

MUTHOOT HOUSING FINANCECOMPANY LIMITED
(MHFCL)

CIN: U65922KL2010PLC025624

RELATED PARTY TRANSACTION POLICY

Prepared By

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Approved by:

Board of Directors

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RELATED PARTY TRANSACTION POLICY

1. Definitions

“Company” means Muthoot Housing Finance Company Limited.

“Related party” with reference to the Company means:-

- i) a director or his relative;
- ii) a key managerial personnel or his relative;
- iii) a firm, in which a director, manager or his relative is a partner;
- iv) a private company in which a director or manager is a member or director;
- v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital;
- vi) a body corporate whose Board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- vii) any person under whose advice, directions or instructions a director or manager is accustomed to act;
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in professional capacity.
- viii) any company which is-
 - a) a holding, subsidiary or an associate company of such company; or
 - b) a subsidiary of a holding company to which it is also a subsidiary;
- ix) Director or key managerial personnel of the holding company or his relative with reference to a company; or

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under Section 177 of the Companies Act, 2013.

“Board” means Board of Directors of the Company

“Key Managerial Personnel” means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013 and includes

- i) Managing Director or the Chief Executive Officer or manager and in their absence, a whole-time director;
- ii) Company Secretary;
- iii) Chief Financial Officer and
- iv) such other officer as may be prescribed

“Policy” means Related Party Transaction Policy.

“Material Related Party Transaction”- a 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, exceeds the limit prescribed under the Companies Act, 2013.

“Related Party transactions” - transactions/ contracts/ arrangement between the Company and any related parties which fall under one or more of the following headings:

As per Section 188 of the Companies Act, 2013

- a) Sale, purchase or supply of any goods or materials;
- b) Selling or otherwise disposing of, or buying, property of any kind;
- c) Leasing of property of any kind;
- d) Availing or rendering of any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- f) Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the Company;

As per Accounting Standards 18

- i) Transfer of research and development
- ii) License agreements
- iii) Finance (including loans and equity contributions in cash or kind).
- iv) Guarantees and collaterals
- v) Management contracts including for deputation of employees.

2. OBJECTIVE

This policy is framed to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. This Policy shall supplement the Company's other policies in force that may be applicable to or involve transactions with related persons

3. POLICY

- a. All Related Party Transactions shall require prior approval of Audit Committee.
- b. All Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties should abstain from voting on such resolutions.
- c. Every Director or Key Managerial Personnel is responsible for providing advance notice to the Board or Audit Committee of any potential transaction involving him or her or his or her relative.

- d. Audit Committee will review the details of transactions which are proposed to be entered into with a related party.

4. APPROVAL PROCEDURE OF RELATED PARTY TRANSACTION

At each of its meetings, the Audit Committee will be provided with the details of each existing or proposed Related-Party Transaction, reviewed and approved it and recommend to the Board of Directors.

Any member of the Audit Committee who is interested in the related party transaction should abstain from voting on such resolutions.

6. EXEMPTIONS

Nothing contained in in this policy shall apply to any transactions entered in to by the Company in its ordinary course of its business other than transactions which are not on an arm's length basis.

8. REGISTERS

The Company shall keep and maintain a register, maintained physically or electronically, as may be decided by the Board of Directors and such register is placed/taken note of before the meeting of the Board of directors.

9. AMENDMENT

The Board may amend this policy from time to time as may be required.

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