

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE

Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 ("**Act**") read with the Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") as amended from time to time, mandating the formulation of Policy on dealing with Related Party Transactions ("**RPT Policy**") by High Value Debt Listed Entities, has formulated RPT Policy for identification of Related Parties and to regulate the transactions with Related Parties and transactions between the Company and its Related Parties.

This RPT Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

PURPOSE

This Policy is framed as per requirement of Regulation 23 of the Listing Regulations, to set out (i) the materiality thresholds for related party transactions and; (ii) the manner of dealing with the transactions between the Company and its Related Parties based on the Act and the Listing Regulations, and any other laws and regulations as may be applicable to the Company.

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.

"Company" means Tata Housing Development Company Limited

"Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with the previous transactions during a financial year, exceeds Rs. 1000 Crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company whichever is lower.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Material Modifications" means any modification to an existing related party transaction, approved by the Audit Committee/ Board of Directors / Shareholders, as the case may be, which will change the complete nature of the transaction and in case of monetary thresholds which is in excess of 50% of the originally approved transaction amount.

"Ordinary Course of Business ('OCB')" means a transaction which is: carried out in the normal course of business envisaged in accordance with the Memorandum of Association ('MoA') of the

Company as amended from time to time, or historical practice with a pattern of frequency, or in connection with the normal business carried on by the Company, or the income, if any, earned from such activity/transaction is assessed as business income in the Company's books of accounts and hence is a business activity, or common commercial practice, or meets any other parameters / criteria as decided by the Board/Audit Committee.

"Related Party" means a related party as defined under Section 2 (76) of the Act read with Regulation 2 (1)(zb) of Listing Regulations, or under the applicable accounting standards.

"Related Party Transaction" (RPT) means related party transaction as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the Listing Regulations

"Subsidiary" means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013 ('Act').

"Relative" means relative as defined under section 2(77) of the Companies Act, 2013

Any other term not defined herein shall have the same meaning as defined under the Act, Listing Regulations and SEBI (Issue of Capital and Disclosure Requirements) Regulations as amended from time to time.

POLICY

- All Related Party Transaction(s) shall be entered on arms' length basis.
- In exceptional circumstances, where permitted by law, Related Party Transaction(s) of the Company may deviate from the principle of arm's length, after obtaining approval from Audit Committee and the Board of Directors, as the case may be.
- In exceptional circumstances, where permitted by law, Related Party Transaction(s) of the Subsidiary which exceed the threshold specified in Regulation 23 of the Listing Regulations, may deviate from the principle of arm's length, after obtaining approval from its audit committee and / or board of directors, as the case may be and approval of Audit Committee and Shareholders of the Company, if applicable.
- All Related Party Transaction(s) of the Company shall be in compliance with the provisions of the Act, the Listing Regulations and the applicable Accounting Standards, as amended from time to time.
- All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under Income Tax Act, 1961 including certification from independent accountants under the International Transfer Pricing Regulations.

PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS

All Related Party Transactions and subsequent material modification shall require prior approval of Audit Committee unless otherwise specifically exempted under the provisions of Act or Listing Regulations.

Only those members of the Audit Committee, who are independent Directors shall approve the related party transactions.

Any member of the Committee who has a potential interest in any Related Party Transaction shall not remain present at the meeting when such Related Party Transaction is considered.

All Related Party Transaction(s) of the Subsidiary exceeding the threshold of material related party transactions as specified in Regulation 23 of the Listing Regulations and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Shareholders of the Company, as the case may be.

As per provisions of Section 188 of the Act any Contract or Arrangement with Related Party as referred in the said Section which are not in the ordinary course of business or at arm's length, shall require prior approval of the Board/shareholder, as the case may be.

Wherever necessary, the Audit Committee may, after examining all the documents, if any, grant omnibus approval for Related Party Transactions, proposed to be entered into by the Company or its subsidiary, subject to the following conditions:

- i. The following criteria for granting omnibus approvals are fulfilled:
The transactions qualify to be in the "Ordinary Course of business" as defined above and satisfy "Arm's length price" condition.
The transactions are repetitive in nature
- ii. The Audit Committee has satisfied itself the need for such omnibus approval and that such approval is in the interest of the Company.
- iii. Where the need for Related Party Transaction cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs. 1 crore per transaction.
- iv. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval granted.
- v. The omnibus approval granted shall be valid for a period not exceeding one financial year and shall require fresh approval every year.

RATIFICATION OF RELATED PARTY TRANSACTIONS IN EXCEPTIONAL CASES

- i. Any Related Party Transaction which is not under omnibus approval, entered into by the Company with a Related Party, without obtaining the consent of Audit Committee or the Board of Directors or approval of shareholders in General Meeting, may in genuine cases be ratified by the Audit Committee or the Board of Directors or the shareholders at a General Meeting, as permitted under the applicable laws, provided that such Director or any other employee who had authorised such transactions agrees to indemnify the Company against loss incurred by the Company, if any.
- ii. Approval for such exceptional Related Party Transactions shall be granted by the Audit Committee and/or Board of Directors, as the case may be on merit and approval of the shareholders by way of Resolution shall also be obtained, wherever required.

- iii. While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Act, listing Regulation and any other laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.

REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed by the Audit Committee and Board from time to time but at least once in three years to update the Policy to make it consistent with any regulatory amendments in the provisions of the Act and Rules framed thereunder or the Listing Regulations. Any changes or modification on the Policy as recommended by the Audit Committee would be presented for approval of the Board.

In case of any conflict with the provisions between the Act or the Listing Regulations and the Policy, the provisions of the Act and Listing Regulations would prevail over the Policy.

COMPLIANCE RESPONSIBILITY AND APPLICABILITY

Compliance of this Policy shall be the responsibility of the Compliance Officer/Chief Financial Officer of the Company who shall have the power to ask for any information or clarifications from the Management in this regard.

As the Company is a High Value Debt Listed Entity, Regulation 23 of the Listed Regulations is applicable to the Company on Comply or explain basis till March 31, 2025 and mandatory thereafter, or any other date intimated by SEBI, which ever is later.

AMENDMENTS

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.

VERSION HISTORY

Version	Approved by	Approval Date	Effective Date	Section Modified
00	Board	28-May-2022	As mentioned by SEBI from time to time	Adoption
01	Board	31-Jan-2025	31-Jan-2025	All