

**TOYOTA FINANCIAL SERVICES INDIA LIMITED**

**POLICY ON RELATED PARTY TRANSACTIONS**

**Version 2.0**

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## I. **Scope & Applicability**

This Policy defines the authority, responsibilities, and operational framework for managing RPTs and covers identification of related parties, approval processes, disclosure requirements, monitoring mechanisms, and reporting obligations in line with statutory and regulatory guidelines. This policy applies to the Board members, Committee Members, Key Managerial Personnel (KMPs), Senior Management of the Company, Promoter(s) and Promoter(s) Group.

## II. **Definitions**

- A. "**Act**": means the Companies Act, 2013, read with the rules made thereunder including any modifications, amendments, clarifications, circulars or re-enactments thereof from time to time.
- B. "**Arm's Length Transactions**" shall mean the transactions carried out between the related parties as if they are not related to each other avoiding the 'conflict of interest'.
- C. "**Audit Committee or Committee**" shall have the same meaning as defined under Section 177 of the Act and SEBI LODR Regulations.
- D. "**Board of Directors**" means Board of Directors of the Company.
- E. "**Company**" means Toyota Financial Services India Limited.
- F. "**Debenture Trustee**" means a trustee appointed by the Company in relation to the issuance of Non-Convertible Debentures (NCDs) by the Company.
- G. "**Key Managerial Personnel**" means key managerial personnel as defined under Section 2(51) of the Act.
- H. "**Ordinary Course of Business**" means the usual transactions, customs, and practices undertaken by the Company in the conduct of its business operations and activities, consistent with past practice and industry norms, and includes all such activities which the Company is authorized to undertake under its Memorandum of Association and Articles of Association.
- I. "**Material Transaction/RPT**" shall have the same meaning as defined under Regulation 62K of the SEBI LODR Regulations.
- J. "**Relative**" means a relative as defined under Section 2(77) of the Act and Regulation 2(1)(zd) of SEBI LODR Regulations, as may be amended from time to time.
- K. "**Related Party**" means a related party as defined under Section 2(76) of the Act, Regulation 2(1)(zb) of the SEBI LODR Regulations and as per the applicable Accounting Standards, as may be amended from time to time.
- L. "**Related Party Transaction (RPT)**" shall mean any transaction as defined under Section 188 read with Section 2(76) of the Act, or Regulation 2(1)(zc) read with Regulation 62K of SEBI LODR Regulations, as may be amended from time to time, and shall include any subsequent material modifications thereto.

*Explanation: Material modifications of RPTs in relation to the Company refer to any changes—whether individually or cumulatively with prior modifications, that affect the nature, value/exposure, pricing/fees, rate, tenure, or other key terms and conditions. In respect of modifications to other key terms and conditions (such as collateral or security arrangements), a change shall be considered material if it results in a variance of 10% or more from the value of the original transaction previously approved by the Audit Committee, the Board of Directors, or the Members of the Company, as applicable. Any other modification, irrespective of the percentage variance, may also be deemed material if so decided by the Audit Committee.*

M. **"Transaction"** with a related party shall be construed to include single transaction or a group of transactions whether or not under a contract.

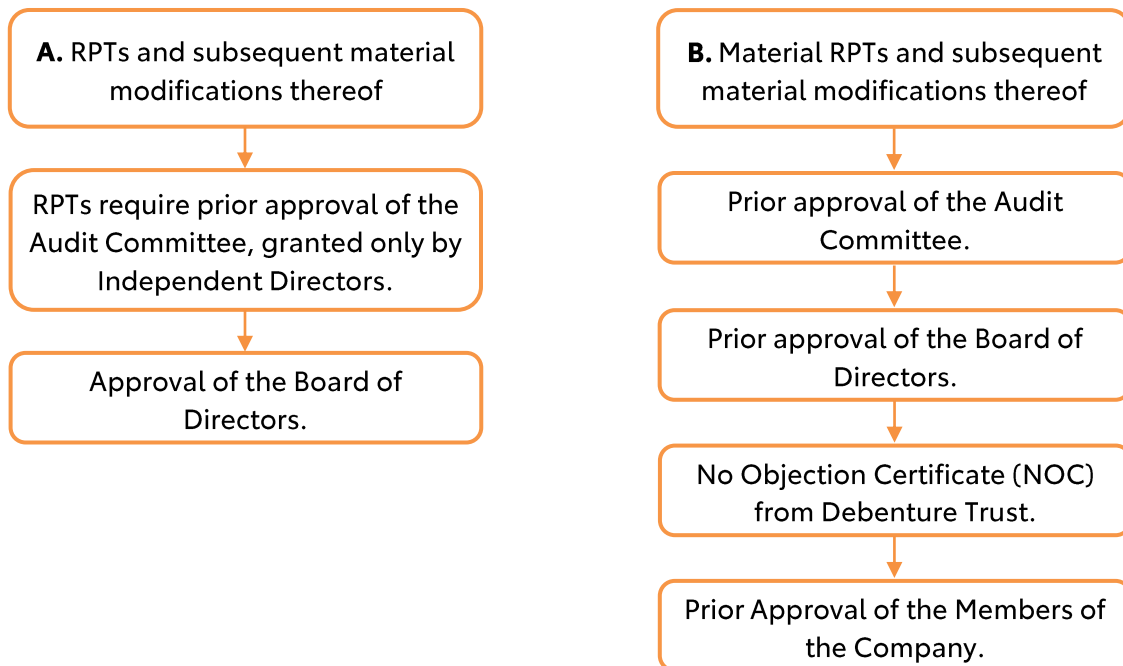
Any other term not defined herein shall have the same meaning as defined in the Act, SEBI LODR Regulations or any other applicable law or regulation, as amended from time to time.

