

ADITYA BIRLA HOUSING FINANCE LIMITED

Policy on Related Party Transactions

*First Amendment : April 1, 2022
Second Amendment: April 16, 2025
Third Amendment: April 15, 2026

Corporate Office:

Aditya Birla Housing Finance Limited

One World Centre, Tower 1, 9th Floor, Jupiter Mill Compound,
841, Senapati Bapat Marg, Elphinstone Road, Mumbai, Maharashtra - 400 013

Tel: +91 22 6279 9505 | Toll-free number: 1800-270-7000
care.housingfinance@adityabirlacapital.com
<https://homefinance.adityabirlacapital.com>

Registered Office:

Indian Rayon Compound,
Veraval, Gujarat - 362 266

CIN: U65922GJ2009PLC083779



Introduction & Purpose

The Board of Directors of Aditya Birla Housing Finance Limited (“the Company”), on recommendation of the Audit Committee, has adopted this policy dated 18 April, 2022.

- a) regulate transactions of the Company with its related parties (*as defined and identified under the Companies Act, 2013 and Rules made thereunder (the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements), 2015 (“Listing Regulations”)*);
- b) ensure high standards of Corporate Governance while dealing with related parties; and
- c) ensure optimum compliance with various applicable laws prescribed for related party transactions.

The said policy is reviewed and amended on April 16, 2025 and further amended on April 15, 2026.

Definitions

- a) Act: means the Companies Act, 2013 and Rules made thereunder, as amended from time to time.
- b) Accounting Standard means the standards of accounting or any addendum thereto, as recommended by the Institute of Chartered Accountants of India in consultation with and after examination of the recommendations made by the National Finance Reporting Authority.
- c) Listing Regulations means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- d) Related Party shall have the same meaning as defined under the Act, applicable Accounting Standards and the Listing Regulations, as amended from time to time.
- e) Related Party Transaction (RPT) means transactions with related parties as defined under the Act; Listing Regulations; applicable accounting standards, as amended from time to time.

All terms used in this policy but not defined herein shall have the meaning assigned to such terms in the Act; the Listing Regulations and Accounting Standards, as amended from time to time.

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Terms and References

- a) **Arm's Length Basis:** Terms will be treated as on 'Arm's Length Basis' if the commercial and key terms are comparable and are not materially different with similar transactions with non-related parties considering all the aspects of the transactions such as quality, realizations, other terms of the contract, etc. In case of contracts with related parties for specified period / quantity / services, it is possible that the terms of one-off comparable transaction with an unrelated party are at variance, during the validity of contract with related party. In case the Company is not doing similar transactions with any other non-related party, terms for similar transactions between other non-related parties of similar standing can be considered to establish 'arm's length basis'. Other methods prescribed for this purpose under any law can also be considered for establishing this principle.
- b) **Ordinary Course of Business:** Transactions with related parties will be considered in ordinary course if they are entered in pursuance of the business objective of the Company and necessary for Company's operations or related financial activities, including the fixed assets transactions and pursuant to the objects of the Company.
- c) **Materiality:** The materiality of any RPT will be ascertained as per the thresholds prescribed under the Act or the Listing Regulations, whichever is lower:

(i) Materiality threshold under the Act

A transaction with a related party shall be considered material if it exceeds threshold as prescribed under section 188 of the Act read with Rules made thereunder or any subsequent amendment thereto.

(ii) Materiality threshold under Listing Regulations

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the following thresholds:

- In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- In case of any other transaction(s), if the amount exceeds the thresholds applicable to the Company as specified in Schedule XII of the Listing Regulations.

- d) **Material Modification:** A modification to a RPT shall be considered material, if the:

- value of the modification individually or taken together with modifications during a financial year, exceeds 10% of the original transaction as approved by the Audit Committee and / or the shareholders, whichever is lower.

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- material terms of the contract resulting in novation of the contract, change in tenure of the contract, deferment of security / guarantee shall also be treated as a material modification of the transaction.

Policy

- a) The RPTs should be in conformity with the Act, Listing Regulations and applicable Accounting Standards, as amended from time to time.
- b) All RPTs shall be entered on arms' length basis and in the ordinary course of business.
- c) Any RPT which is not in the ordinary course of business of the Company or not at arm's length basis, shall be effected only with prior approval of the Board of Directors of the Company, on recommendation of the Audit Committee.
- d) All RPTs specified in the Act which are not in the ordinary course of business of the Company or not at arms' length basis and exceed the thresholds laid down in the Act shall be placed before the shareholders' for their approval.
- e) The Audit Committee may grant omnibus approval for RPTs which are repetitive in nature, provided that such approval shall remain valid for period not exceeding one year. Further, where the need for RPTs cannot be foreseen and requisite details are not available, the Audit Committee may grant omnibus approval for such transactions *provided that* value of each such transaction shall not exceed ₹ 1 crore.

Further, the omnibus approval granted by the shareholders for material-related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act or rules, notifications, or circulars issued thereunder from time to time and in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

- f) All RPTs and subsequent material modifications shall be placed before the Audit Committee for prior approval and only independent members of the Audit Committee will approve these RPTs.

