

POLICY ON RELATED PARTY TRANSACTIONS

**Pursuant to section 188 of the Companies Act,
2013 and Regulation 23 of the SEBI (LODR)
Regulations, 2015**

AD-MANUM FINANCE LIMITED

www.admanumfinance.com

1. PREAMBLE

Ad- Manum Finance Limited (the “Company”) recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s interests. This Policy spelling out the review and approval and materiality of Related Party Transactions has been adopted by the Company’s Board of Directors, as recommended by the Audit Committee, in order to set forth the procedures under which such transactions must be reviewed and approved or ratified.

The Board of Directors (the “Board”) of the Company upon the recommendation of Audit Committee has adopted the following policy and procedures with regard to Related Party Transactions.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable to the Company and also provides for materiality of related party transactions.

2. SCOPE AND PURPOSE

Section 188 of the Companies Act, 2013 (Act) read with the Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 (Rules) introduced specific provisions relating to Related Party transactions and defined the term related parties, (material) related party transactions, relatives and key management personnel. The Act and the Rules have also laid down the financial limits and the approval process for such transactions.

Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“Act”) read with the Rules framed there under and Regulation 23 of the SEBI (LODR) Regulations, 2015 (“Regulation 23”). Company has formulated guidelines for



AD-MANUM FINANCE LIMITED

www.admanumfinance.com

identification of related parties and the proper conduct and documentation of all related party transactions.

Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party transactions.

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 based on recommendations of the Audit Committee. Going forward, such policy shall be reviewed by the Audit Committee and recommend the changes to the board of directors at least once in every 3 (Three) years or as per the discretion of the audit committee as per amendments made in the Companies Act, 2013 and Listing Regulations and will updated accordingly.

3. DEFINITIONS

“Arm’s length Transactions” means a transaction between two or more Related Parties that is conducted as if they are unrelated so that there is no conflict of interest.

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under Regulation 18 of the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

“Board” means the Board of Directors of Ad- Manum Finance Limited, as constituted from time to time.

“Company” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“Control” shall have the same meaning as defined in SEBI (SAST) Regulations, 2011

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes:



Regd. Office: Agarwal House, 5 Yeshwant Colony Indore 452003 MP
Phone: 0731-4714000 | Fax: 0731-4043193 | Email: cs@admanumfinance.com
CIN : L52520MP1986PLC003405

AD-MANUM FINANCE LIMITED

www.admanumfinance.com

- i. Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- ii. Company Secretary; and
- iii. Chief Financial Officer

“Ordinary course of Business” means a transaction which is:-

- i. Carried out in the normal course of business envisaged in accordance with 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 Board/Audit Committee.

“Material Related Party Transaction” means a transaction with a related party as defined under the SEBI (LODR) Regulation, 2015 and the Companies (Meetings of Board and its Powers) Rules, 2014 as the case may be applicable from time to time.

“Material Modification in Related Party Transaction”

“Material modification in a related party transaction” means any modification related to change in price, tenure, delivery schedule, non-statutory obligations, terms and conditions or short closure of any contract or arrangement with related party.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined in SEBI (LODR) Regulation, 2015 read with the Section 2(76) of the Companies Act, 2013, Indian Accounting Standard (IND AS) 24 and the rules made there under.

“Related Party Transaction (RPT)” 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



AD-MANUM FINANCE LIMITED

www.admanumfinance.com

(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:

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 by the listed entity 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.

“**Relative**” means relative as defined under section 2(77) of the Companies Act, 2013, as amended from time to time.

4. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

5. PROHIBITIONS RELATED TO RELATED PARTY TRANSACTIONS

Subject to the omnibus approval process under Regulation 23(3) of the SEB (LODR) Regulations, 2015 and Companies Act, 2013 all related Party Transactions and subsequent material modifications shall require prior approval of Audit Committee. All Related Party



Regd. Office: Agarwal House, 5 Yeshwant Colony Indore 452003 MP

Phone: 0731-4714000 | Fax: 0731-4043193 | Email: cs@admanumfinance.com

CIN : L52520MP1986PLC003405

AD-MANUM FINANCE LIMITED

www.admanumfinance.com

Transactions which are not in ordinary course of business or not at per arm's length or both, and all Related Party Transactions specified under Section 188(1) of the Companies Act, shall require prior approval of the Board.

