
RELATED PARTY TRANSACTIONS POLICY



Table of Contents

1. Policy Statement.....	1
2. Definitions & Interpretations	2
3. Purpose of the policy.....	4
4. Role of Audit Committee and Board	5
5. Identification of Related Parties.....	6
6. Transaction Mechanism.....	6
7. Basis of Transaction	8
8. Disclosures	10
9. Ratification	11
10. Review and Update	11
ANNEXURE 1	12
SCHEDULE.....	13
Annexure 2	15

DOCUMENT IDENTIFICATION INFORMATION

Document Name	Related Party Transactions Policy
Index	Corporate Governance/Compliance & Regulations/Related Party Transactions and procedures
Version	Version -4.0
No. of Pages	16
Approving Authority	Board of Directors
Review Frequency	Reviewed if significant changes occur to ensure its continuing suitability, adequacy, and effectiveness.

Standard Capital Markets Limited is a Non-Banking Finance Company registered with the Reserve Bank of India. The Board of Directors of the Company has adopted this policy and procedure of related party transactions in adherence with the RBI guidelines/regulations.

1. Policy Statement

- 1.1. This policy is framed as per the requirement of Section 188 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder and as per the requirements under Master Direction- Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
- 1.2. This policy is significant to regulate transactions between the Company and its Related Parties, based on the applicable laws, rules, and regulations applicable to the Company.

- 1.3. This policy mandates the disclosure of related party transactions on the Company's website and also in the Annual Report in accordance with the strict legal and accounting requirements of the Company.
- 1.4. This policy ensures the regulation of transactions between the company or its subsidiaries and their related parties based on the laws and regulations applicable to the company.
- 1.5. This policy shall mutatis mutandis apply to the subsidiaries of the Company, to the extent applicable.

2. Definitions & Interpretations

- 2.1. "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.
- 2.2. "Audit Committee" means the committee of the Board of Directors, the Company constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder.
- 2.3. "Board of Directors" or "Board" in relation to a Company, means the collective body of Directors of the Standard Capital Markets Limited (Section 2(10) of the Companies Act, 2013).
- 2.4. "Key Managerial Personnel" in relation to the Company, means -
 - (i) the Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer;
 - (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

- 2.5. "Ordinary Course of Business" means a transaction which is:
- (i) Carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
 - (ii) Historical practice with a pattern of frequency; or
 - (iii) Common commercial practice; or
 - (iv) Meets any other parameters/criteria as decided by the Board/Audit Committee.
- 2.6. "Policy" means this Related Party Transactions Policy, as amended from time to time.
- 2.7. "Related Party" shall include all related parties as per the applicable accounting standards. Further, related party also includes the following as specified under Section 2(76) of the Companies Act, 2013 and Ind AS 18:
- (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 percent 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 (vi) and (vii) above shall apply to the advice, directions or instructions given in a professional capacity;

- 2.8. “Related Party Transaction(s)” or “RPT” means a contract or arrangement with a Related Party as provided under the Act and the Rules made thereunder, as amended from time to time.
- 2.9. “Relative” means relative as defined under Section 2(77) of the Companies Act, 2013, and Rule 4 of the Companies (Specification of definition details) Rules, 2014 includes anyone who is related to another, if
- (i) They are members of a Hindu undivided family;
 - (ii) They are husband and wife; or
 - (iii) Father (including step-father)
 - (iv) Mother (including step-mother)
 - (v) Son (including step-son)
 - (vi) Son’s wife
 - (vii) Daughter
 - (viii) Daughter’s husband
 - (ix) Brother (including step-brother)
 - (x) Sister (including step-sister)
 - (xi) One person is related to the other in such manner as may be prescribed.
- 2.10. “Senior Officer” shall have the same meaning as assigned to “Senior Management” under Section 178 of the Companies Act, 2013.