### III. Manner of dealing with RPT

A framework shall be established, aligned with the provisions of the Act, the relevant Rules, SEBI LODR Regulations, and applicable Accounting Standards (as amended from time to time), for (i) identifying and periodically updating the list of related parties, and (ii) identifying RPTs

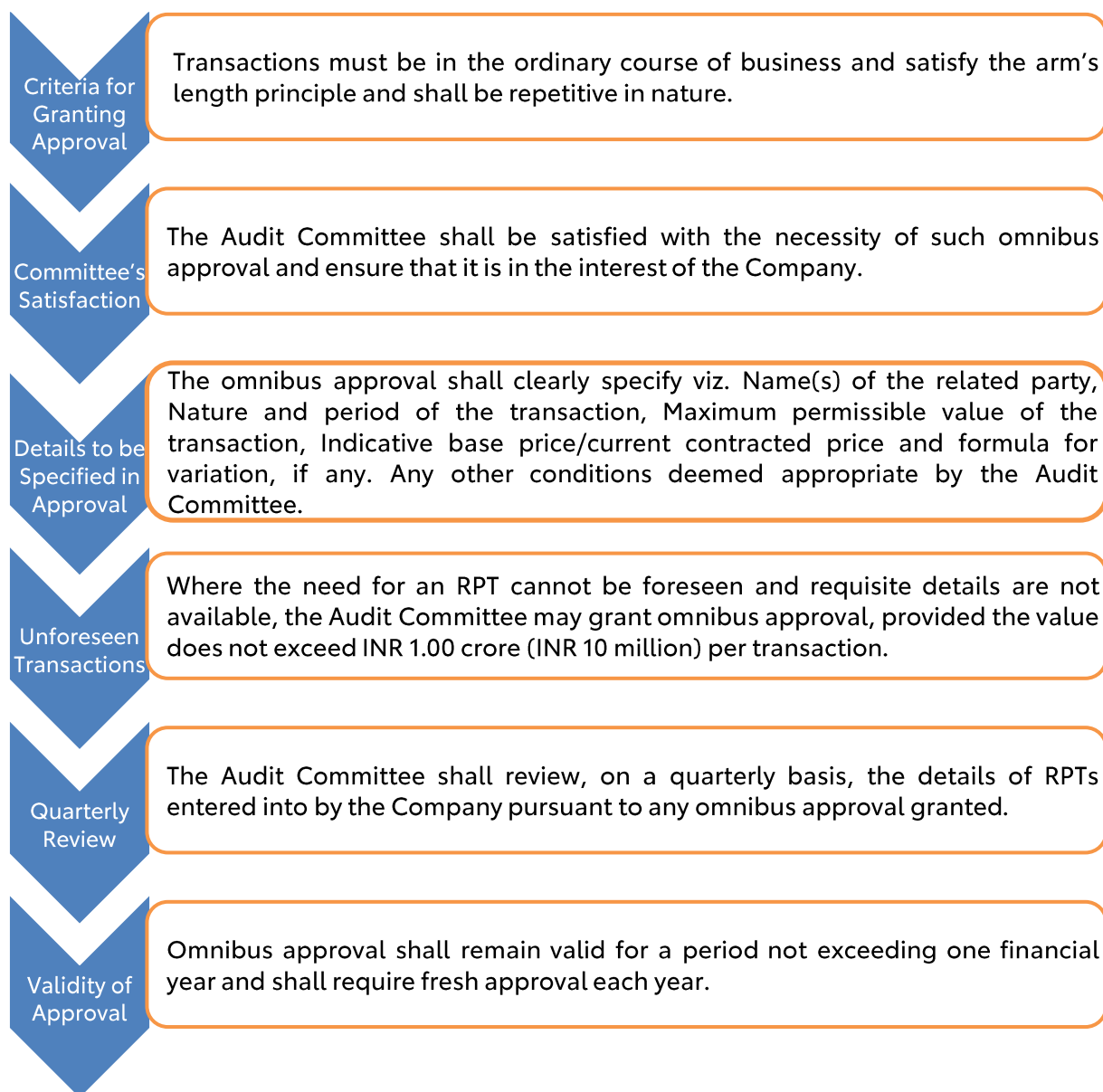
### IV. Approval and Review procedure

A. RPTs:



B. Omnibus Approval:

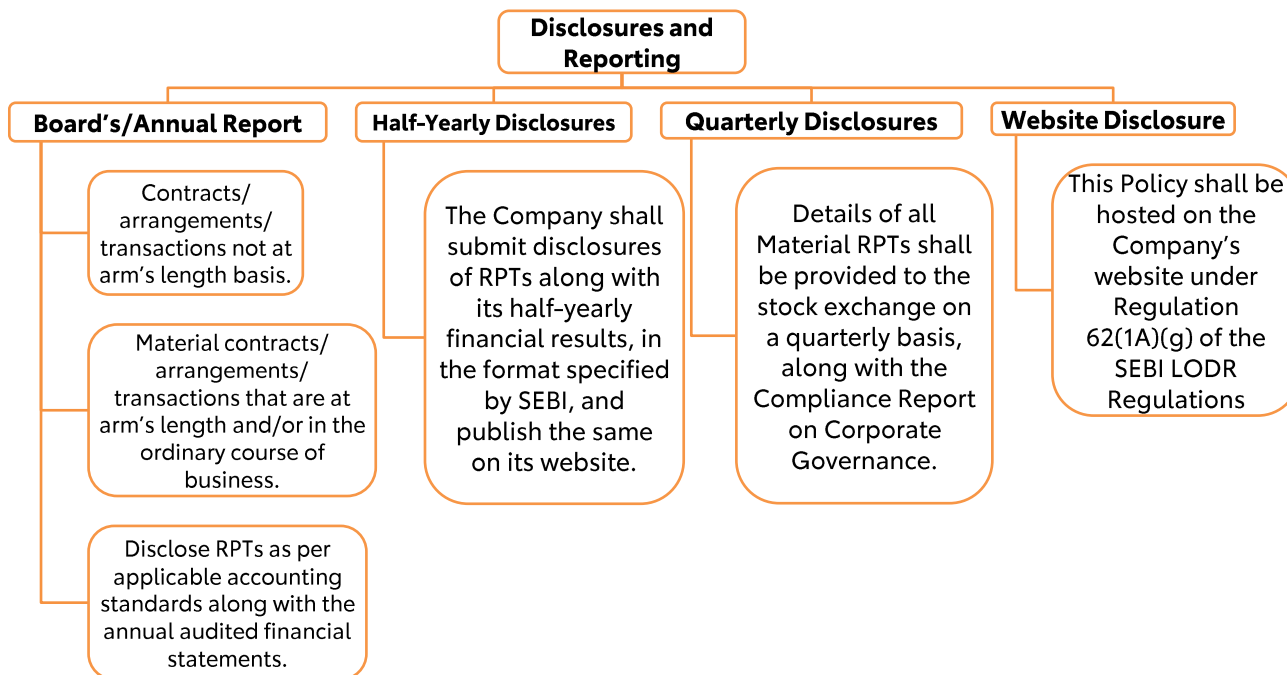
The Audit Committee may grant omnibus approval for RPTs, subject to the following conditions:



C. All the approved RPTs shall be reviewed on quarterly basis by the Audit Committee.

D. All RPTs requiring approval of the Audit Committee shall be accompanied by adequate information, furnished in the prescribed format, covering the requirements stipulated under the Act, SEBI LODR Regulations, and applicable circulars, as amended from time to time.

## V. Disclosures and Reporting



## VI. RPTs not approved previously

- A. If the Company becomes aware of a RPT that has not been approved or ratified under this Policy, such transaction shall be placed promptly before the Audit Committee, the Board of Directors, or the Members of the Company, as applicable, for review and ratification.
- B. The Audit Committee, the Board of Directors, or the Members of the Company shall consider all relevant facts and circumstances and evaluate available options, including ratification, revision, or termination of the transaction.
- C. The Company shall take such action as deemed appropriate by the Audit Committee under the circumstances.

## VII. Indemnity

- A. Any contract or arrangement entered into by a Director or employee without obtaining the requisite approval under Section 188(1) of the Companies Act, 2013 and/or SEBI LODR Regulations, and not ratified thereof, shall be voidable at the option of the Audit Committee/Board of Directors.
- B. If such contract or arrangement is with a Related Party to any Director, or is authorized by any Director, the Company may require the concerned Director(s) to indemnify the Company against any loss incurred.

## VIII. Review and Amendments

- A. The Policy shall be reviewed on need basis, and at least once every year.
- B. In the event of any conflict or inconsistency between the provisions of the Policy and the applicable laws, the provisions of the applicable laws shall prevail. The Policy shall be reviewed and updated, as necessary, to reflect any changes in the applicable laws.

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