

India Home Loan Limited Related Party Transaction Policy and Procedures

1. Preamble

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 188 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors (the "Board") of India Home Loan Limited (the "Company" or "IHLL"), have on recommendations of the Audit Committee Members framed and adopted the Related Party Transaction Policy ["Policy" or "this Policy"] which defines and lays down the procedures with regard to Related Party Transactions. This policy aims to regulate transactions between the Company and its Related Parties, based on the laws and regulations applicable to the Company.

2. Purpose

The purpose of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. Definitions

"Act" means the Companies Act, 2013 and rules made thereunder and include any amendment(s)/modification(s) thereof.

"Arms Length Transaction" means transaction between two related or affiliated parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

"Audit Committee/Committee" means Committee of Board of Directors of the Company constituted as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

"Key Managerial Personnel"(as defined in Section 2(51) of the Companies Act, 2013),in relation to the Company, means –

- i. Chief Executive Officer or the Managing Director or the Manager
- ii. Company Secretary
- iii. Whole Time Director
- iv. Chief Financial Officer and
- v. Such other officer as may be prescribed by the Government.

"Policy" means Related Party Transaction Policy.

“Material transaction with a related party” shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceed ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

“Related Party Transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Company (including any of its subsidiaries) was, is or will be a participant and in which any Related Party (as defined below) had, has or will have a direct or indirect interest.

“A related party transaction” is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

A **‘related party’** is a person or entity that is related to the company. Parties are considered to be related if: a. such entity is a related party under Section 2(76) of the Companies Act, 2013; or b. Such entity is a related party under the applicable accounting standards.

4. PROCEDURES

A. All Related Party Transactions shall require prior approval of the Audit Committee of the Board of Directors of the Company (the Committee). However the Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions :-

a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c. Such omnibus approval shall specify

(i) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions that can 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 Related Party Transactions cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeded Rs. 1 Crore per transaction.

d. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

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

B. All material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions. Provided that above procedure shall not be applicable in the following cases:

(i) Transactions entered into between two government companies;

(ii) Transactions entered into between a holding Company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

C. In case the Audit Committee determines that Related Party Transaction requires the approval of the Board of Directors or Shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction to the Board of Directors for its approval alongwith all the relevant information/ documents pertaining to the same.

D. Any Related Party Transaction will be consummated and will continue only if the Committee has approved or ratified such transaction in accordance with the guidelines set forth in this Policy. If advance Committee approval of a Related Party Transaction requiring the Committee's approval is not practicable, then the transaction may be preliminarily entered into by management subject to ratification of the transaction by the Committee at the Committee's next regularly scheduled meeting; provided that if ratification will not be forthcoming, management will make all reasonable efforts to cancel or annul such transaction.

E. The Committee can assess the materiality of a Related Party's interest in the transaction, rather than management or employees in their determination of whether a transaction falls under the policy.

F. The Audit Committee shall consider all of the relevant facts and circumstances available to it, including the benefits to IHHL and whether the Related Party Transaction is on terms and conditions comparable to those available in arms-length dealing with an unrelated third party that can provide comparable products or services. No member of the Audit Committee may participate in any review, consideration or approval of any Related Party Transaction with respect to which such member or any of his or her immediate family members, or an entity in which he or she is a partner, shareholder or executive officer, is the Related Person.

H. The Audit Committee shall approve only those Related Party Transactions that are in, or are not inconsistent with, the best interests of IHHL and its stockholders, as the Audit Committee determines in good faith. The Audit Committee shall convey its decision to the Compliance Officer, who shall then convey the decision to the appropriate persons within IHHL.

I. The Board of Directors, upon the approval of the Audit Committee, take note of the Related Party Transactions and all the Directors present at such meeting shall sign the Register of Contract in pursuance of requirement under Section 189 of the Companies Act, 2013. 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.

V. DISCLOSURE

1. Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any 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.

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

3. All Related Party Transactions are to be disclosed in the Board's Report or in the Financial Statement as may be required by the Companies Act of 2013 and the SEBI Regulations and related rules. Furthermore, any material Related Party Transaction will be disclosed to the full Board of Directors.

VI. INTERPRETATION

This Policy is intended to comply with the Companies Act, 2013 and the SEBI Regulations. Notwithstanding anything herein to the contrary, this Policy will be interpreted only in such a manner as to comply with Companies Act, 2013 and the SEBI Regulations. In the event that a Related Party Transaction would constitute a conflict of interest or a corporate opportunity under the Policy, the provisions of the Companies Act, 2013 and the SEBI Regulations will apply to such Related Party Transaction. Any such Related Party Transaction may not be approved hereunder unless it is also approved in accordance with the provisions of the Policy and disclosed to the public to the extent required by law.