3. Purpose of the policy

- 3.1. This policy ensures that the related party transactions of the Company are carried out in a transparent manner to ascertain the best interests of the Company and its shareholders.
- 3.2. The Company in adherence to this policy duly identifies, approves, discloses, and reports the transactions between the

company and any of its related parties in alignment with the statutory guidelines.

- 3.3. This policy ensures that the transactions with related parties are carried out in the ordinary course of business and at arm's length basis as per the applicable provisions of the Act and other applicable laws.

4. Role of Audit Committee and Board

The Audit Committee of the Board and the Board of the Company are significant to ensure appropriate related party transactions

4.1. Audit Committee

- 4.1.1. All related party transactions of the Company as defined in this policy shall be presented before the Audit Committee of the Board and receive its prior approval from time to time.
- 4.1.2. Provided that such Transactions shall be approved by the members of the Audit Committee, who are Independent Directors.
- 4.1.3. The Audit Committee shall verify each related party transaction if they are at an arm's length basis or in the ordinary course of business.
- 4.1.4. The Audit Committee is responsible for the overall monitoring and supervision of the Related Party Transactions regime in the Company.

4.2. Board of Directors

- 4.2.1. The prior approval of the Board for RPT is required only when the transaction under Section 188 is not in the ordinary course of business or not on an arm's length basis.
- 4.2.2. The Board shall be responsible to approve and amend this RPT Policy as and when required.

5. Identification of Related Parties

- 5.1. Each Director and KMP shall notify the Board and the Audit Committee, if any, of the relative transaction associated with them with the details in the format as per **Annexure 1** and **Schedule** thereto on an annual basis.
- 5.2. The Board and Audit Committee shall be notified in advance so that they have adequate time to obtain and review the information about the proposed transaction.
- 5.3. Declaration shall include disclosure of relative concern or interest in any company or companies or bodies corporate, firms or such other association of individuals which shall include the shareholding, directorship, membership, partnership, etc.
- 5.4. Every Director and the Key Managerial Personnel are responsible to update the Board of any changes in the above relationships, directorships, holdings, interests and/or controls immediately on him/her becoming aware of such changes.
- 5.5. Such Director/KMP will also be responsible for providing additional information about the transaction that the Board/Committee may request, for being placed before the Committee and the Board in **Annexure 2**.
- 5.6. The Director/KMP shall also intimate to the Finance department within 7 days of end of each quarter of all the transactions with related parties.

6. Transaction Mechanism

Approval by Audit Committee:

- 6.1. A detailed analysis of related party transactions shall be conducted before making a conclusion with respect to the

impact and course of action regarding the approval requirements from the concerned bodies.

