

ROHA HOUSING FINANCE PRIVATE LIMITED

Related Party Transactions Policy

(Approved by the board of directors on June 27, 2020)

(Ownership: Secretarial Department)

(Version -1)

ROHA HOUSING FINANCE PRIVATE LIMITED

CIN: U65999MH2017PTC293277

REGISTERED OFFICE: JJT HOUSE 44/45, ROAD NO 2 MIDC MUMBAI, MH 400093

1. Introduction

Roha Housing Finance Private Limited (the company) recognizes that Related Party Transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company and its shareholders' best interests and in compliance to the provisions of the Companies Act, 2013, Master Circular- Housing Finance Companies - Corporate Governance (NHB) Directions, 2016 dated July 1, 2019 and other laws and regulations as applicable to the Company.

The Board of Directors of the Company on recommendation of Audit Committee has adopted the following policy and procedures with regard to materiality of Related Party Transactions and also on dealing with them as defined below. The Audit Committee will review and may amend this policy from time to time subject to the approval of the Board.

The objective of this policy is to regulate transactions between the Company and its Related Parties based on the Companies Act 2013, NHB directions and other laws and regulations applicable to the Company.

2. Definitions

"Act" means the Companies Act, 2013 as may be amended from time to time.

"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 the Committee of the Board formed under section 177 of the Act.

"Company" means Roha Housing Finance Private Limited

"Board" shall mean the board of directors of the Company

"Director" means a person as defined in Section 2(34) of the Companies Act, 2013

"Employees" shall mean the employees and office-bearers of the Company, including but not limited to Directors

“Key Managerial Personnel” shall mean the officers/employees of the Company as defined in Section 2(51) of the Companies Act, 2013

“Material Transaction” transaction with a related party is considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the company

“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association as **may be amended from time to time**. The Board and Audit Committee may lay down principles for determining ordinary course of business in accordance with statutory requirements and other industry practices and guidelines.

“Related Party” means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act.

“Related party transaction” shall mean transaction of any nature between the company and any Related Party which include but not limited to

- (a) Transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged
- (b) Sale, purchase or supply of any goods or materials;
- (c) Selling or otherwise disposing of, or buying, property of any kind;
- (d) Leasing of property of any kind;
- (e) Availing or rendering of any services;
- (f) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (g) Appointment to any office or place of profit in the company
- (h) Underwriting the subscription of any securities or derivatives thereof

A transaction shall be construed to include a single transaction or a group of transactions in a contract.

“Relative” with reference to a Director or KMP means the person as defined in Section 2(77) of the Act and rules prescribed thereunder.

Any other capital/ principal term not defined herein shall have the same meaning as defined in the Companies Act, 2013.

3. Applicability

This Policy shall be applicable to all Related Party Transactions entered into on or after June 27, 2020. The Audit Committee of the Company shall review all existing related party transactions as a matter of good governance and agree on corrective steps, if required, to ensure that the transactions entered are in the ordinary course of business and are on an arm's length.

4. Identification of Related Party Transactions:

4.1. All Related Party Transactions must be brought to the notice of the Audit Committee of the Company.

4.2. Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.

4.3. All Directors and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including 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.

4.4. All Directors, Members of the Management Committee and KMPs (hereinafter referred as concerned persons) are responsible for providing notice to the Audit Committee either directly or through Company Secretary of any potential Related Party Transaction involving him/her as Director, Member or otherwise or his or her relative.

4.5. All the concerned persons shall furnish all such additional information or documents as may be called by audit committee pertaining to particular transaction.

4.6. The audit committee shall record the disclosure of interest and accordingly determine whether the transaction is in the ordinary course of business and on an arm's length basis.

4.7. Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

5. Review and Approval Process

5.1. Approval by Audit Committee:

- (i) All related party transactions shall be entered into after prior approval of Audit Committee. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- (ii) Any member of the audit committee who has any interest in any Related Party Transaction will recuse themselves and abstain from discussion and voting on the approval of the Related Party Transaction.
- (iii) The Audit 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 this policy on Related Party Transactions of the company
 - b. Approval shall be applicable in respect of transactions which are repetitive in nature.
 - c. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company
 - d. Omnibus approval shall specify:
 - (i) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction 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;
 - e. Provided that where the need for Related Party Transaction 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.
 - f. 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.
 - g. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- (iv) Based on the terms and conditions of a transaction, and applicable regulatory requirements, the Audit Committee will have the discretion to recommend / refer it for the approval of Board of Directors or Shareholders, as the case may be.

5.2. Approval of the Board of Directors.

- (i) In the event transaction, contract or arrangement is not in the ordinary course of business **or** not at an arm's length price, the audit committee shall refer the same to the board for their consideration and approval.
- (ii) The Board will consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the given circumstances.
- (iii) Any member of the Board who has any interest in any Related Party Transaction will recuse themselves and abstain from discussion and voting on the approval of the Related Party Transaction.

5.3. Approval of the Shareholders.

- (i) All material related party transactions or not in the ordinary course of business **or** not at an arm's length price and exceeds thresholds prescribed under the Companies Act, 2013 for respective transaction will be placed for approval of the shareholders of the Company.
- (ii) Any member of the company who is a related party shall abstain from voting on such resolutions.
- (iii) The Audit Committee will have the discretion to seek opinion / report of an independent expert in case of material transactions.

6. Disclosure

All Directors/KMP are required to disclose the parties in which they are deemed to be interested in prescribed form.

- Further, each Director and KMP of the Company shall promptly notify the Secretarial Department of any material transaction or Relationship that could reasonably be expected to give rise to a conflict of interest.

6.1. Every related party transaction, if required under law shall be referred to in the Board's report along with the justification for entering into such contract or arrangement.

6.2. The Company shall maintain Register in the prescribed form for noting of Related party transaction.

6.3. 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.

7. Whistle blower for any Related Party Transaction entered by company in non-compliance of this policy.

Any officer or employee, can approach access / approach the vigil mechanism or Company Secretary to report a fraudulent related party transaction.

8. Guidance Principles for approval of a Related Party Transaction by the board/ Committee thereof

To review a Related Party Transaction, the Board/Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and any other relevant matters. In determining whether to approve or a Related Party Transaction, the Board/Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

8.1. Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;

8.2. 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;

8.3. Whether the Related Party Transaction would present an improper conflict of interest for any Director or KMP of the Company, taking into account the size of the transaction, the overall interest of the Director, Executive Officer or other Related Party, the direct or indirect nature of the Executive Officer'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.

8.4. In any case where either the Board/Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Board/Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Board/Committee has authority to modify or waive any procedural requirements of this Policy.

9. Amendment and Limitation to the Policy

The Audit Committee of the Company shall review and may amend this Policy at least once every three years, subject to the approval of the Board of Directors of the Company.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall be deemed amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.