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and no Related Parties shall vote to approve such resolution.

6. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS & SUBSEQUENT MATERIAL MODIFICATIONS:

Subject to the omnibus approval process under Regulation 23(3) of the SEBI LODR Regulations, Related Party Transactions and subsequent material modifications shall be reported to the Audit Committee for review and approval. Any member of the Committee having direct or indirect interest in any Related Party Transaction and/or subsequent material modifications shall not participate in the meeting during the discussion and voting on the approval of the Related Party Transaction(s).

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction as specified in the **SEBI circular No.**

SEBI/HO/CFD/CMD1/CIR/P /2021 / 662 dated November 22, 2021, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. 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 and/or subsequent material modifications:

- i. Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- ii. Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- iii. Whether the Related Party Transaction would affect the independence of an independent director;
- iv. Whether the proposed transaction includes any potential reputational risk issue that may arise as a result of or in connection with the proposed transaction;
- v. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and



Regd. Office: Agarwal House, 5 Yeshwant Colony Indore 452003 MP

Phone: 0731-4714000 | Fax: 0731-4043193 | Email: cs@admanumfinance.com

CIN : L52520MP1986PLC003405

AD-MANUM FINANCE LIMITED

www.admanumfinance.com

- vi. Whether the Related Party Transaction would present an improper 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, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.
- vii. The Following information shall be placed before the Committee as per **SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P /2021 / 662 dated November 22, 2021:**
 - a. Type, material terms and particulars of the proposed transaction;
 - b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
 - c. Tenure of the proposed transaction (particular tenure shall be specified);
 - d. Value of the proposed transaction;
 - e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
 - f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, nature of indebtedness; cost of funds; and tenure;
 - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
 - g. Justification as to why the RPT is in the interest of the listed entity;
 - h. A copy of the valuation or other external party report, if any such report has been relied upon;
 - i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
 - j. Any other information that may be relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above



Regd. Office: Agarwal House, 5 Yeshwant Colony Indore 452003 MP

Phone: 0731-4714000 | Fax: 0731-4043193 | Email: cs@admanumfinance.com

CIN : L52520MP1986PLC003405

AD-MANUM FINANCE LIMITED

www.admanumfinance.com

shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- i. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

As per its terms of reference under Section 177 of the Companies Act such transactions with Related Parties will be reviewed by the Audit Committee on a quarterly basis.

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 sub-regulation (1) of SEBI(LODR) Regulation.

7. DETERMINING ORDINARY COURSE OF BUSINESS AND ARM'S LENGTH BASIS:

All transactions or activities that are necessary, normal and incidental to the business of the Company the objects of the Company permit such activity shall be deemed to be in the ordinary course of business. These may also be common practices and customs of commercial transactions with a pattern of frequency. "Arms' 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. In this regard, the following guidelines can be used for determining the arms' length basis:

- i. whether the terms of the transaction are fair and would apply on the same basis if the transaction did not involve a Related Party;
- ii. whether there are any compelling business reasons to enter into the transaction and the nature of alternative transactions, if any;
- iii. whether the transaction would affect the independence of an independent director;
- iv. whether the transaction poses any consequential potential reputational risk issues;
- v. whether the transaction would present an improper conflict of interest for any director or KMP, taking into account the size of the transaction, the overall financial position of the



Regd. Office: Agarwal House, 5 Yeshwant Colony Indore 452003 MP

Phone: 0731-4714000 | Fax: 0731-4043193 | Email: cs@admanumfinance.com

CIN : L52520MP1986PLC003405

AD-MANUM FINANCE LIMITED

www.admanumfinance.com

director/KMP or other Related Party, the direct or indirect nature of the directors', KMPs', or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship.

8. CRITERIA AND THE NEED FOR GRANTING OMNIBUS APPROVAL:

The Audit Committee may, in the best interests of the Company and to ensure smooth operations, grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its Subsidiary which are repetitive in nature and which are routine and incidental to the general operations of the Company, subject to such criteria/conditions as it may deem fit, further taking into account the justification for needing an omnibus approval. Such approval shall be valid for a period not exceeding one year and shall specify the following:

- i. The name(s) of the Related Party;
- ii. The nature of the transaction, period of transaction, maximum amount of transaction that can be entered into &
- iii. The indicative base price/current contract price and the formula for variation in the price, if any.