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- g) All RPT above rupees one crore to which any of the Company's subsidiary is a party but the Company is not, will require prior approval of the Company's Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary or the threshold for material related party transactions of the Company as specified in Schedule XII of the Listing Regulations, whichever is lower. Approval will be required if the subsidiary does not have audited financial statements for a period of at least one year and value of transactions exceeds ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or, the threshold for material related party transactions of the Company as specified in Schedule XII of the Listing Regulations, whichever is lower.
- h) Prior approval of the Company's Audit Committee will not be required if the subsidiary is listed and the Company is not a party if applicable provisions of the listing regulations are applicable to such listed subsidiary. For transactions of unlisted subsidiaries, prior approval of the Company's Audit Committee shall suffice.
- i) Notwithstanding, all material RPT and subsequent material modifications as defined by the audit committee shall require prior No-Objection Certificate from the Debenture Trustee and the Debenture Trustee shall in turn obtain No-Objection from the debenture holders who are not related with the Issuer and hold atleast more than fifty per cent. of the debentures in value, on the basis of voting including e-voting in the manner specified by the Board.

The provisions of above point shall not be applicable in the following cases:

- (a) transactions entered into between two public sector companies;
- (b) 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; 601[***]
- (c) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval;
- (d) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof, on the other hand; and
- (e) transactions entered into between a public sector company on the one hand and the Central Government or any State Government or any combination thereof, on the other hand.]

[Explanation: For the removal of doubts, it is clarified that the term 'holding company' used in clause (b) of this sub-regulation refers to and shall be deemed to have always referred to a listed holding company.]

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- j) After obtaining approval of the debenture holders, approval of the shareholders through resolution shall be obtained.

Explanation (1): — If the No-Objection Certificate has been withheld, the matter shall not be taken forward for shareholders' consideration.

Explanation (2): — This No-Objection Certificate from Debenture Trustee and debenture holders shall be obtained in respect of listed debt securities issued on or after April 01, 2025:

Provided that in case of outstanding listed debt securities as on March 31, 2025, No-Objection Certificate from Debenture Trustee and debenture holders shall not be required for existing or prospective material related party transactions:

- k) Prior approval of the Company's shareholders will not be required for a RPT to which the listed subsidiary is a party but Company is not, if applicable provisions of the listing regulations are applicable to such listed subsidiary. For RPTs of unlisted subsidiaries, prior approval of the Company's shareholders shall suffice.

Remuneration and sitting fees paid by the Company or its subsidiary to its directors, key managerial personnel, or senior management by the listed entity or its subsidiary do not require audit committee approval if the individual is not part of the promoter or promoter group and the payment is not material.

- l) Where the need for RPTs cannot be foreseen and requisite details are not available, the Audit Committee may grant omnibus approval for such transactions *provided that* value of each such transaction shall not exceed ₹ 1 crore.

Members of Audit committee who are Independent Directors shall have the power to ratify the RPTs within a period of three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier subject to the following conditions:

- i. The value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- ii. The transaction is not material in terms of the provisions of Regulation 23(1) of Listing Regulations.
- iii. Rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification.
- iv. The details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) of Listing Regulations.
- v. Any other condition as specified by the audit committee.

If the Audit Committee's ratification is not sought, the transaction can be voided by the Audit Committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

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Subject to applicable laws, the Audit Committee shall have the power to ratify, revise or terminate the RPTs, which are not in accordance with this Policy.

- m) Any transaction that is specifically excluded from applicability of the related party provisions under the Act and / or the Listing Regulations shall not require a separate approval under this policy.
- n) All domestic RPTs shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under 92BA of Income Tax Act, 1961 including certification from Independent accountants under the Transfer Pricing Regulations.
- o) All international RPTs shall comply with the International Transfer Pricing Requirement under Section 92B of Income Tax Act, 1961 including certification from Independent accountants under the Transfer Pricing Regulations.

Administrative Measures

The Company's management shall institute appropriate administrative measures to ensure that all RPTs entered into by the Company are in compliance with applicable laws and this Policy. All persons dealing with the related party(ies) shall, irrespective of their level, be responsible for compliance with this Policy. The detailed processes relating to implementation of this Policy, as may be approved by the Audit Committee from time to time, shall be followed by all concerned. The Internal Auditors of the Company shall review the RPTs entered into by the Company on a periodic basis and report their observations to the Audit Committee. The Company Secretary shall be responsible to maintain/update the list of related parties (as required by applicable laws) and provide the same to all concerned. It is the duty of all employees of the Company to ensure that they do not deal with related parties under any kind of influence or coercion. The cases involving any unwarranted pressure should be promptly reported as per mechanism provided under the Whistle Blower Policy of the Company.

Interpretation

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the said law, rule, regulation or standard. In case of any clarification required with respect to this Policy, kindly contact the Company Secretary of the Company.

Disclosure

The Policy is available on the website of the Company i.e. <https://adityabirlahousingfinance.com/> and a web link thereto shall be provided in the Annual Report of the Company.

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Review

This Policy shall be reviewed by the Board of Directors at least once every three years, effective 1st April, 2022 and updated accordingly.

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