MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS
AND
MATERIALITY OF RELATED PARTY TRANSACTIONS

VERSION CONTROL

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1.0	23rd June, 2025	23rd June, 2025	Approval of Policy

MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED MANIPAL

TABLE OF CONTENTS

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1. LEGAL FRAMEWORK

This policy on related party transactions and materiality of related party transactions (the "Policy") has been formulated pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 and 188 of the Companies Act, 2013, which provide for dealing with and approval of related party transactions.

2. EFFECTIVE DATE

The Policy shall come into force with effect from 23rd June, 2025.

3. OBJECTIVE & SCOPE

The objectives of this Policy are:

(a) Identification of the Related Parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

(b) Identification of the Related Party Transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI Listing Requirements.

(c) The materiality threshold for related party transactions.

(d) The manner of dealing, approval and reporting of the transaction between the Company and its related parties in consonance with the Act, Listing Regulations and any other laws and regulations as may be applicable.

4. DEFINITIONS

"Act" means the Companies Act, 2013.

"Accounting Standards" means the accounting standard as defined under Section 2(2) of Companies Act, 2013.

"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.

"Audit Committee" means a committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and Regulation 18 of Listing Regulations.

"Board/Board of Directors" means the Board of Directors of the Company.

"Company" means Manipal Payment and Identity Solutions Limited.

"Compliance Officer" means Company Secretary designated as such by the Company.

"In the Ordinary Course of Business" means all such acts and transactions undertaken by the Company,

(a) in the normal routine in managing trade or business; or
(b) is as per historical practice with a pattern of frequency, or is in connection with the normal business carried on by the Company; or
(c) the income, if any, earned from such activity/transaction is assessed as business income in the Company's books of accounts and hence is a business activity, or

(d) is common commercial practice; or
(e) meets any such other criteria as may be decided by the Board/ Audit Committee.

"Key Managerial Personnel/KMP" means Key Managerial Personnel as defined under sub-section (51) of section 2 of the Act as under:

(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.

"Listing Regulations / SEBI (LODR)" means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Material modification" means any modification made in the value/exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 10% or more or by which the transaction ceases to be in ordinary course and/or on arm's length basis or such other parameter as may be determined by the Audit Committee from time to time.

"Material Related Party Transaction" means transaction with a Related Party shall be considered material if transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds, rupees 1000 crore or 10% of annual consolidated turnover of the Company as per last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, 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, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Rules" means the rules made under the Act.

"Relative" means relative as defined under Section 2(77) of the Act and rules prescribed there under and as per SEBI (LODR) 2(1) (zd) of the Regulations as amended from time to time.

"Related Party" in relation to the Company means a party related with the Company in any of the ways as laid down in Section 2(76) of the Companies Act or under applicable accounting standards.

"RPT/Related Party Transaction" means all transaction(s) between the Company on one hand and one or more related party(ies) on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Act and/or Regulation 2(zc) of the Listing Regulations.

"Stock Exchange(s)" means such recognized stock exchanges on which equity shares of the Company are listed.
"SEBI" means the Securities and Exchange Board of India.

5. MANNER OF APPROVAL OF RELATED PARTY TRANSACTIONS

(a) By Audit Committee

1. All RPTs, whether fresh or modification in the existing transactions thereof, shall require prior approval of the Audit Committee of the Company.

2. Only members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

3. A related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company 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.

4. 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:
   (i) 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;
   (ii) the transaction is not material;
   (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
   (iv) the details of ratification shall be disclosed along with the disclosures of Related Party Transactions.
   (v) any other condition as specified by the Audit Committee:

   In case RPT is not ratified, then such transaction will be 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 concerned shall indemnify the Company against any loss incurred by it.

5. The Audit Committee shall consider the following while determining the related party transactions:
   (a) Name and nature of relationship with related party;
   (b) Nature, duration of contract, material terms, monetary values and particulars of the contract or arrangement;
   (c) maximum amount of transaction that can be entered into;
   (d) Any advance paid or received for the contract or arrangement;
   (e) the indicative base price / current contracted price and the formula for variation in the price, if any;
   (f) Method and manner of determining the pricing and other commercial terms;
   (g) Whether the transaction is at arm's length; and
   (h) Any other relevant information to enable Audit Committee to take a decision on the proposed transaction.

