RBI Guidelines: RPT details will be disclosed according to the norms under the Listing Regulations and any applicable RBI guidelines.
- Remuneration and Sitting Fees: Details of remuneration and sitting fees paid to Directors, Key Managerial Personnel, and Senior Officers (except those in the promoter and promoter group) are not required in the half-yearly disclosure under Listing Regulations, unless it is a Material RPT under the Listing Regulations. Company shall disclose in the Annual Report, any loans, advances or Contracts made to its Related Parties, Senior Officer or to its Relatives in addition to disclosure w.r.t. related party transactions as mandated under RBI (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 covering disclosure in financial statements -notes to accounts.

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

7. POLICY REVIEW

This Policy is framed based on the provisions of the Listing Regulations, the Act and rules thereunder and other applicable law.

In case of any subsequent changes in the provisions of the Listing Regulations or the Act and rules thereunder or other applicable law, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. This Policy shall be reviewed by the Board atleast once in a year and shall be amended as and when any changes are to be incorporated in the Policy due to change in applicable law/regulations or as may be felt appropriate.

ANNEXURE 1

Material Related Party Transaction	**A. Material Related Party Transaction under the Act:** Following transactions with Related Parties, which are not in the ordinary course of business or not on an arm's length basis. It shall include: (i) sale, purchase or supply of any goods or materials amounting to 10% or more of the turnover of the Company; (ii) selling or otherwise disposing of, or buying, property of any kind amounting to 10% or more of net worth of the Company; (iii) leasing of property of any kind amounting to 10% or more of the turnover of the Company; (iv) availing or rendering of any services amounting to 10% or more of the turnover of the Company; (v) appointment of any agent for purchase or sale of goods, materials, services or property amounting to 10% or more of the turnover of the Company; (vi) Appointment to any office or place of profit in the company, subsidiary company or associate company with monthly remuneration exceeding two and a half lakh rupees; (vii) For remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1 % of the net worth. Note: **i)** The Limits specified in (i) to (v) above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year. **ii)** The Turnover or Net Worth shall be computed on the basis of the Audited Financial Statement of the preceding financial year. **B. Material Related Party Transaction under Listing Regulations:** A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

<table>
<tr>
<td></td>
<td>
<table>
<tr><th>Consolidated Turnover of the Company</th><th>Threshold</th></tr>
<tr><td>(I) Up to ₹20,000 Crore</td><td>10% of the annual consolidated turnover of the Company</td></tr>
<tr><td>(II) More than ₹20,000 Crore to upto ₹40,000 Crore</td><td>₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore</td></tr>
<tr><td>(III) More than ₹40,000 Crore</td><td>₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.</td></tr>
</table>
Note: The annual consolidated turnover shall be determined based on the last audited financial statements of the Company.

Notwithstanding the above point, a transaction involving payments made to a Related Party for brand usage or brand 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 5% (five percent) of the Annual Consolidated Turnover of the Company, as per the last audited financial statements of the Company.
</td>
</tr>
</table>