

Jothi Housing and Mortgage Finance Private Limited

Related Party Transactions (RPT) Policy

1. PURPOSE

This Related Party Transactions Policy (the “Policy”) is to regulate transactions between the Company and its Related Party based on the laws and regulations applicable to the Company. In order to bring in transparency and appropriate disclosure of Related Party Transactions (“RPT/s”) and to comply with the Companies Act, 2013 (the “Act”) and Rules made there under and applicable Accounting Standards, this Policy has been formulated by the Committee. This Policy shall become effective from the date of its adoption by the Board of the Company. It is intended to have required approval and reporting of transactions between the Company and its Related Party. Such transactions are appropriate, only if, they are in the best interest of the Company and its shareholders.

2. DEFINITIONS

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, and the term ‘arm’s length’ shall be construed accordingly;

Authorized Official: Chief Executive Officer / Company Secretary of the Company or any other officer authorized by the Committee.

Board: Means Board of Directors of the Company;

Committee: Audit Committee constituted by the Board.

Key Managerial Personnel (“KMP”): As defined under section 2(51) of the Act and Rules made there under.

Material Related Party Transaction (“MRPT”): A Related Party Transaction / Contract to be entered into individually or taken together with previous RPTs during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per last audited financial statements of the Company as prescribed in Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, read with Section 188 of the Act.

Relatives: As defined under section 2(77) of the Act and Rules made thereunder.

Related Party Transactions (“RPT”): shall mean all transactions between the Company on one hand and one or more related parties on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Act and/or applicable Accounting Standards issued by the ICAI.

Related Party (“RP”): As defined under section 2(76) of the Act or applicable Ind AS 24.

Transaction: Shall include a single transaction or a group of transactions in a contract or agreement with related party.

3. APPLICABILITY

This Policy shall be applicable to the Company, its employees, executives, directors and KMPs of the Company, who are a party to RPTs with the Company and shall apply to all the RPTs. Any amendment to this shall be approved by the Committee and shall have effect from the date of such approval or from such date as notified in amendment. In

case of any conflict of any provision of this Policy with any applicable regulation or Act, the provision of such regulation or Act shall prevail over such provision of this Policy.

4. APPROVAL OF THE AUDIT COMMITTEE

Every related party transaction shall be approved by the Audit Committee as required in terms of the provisions of the Companies Act, 2013. To review a related party transaction which requires approval of the Audit Committee, the Audit Committee will be provided with all relevant material information to assist it in deciding whether or not to approve the transaction.

5. APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY

The Board of Directors of the Company shall approve all Material Related Party Transactions, other related party transaction as may required to be approved by it in terms of laws applicable to the Company and related party transactions referred to it by the Audit Committee for its approval.

6. INTERESTED DIRECTOR / AUDIT COMMITTEE MEMBERS NOT TO PARTICIPATE

Where any Director / member of the Audit Committee, whether directly or indirectly, is concerned or interested in a related party transaction in terms of the provisions of Section 184 of the Companies Act, 2013, such Director / member of the Audit Committee, shall disclose the nature of his concern or interest and shall not be present at the meeting during discussions on such transactions.

7. APPROVAL OF THE SHAREHOLDERS OF THE COMPANY

Upon approval by the Audit Committee and Board, as may be required, if the transaction is a Material Related Party Transaction which is not in the ordinary course of business and / or is not at 'arm's length', it shall require prior approval of the Members, except for the Material Related Party Transactions entered into between a holding company and its wholly owned subsidiary(ies) whose accounts are consolidated and placed before the shareholders of the holding company at its general meeting for approval. No member of the Company shall vote on such resolution, to approve any transaction which may be entered into by the Company, if such member is a Related Party in the context of the Material Related Party Transaction for which the said resolution is being passed. However related parties can vote if ninety per cent or more member, in numbers or shareholding, are relatives of promoters or are related parties.

8. OMNIBUS APPROVAL

The Committee/Board may grant omnibus approval for proposed foreseen RPTs on the following:

- a. The transactions are repetitive in nature;
- b. The transaction is in the interest of the Company;
- c. The need of the omnibus approval;
- d. The transaction is in line with this Policy;

- e. The Committee shall review such RPTs on quarterly basis; and
- f. Such omnibus approval shall be valid for a period of one year from the date of approval and shall require fresh approval thereafter.

While granting omnibus approval for proposed foreseen RPTs, the Committee shall at least specify in its approval the name of the RP, nature of RPT, period of RPT, RPT amount, indicative base price, contract price, reason for variation in price. While granting omnibus approval of unforeseen RPTs or where the above said details are not available, the value of such RPTs shall not exceed Rupees One Crore per transaction.

9. EXCEPTIONS

The following RPTs shall not require approval of the Committee or Board or Shareholders:

- a. Remuneration or Compensation to Director or KMP in connection with his / her duties to the Company or any of its subsidiaries or associates.
- b. Reimbursement of expenses incurred in the ordinary course of duties or business.
- c. Any transaction arising to the RP from ownership of securities issued / held by him / her in the Company and all holders of such securities receive the similar benefits pro rata as the RP.

10. DISCLOSURE OF RELATED PARTY TRANSACTIONS IN BOARD'S REPORT

Every contract or arrangement entered into under Section 188(1) of the Companies Act, 2013, shall be referred to in the Board's report to the shareholders of the Company along with justification for entering into such contract or arrangement.

11. IDENTIFICATION OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Every Director and Key Managerial Personnel is responsible to declare any person or entity that would be regarded as Related Party for the Company in accordance with this Policy on account of his being Director or Key Managerial Personnel of the Company.

Every officer of the Company entrusted with the authority to enter into any transaction shall be responsible for providing notice to the Board or Audit Committee of the Company of any potential related party transaction involving the Company and the related party listed in the comprehensive list prepared and circulated by the Company Secretary of the Company. The Board / Audit Committee of the Company, will determine whether the transaction does, in fact, constitute a related party transaction requiring compliance with this Policy.

The Company will try and ensure that notice of any potential related party transaction is given well in advance, so that the Audit Committee / the Board has adequate time to obtain and review information about the proposed Transaction.

12. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee / Board. The Committee / Board

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 / Board shall also examine the facts and circumstances pertaining to the failure of 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 / Board determines not to ratify a related party transaction that has been commenced without approval, the Committee / Board, 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 / Board has authority to modify or waive any procedural requirements of this Policy.

REVIEW OF POLICY

This Policy shall be reviewed as and when considered necessary by the Board.

Meeting	Status
Board Meeting on 3 rd Apr 2020	Approved
Board meeting on 5 th Jan 2021	Reviewed