6. The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the company or its subsidiaries, subject to:

   (a) laying down the criteria for granting the omnibus approval in line with the provision of Act and Listing Regulations and such approval shall be applicable in respect of transactions which are repetitive in nature.

   (b) satisfying itself regarding the need for such omnibus approval and that such approval is in the interest of the company or its subsidiary;

   (c) Such omnibus approval by the Audit Committee shall specify:
      (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
      (ii) the indicative base price/ current contracted price and the formula for variation in the price if any; and

(iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore per transaction.

Where such transaction/s exceeds the threshold limit of Rs. 1 Crore and it is proposed to continue the omnibus approval of the Audit Committee, the Company shall give the necessary disclosures/ information to the Audit Committee. The Audit Committee may, upon evaluation of such transaction & disclosures, give omnibus approval.

(d) The Audit Committee shall review, at least on a quarterly basis, the transactions with RPTs entered into by the company pursuant to each of the omnibus approval.

(e) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company or transactions which may require specific approval of the Audit Committee or Board and cannot be considered for omnibus approval under applicable provisions of law;

(f) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of each financial year at the beginning thereof.

7. While seeking approval for a Related Party Transaction placed before the Audit Committee, the Audit Committee shall be provided with the information as required to be provided under the Act and the Listing Regulations.

8. The requirement for seeking Audit Committee approval for Related Party Transactions shall not be applicable to:

(a) transactions between the Company and its wholly owned subsidiary/ies or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company.

(b) Corporate actions (viz. dividend, rights, buy-back, etc.) by subsidiaries of a Company and corporate actions received by the Company or its subsidiaries which are uniformly applicable to all Shareholders in proportion to their shareholding

(c) Remuneration and sitting fees paid by listed entity or its subsidiary to its directors, KMPs or senior management (excluding promoters/promoter group)

9. A RPT entered into without prior approval of the Audit Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this Policy.

(b) By Board of Directors

1. As per the provisions of Section 188 of the Act and subject to SEBI (LODR), the following related party transactions, shall require approval of the Board, either prior to the transaction or /ratification within three (3) months from the date of transaction, if not in ordinary course of business and/or not at arm's length basis.
   (a) sale, purchase or supply of any goods or materials;
   (b) selling or otherwise disposing of, or buying, property of any kind;
   (c) leasing of property of any kind;
   (d) availing or rendering of any services;
   (e) appointment of any agent for purchase or sale of goods, materials, services or property;

(f) such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
(g) underwriting the subscription of any securities or derivatives thereof, of the Company.

2. The Board of Directors shall review, approve and recommend to the Shareholders for their approval, all Material Related Party Transactions and such transactions as required to be approved by shareholders of the Company in terms of section 188(1) of the Act.

3. The Board of Directors shall annually review, the details of all RPTs, including the terms of the transaction, the business purpose of the transaction and the benefits to the Company and to the relevant Related Party.

(c) By shareholders

1. Contracts or agreements with any Related Party which are not in the ordinary course of business and/or not at arm's length in respect of transactions specified in Section 188(1) of the Act, will require prior approval of the shareholders by a resolution subject to limits mentioned in Rule15(3) of the Companies (Meetings of Boards and its Powers) Rules, 2014. The following Related Party Transactions shall require shareholder's prior approval as prescribed u/s 188 of Companies Act, 2013 or any amendment thereof:

Sr. No.	Transactions covered	Transaction value
1.	sale, purchase or supply of any goods or materials directly or through appointment of agents *	> = 10% of Turnover
2.	selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents *	> =10% of Net Worth
3.	leasing of property of any kind*	> = 10% of Turnover
4.	availing or rendering of any services directly or through appointment of agents *	> = 10% of Turnover
5.	such Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company*	At a monthly remuneration >Rs. 2.5 Lakh
6.	for underwriting the subscription of any securities or derivatives thereof, of the company*	Remuneration > 1% of Net Worth

** The limits shall apply for these transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.*

2. All Related Party Transactions which are either not on arm's length basis or not in the Ordinary Course of Business shall be reviewed by the Audit Committee and sent to the Board with its observations & recommendations for the approval of the Board of Directors. The Board shall approve/recommend the RPTs for the approval of the Shareholders, in case the RPTs exceed the value of transactions as provided under Section 188 of the Companies Act, 2013.