The Audit Committee may specify any additional conditions for such determination, as it may deem fit. The Audit Committee may also grant omnibus approval, without the above details, for unforeseen transaction subject to a value not exceeding Rs.1 crore per transaction.

Such omnibus approvals shall be valid for a maximum period of one year. The Audit Committee shall review the details of Related Party Transactions pursuant to such omnibus approvals, on a quarterly basis.

9. THRESHOLD LIMITS FOR THE RELATED PARTY TRANSACTIONS:

- i. Sale, purchase or supply of goods or materials, directly or through appointment of agent amounting 10% or more of the turnover of the Company or Rs.100 crores, whichever is lower;
- ii. Selling or disposing or purchasing of property of any kind, directly or through appointment of an agent, amounting 10% or more of the net worth of the Company or Rs.100 crores, whichever is lower;
- iii. Leasing of property of any kind amounting 10% or more of the net worth of the Company or 10% or more of the turnover of the Company or Rs.100 crores, whichever is lower;
- iv. Availing or rendering of any services, directly or through appointment of an agent amounting 10% or more of the turnover of the Company or Rs.50 crores, whichever is lower;



AD-MANUM FINANCE LIMITED

www.admanumfinance.com

- v. Appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding Rs.2,50,000; and
- vi. Remuneration for underwriting the subscription of any securities or derivatives of the Company amounting 1% or more of the net worth of the Company.

The Turnover/ Net worth referred in this clause shall be computed on the basis of audited financial statement of the Company in the preceding financial year. The limits specified in sub-clause (i) to (iv) above shall apply for the transaction(s) during a financial year, either individually or taken together.

If the aforesaid limit is crossed, the transaction with related parties shall be required prior approval of the shareholders in general meeting.

The following material information of the Related Party Transaction as specified in the SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P /2021 / 662 dated November 22, 2021 shall be provided to shareholders for consideration of Related Party Transaction:

The notice being sent to shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee as specified under point 6 above;
- b. Justification for why the proposed transaction is in the interest of the listed entity;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 6 above;
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

10. DISCLOSURES

The Company shall disclose the following:-

- 1. In the Board's report, transactions prescribed in Section 188(1) as specified in Form AOC-2;



Regd. Office: Agarwal House, 5 Yeshwant Colony Indore 452003 MP
Phone: 0731-4714000 | Fax: 0731-4043193 | Email: cs@admanumfinance.com
CIN : L52520MP1986PLC003405

AD-MANUM FINANCE LIMITED

www.admanumfinance.com

2. The company shall disclose the Transactions with Related Party(ies) to the Stock Exchange every six months in the format specified by SEBI time to time.
3. The company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report;
4. In the Annual Report as prescribed in Schedule V of the SEBI (LODR) Regulations, 2015;
5. The Company shall keep and maintain a register, maintained physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this policy applies and such register is placed/taken note of before the meeting of the Board of directors.

11. RATIFICATION OF RELATED PART TRANSACTION:

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, conditions specified in the SEBI(LODR) Regulation, 2015.

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 Company against any loss incurred by it.

12. 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



Regd. Office: Agarwal House, 5 Yeshwant Colony Indore 452003 MP
Phone: 0731-4714000 | Fax: 0731-4043193 | Email: cs@admanumfinance.com
CIN : L52520MP1986PLC003405

AD-MANUM FINANCE LIMITED

www.admanumfinance.com

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.

13. REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Committee and recommend the changes to the board of directors at least once in every 3 (Three) years and updated accordingly due to any regulatory amendments or otherwise and shall be binding on the concerned Directors, KMPs and Senior Management Persons in the manner described as above.

The Policy is Reviewed and Amended by the Audit Committee and thereafter by the Board of Directors at their meeting held on February 3, 2025 and came into force w.e.f. February 3, 2025

By order of the Board

For, Ad- Manum Finance Limited

Sd/-

(Dharmendra Agrawal)

Whole-Time Director & CEO

DIN: 08390936

Date: February 3, 2025

Place: Indore



Regd. Office: Agarwal House, 5 Yeshwant Colony Indore 452003 MP

Phone: 0731-4714000 | Fax: 0731-4043193 | Email: cs@admanumfinance.com

CIN : L52520MP1986PLC003405