

# ***POLICY ON RELATED PARTY TRANSACTIONS***

## **SCORE AND PURPOSE:**

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its Shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (previously Clause 49 of the Listing Agreement), GIC HOUSING FINANCE LIMITED ("GICHF" or "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Also as per Regulation 23, Listed Company is required to formulate a policy on materiality of related party transactions and dealing with related party transactions.

In light of the above, GICHF has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company.

## **OBJECTIVE OF THE POLICY:**

The objective 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, Listing Regulation 2015 and any other laws and regulations as may be applicable to the Company.

## **PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS:**

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions.

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions:

- The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- The indicative base price / current contracted price and the formula for variation in the price, if any; and
- Such other conditions as the Audit Committee may deem fit.

The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company.

The Audit Committee may grant omnibus approval for related party transactions repetitive in nature which shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed there under and obtain approval of the Board and or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions, other than those with Exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company.

#### **MATERIALITY THRESHOLD:**

A 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 as per the last audited financial statements of the Company.

#### **DISCLOSURES**

Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.