3. All material RPTs in terms of Regulation 23 of the Listing Regulations shall require shareholders' approval.

4. The notice being sent to the shareholders seeking approval for any proposed Related Party Transaction shall, include information as required under the Act and the SEBI Listing Regulations.

5. All entities that are the shareholders of the Company and falling under the definition of Related Parties shall abstain from voting in general meetings on the resolutions pertaining to

Related Party Transaction irrespective of whether the entity is a party to the particular transaction or not.

6. Prior approval of the shareholders shall not be required in cases where the subsidiary is a listed entity and Regulations 23 and 15(2) of the Listing Regulations are applicable to such listed subsidiary.

7. Prior approval of the shareholders shall not be required in case of transactions between the Company and its wholly owned subsidiary/ies or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company.

8. The shareholders' approval shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the exchanges within one day of the resolution plan being approved.

6. IDENTIFICATION OF POTENTIAL RPT

Each Director and Key Managerial Personnel is duty bound to bring it to the notice of the Compliance Officer of any potential RPT involving such Director, KMP, or their respective relative, including any additional information about the transaction that the Compliance Officer may reasonably request.

All Directors are required to declare and disclose their concerns or interests in any company or companies or body corporate or firms at the first Board Meeting in every financial year and subsequently whenever there is change in disclosures. In addition, the Directors shall ensure that any business transactions entered into between the Company and themselves comply with the terms of this Policy.

Such notice of any potential RPT shall be provided to the Compliance Officer well in advance to enable the Audit Committee / Board to adequately and reasonably review information.

7. DISCLOSURE OF RPTs

(a) Every RPT entered into, which is not in ordinary course of business or arm's length basis along with the justification for entering into such transaction shall be disclosed in the Board's report to the shareholders.

(b) The Company shall submit within the timelines prescribed under Regulation 23(9) of the Listing Regulations, disclosures of related party transactions on a consolidated basis, in the format specified by SEBI from time to time and publish the same on its website.

(c) This Policy shall be uploaded on Company's website and a web link thereto shall be provided in the Annual Report.

(d) Quarterly/periodic update shall be provided to the Audit Committee/Board on all the related party transactions entered into by the Company.

8. RPT NOT APPROVED UNDER THE POLICY

In the event any KMP, officer or Director of the Company becomes aware of any transaction with related party being in deviation from this Policy, such person shall promptly notify the Compliance Officer regarding such transaction. The Compliance Officer shall ensure that such transactions are brought before the Audit Committee, as early as possible but not later than the first Audit Committee meeting held after the date of such intimation. In such circumstance, the Audit Committee shall evaluate options of ratification, revision or termination of the RPT and compliance with the applicable legal provisions. The Audit Committee shall also examine the facts, reasons and circumstances of failure of reporting such RPTs, and shall take any such action, as it may deem fit and appropriate in the best interest of the Company.

In case where the Audit committee does not ratify any RPT, which has taken place without approval; the Committee, may direct additional actions including, but not limited to, immediate discontinuation of the transaction.

9. COMMUNICATION

This Policy shall be published by the Company on the website of the Company for wider dissemination.

10. RETENTION OF DOCUMENTS

Important documents related to the Related Party Transactions shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other applicable law in force, whichever is more.

11. ADMINISTRATION OF THE POLICY

The Audit Committee of the Company shall oversee the proper implementation of this Policy by holding reviews during its meetings. It shall report its observations and recommendations to the Board for suitable directions to the Company in relation to the Related Party Transactions.

12. REVIEW AND AMENDMENTS

The Audit Committee shall review this Policy annually and amend the Policy as and when required, unless there is a change in applicable regulations and/or in business conditions affecting the Company/its subsidiaries, which requires an earlier change to the Policy In case the Audit Committee suggests any change(s) to this Policy, it shall recommend the same to the Board of Directors who shall consider the same and decide on the amendment(s), if any, to be made to this Policy. The Board may amend any provision(s), substitute any provision(s) or replace this Policy with a new policy, subject to applicable laws for the time being in force.

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