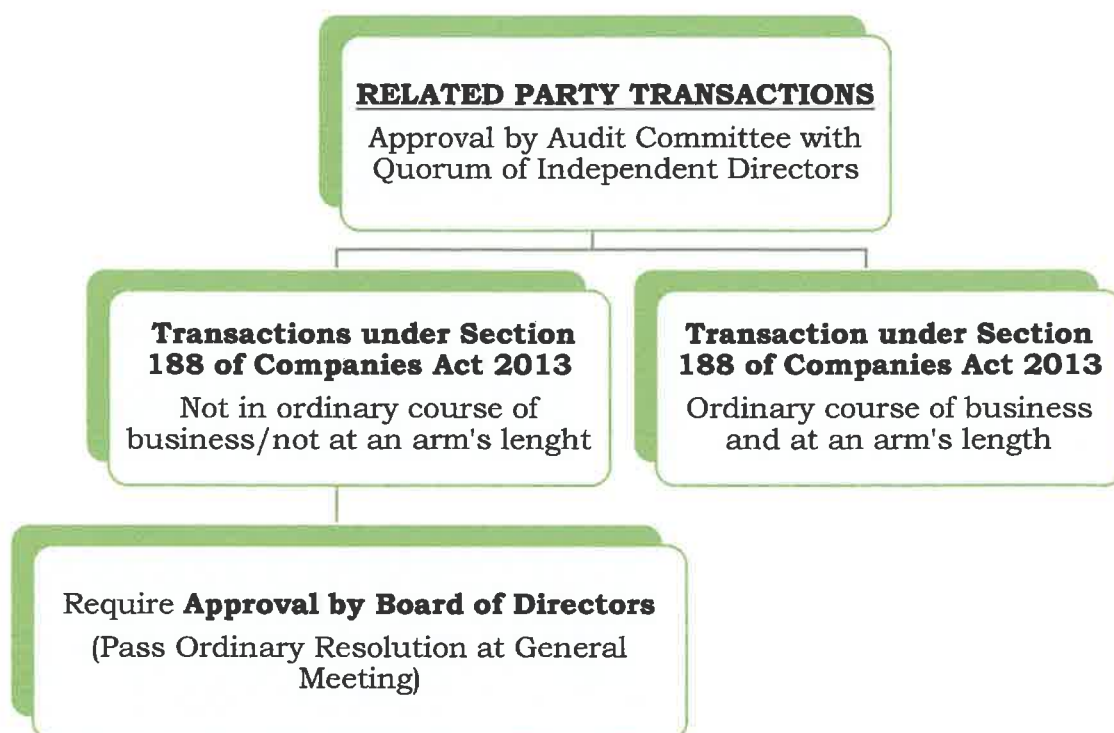
- 6.2. All Related Party Transactions shall be approved by the Audit Committee of the Company. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- 6.3. Any member of the Audit Committee with a potential interest in any RPT will abstain from discussion and voting on the approval of the RPT.

Approval by the Board of Directors

- 6.4. The transactions under Section 188 of the Companies Act, 2013 shall be as per the ordinary course of business and at an arm's length.

However, in the instance wherein the transactions are not in the ordinary course of business or not at an arm's length basis, the Board of Directors of the Company shall approve the transactions.

- 6.5. In furtherance to the aforementioned, the Board shall approve the transaction at the general meeting by ordinary resolution.
- 6.6. Any transaction by the Company with a Related Party will be regulated as per this Policy.



(Figure- Related Party Transaction – Approval Process)

7. Basis of Transaction

The transactions of SCML are at Arm's length basis or ordinary course of business shall be determined on the following criteria:

7.1. Arm's Length Basis-

The tests for ascertaining arm's length relationship in case of contracts/arrangements that may be entered into by SCML 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.

7.2. Ordinary Course of Business Basis-

To decide whether or not a contract or arrangement is entered by the Company is in its ordinary course, the Company shall consider:

- (a) whether such contract/ arrangement is relevant to the 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 the Reserve Bank of India, the principal regulator of the Company.
- (b) To decide whether the transaction contemplated under the proposed contract or arrangement is similar to contracts or arrangements undertaken in the past, or, when 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 Managing Director.

8. Disclosures

- 8.1. All Directors and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including the interest of their Relatives) in other companies, firms, or concerns at the beginning of every financial year and any change in such interest during the year, immediately on occurrence.
- 8.2. Further, Directors and KMPs should disclose to the Board whether, directly/indirectly, or on behalf of third parties, their material interest in any transaction or matter directly affecting the Company.
- 8.3. The related party transaction entered into with the related parties shall be disclosed in the Annual Report/Accounts as part of the Director's Report as per the disclosure requirement of the Companies Act 2013.
- 8.4. The particulars of all the RPT entered into with the approval of the Board of Directors shall be entered into the register of Contract or Arrangements, and those Directors/KMPs who are interested are maintained by the Company or the person designated for the same as per the provisions of the Companies Act, 2013.
- 8.5. This policy on RPT shall be disclosed on the website of the Company.
- 8.6. In compliance to Section 189 of the Companies Act, details of Related Party Transactions and Related Parties should be recorded in the statutory register in Form MBP-4 Part A and Part B and entries made in the register shall be authenticated by the directors at the next Board Meeting of the Company

and needs to be kept open for inspection by the shareholders at the annual general meeting.

9. Ratification

- 9.1. Related Party Transactions that are not approved by the Audit Committee/Board of the Company in accordance with this Policy, may be ratified subjected to the applicable provisions of the Companies Act 2013.
- 9.2. If post review, the appropriate authority is satisfied that the RPT is not detrimental to the interest of the Company, it may be ratified with or without the modification.
- 9.3. In the event wherein, the appropriate authority of the Company decides not to approve a particular transaction, such related party shall reimburse the accrued benefits or indemnify the Company of RPT which is not approved by the appropriate authority.

10. Review and Update

- 10.1. The Policy is subject to review as and when required.
- 10.2. The Board of Directors may in their discretion and on the recommendation of the Audit Committee, make any changes/modifications and/or amendments to this Policy from time to time.
- 10.3. In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

ANNEXURE 1

To,

Standard Capital Markets Limited

G-17, Krishna Apra Business Square, Netaji Subhash Place,
Pitampura, Delhi, 110034

Dear All,

I,, son/daughter/spouse of,
resident of, being a in
the Company, hereby give notice of my interest or concern in the
following Company or Companies, body corporate, firms, or other
association of individuals:

Sr. No.	Name of the Companies/ bodies corporate/ firms/ association of individuals	Nature of interest or concern/ change in interest or concern	Shareholding	Date on which interest or concern arose/changed
1.				
2.				

Place:

Date:

Sign:

Name:

Designation:

DIN, If applicable:

SCHEDULE

A list of relatives in terms of Section 2(77) of the Company Act, 2013, and their interest or concern in the companies, bodies corporate, firms or other associations of individuals is as below:

I) List of Relatives:

Sr. No.	Relation	Name of Relative
1.	HUF in which I am a member Name of the Members of HUF	
2.	Spouse	
3.	Father	
4.	Mother	
5.	Son	
6.	Son's Wife	
7.	Daughter	
8.	Daughter's Husband	
9.	Brother	
10.	Sister	

II) Disclosure in terms of Section 2(76) of the Companies Act, 2013:

Sr. No.	Particulars	Name of Firm/Company/Body Corporate/ Association of Individuals	Name of the Relative/ Person and Nature of Interest
1.	Firm in which the Relative is a partner		
2.	Private Company in which the Relative is a director or Member		
3.	Public Company in which I am a director and hold together with the relative(s) more than 2%		

Related Party Transactions Policy
Standard Capital Markets Limited

	of the paid-up share capital		
4.	Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in with my advice, directions or instructions		
5.	Any person on whose advise directions or instructions I am accustomed to act.		

Date:

Annexure 2

INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE/ BOARD IN
RELATION TO THE PROPOSED RELATED PARTY TRANSACTIONS (TO THE
EXTENT RELEVANT TO THE TRANSACTION):

Sr. No.	Particulars
1.	Name of the Related Party and Nature of Relationship
2.	Nature and duration of the contract/arrangement/transaction and particulars thereof
3.	Material terms of the contract or arrangement or transaction including the value, if any
4.	In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations
5.	Any advance paid / received or to be paid / received for the contract or arrangement, if any
6.	Manner of determining the pricing and other commercial terms, whether or not included as part of contract
7.	Whether all factors relevant to the contract/arrangement/transaction have been considered, if not, the details of factors not considered with rationale for not considering those factors
8.	Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any
9.	Applicable statutory provisions, if any
10.	Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities
11.	Justification as to the arm's length nature of the proposed transaction
12.	Declaration whether the transaction is in the ordinary course of business
13.	Persons / authority approving the transaction
14.	Any other information which may be relevant or important for the Committee / Board to take a decision on the proposed transaction

Annexure 3

Related Party/Items	Parent (as per ownership control)	Subsidiaries	Associate/ Joint Ventures	Key Management	Relative of Key Management Personnel	Others	Total
Borrowings							
Deposits							
Placement of deposits							
Advances							
Investments							
Purchase of fixed/other assets							
Sale of fixed/other assets							
Interest Paid							
Interest Received							
Others							