

RELATED PARTY TRANSACTION (RPT) POLICY

HIRANANDANI FINANCIAL SERVICES PRIVATE LIMITED

Policy Control

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RELATED PARTY TRANSACTION POLICY

1. PREAMBLE

Hiranandani Financial Services Private Limited (“the Company/HFS”) is registered with RBI as a Non-Deposit taking Non- Banking Finance Company further classified as Middle layer under Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, as amended from time to time by RBI. HFS is primarily engaged in the business of granting loans This Policy provides for related party transactions, if any of the Company to be carried out in compliance with the applicable legal and regulatory provisions. This policy also aims at providing guidance in situations of potential conflict of interest and compliance matters relating to related party transactions.

THE COMPANIES ACT, 2013 AND RULES:

This Policy has been formulated and adopted in terms of the provisions of Sections 177 and 188 of the Companies Act, 2013 (**‘the Act’**), the relevant Rules made thereunder, the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), the relevant provisions of the Articles of Association of the Company (hereinafter collectively referred to as the **“RPT norms”**), as amended, from time to time

2. SCOPE

This Policy establishes a governance framework for identifying, reviewing, and approving related party transactions of the Company in compliance with Applicable Laws. It serves as a guiding document for all stakeholders to ensure that transactions between the Company and its related parties are conducted in a fair, transparent and lawful manner.

3. DEFINITIONS

1. “Act” means the Companies Act, 2013 including any statutory modification or re-enactment thereof and includes any rules and regulations framed thereunder.
2. “Articles” means the Articles of Association of a company, as originally framed or as altered from time to time or applied in pursuance of any previous company law or the Companies Act, 2013.
3. “Arm’s length transaction / Basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
4. “Audit Committee” means the Audit Committee of Board constituted by the Board under the Act.
5. “Calendar Year” means calendar year as per Gregorian calendar i.e. a period of one year which begins on 1st January and ends on 31st December.
6. “Office or place of profit” means any office or place— (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise; (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise
7. “Ordinary Course of Business’ shall mean the usual transactions, customs and practices carried on generally by Non-Banking Financial Companies and shall include:
 - i. Transactions covered in the ‘main objects’ or the ‘objects incidental’ to attainment of the main objects as envisaged in the Memorandum and Articles of Association of the Company,
 - ii. Transactions which are usually carried on by any Non-Banking Financial Company
 - iii. Transactions which have been done by the Company regularly in last three (3) years,

- iv. Transaction or activity that is necessary, normal, regular and incidental to the business and involves significant amount of money or managerial resources that generates income for the Company.

These are not exhaustive criteria and the Company will assess each transaction considering its specific nature and circumstances.

- 8. “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 or his relative is a member or director;
 - v. a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
 - vi. any 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 on 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 a professional capacity;
 - viii. *anybody corporate which is—
 - (A) a holding, subsidiary or an associate company of the company; or-
 - (B) a subsidiary of a holding company to which it is also a subsidiary;
 - (C) an investing company or the venturer of the company;
 Explanation. —For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate;
**the above transaction shall not apply with respect to the Related party transaction.*
 - ix. A director, other than an Independent Director or Key Managerial Personnel of the Holding company or his relative with reference to a company, shall be deemed to be a related party.
 - x. such other person as may be prescribed under the Companies Act;
- 9. “Related Party Transactions”: Shall have the same meaning as defined under the Companies Act 2013, as amended from time to time and applicable Directions/Circulars issued by Reserve Bank of India

A transaction with a Related Party shall be deemed to include either a single transaction or a group of transactions in a contract.

- 10. “relative”, with reference to any person, means anyone who is related to another, if—
 - i. They are members of a Hindu Undivided Family (HUF);
 - ii. They are husband and wife; or
 - iii. one person is related to the another in the following manner, namely:
 - (a) Father (including step-father)
 - (b) Mother (including step-mother)
 - (c) Son (including step-son)
 - (d) Son's wife
 - (e) Daughter
 - (f) Daughter's husband
 - (g) Brother (including step-brother)
 - (h) Sister (including step-sister)

All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them under the Companies Act, 2013 and Rules framed thereunder or any other applicable law.

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

1. Approval of Audit Committee

Every Related Party Transaction and subsequent modifications to the transaction shall be subject to the prior approval of the Audit Committee at a meeting.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company for transactions which are repetitive in nature and which are in the interest of the company. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval before the commencement of the next financial year.

A Related Party Transaction involving any amount not exceeding one crore rupees entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, shall be placed before the Audit Committee for ratification within three months from the date of the transaction. If it is not ratified by the Audit Committee then such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorized by any other director, the director concerned shall indemnify the company against any loss incurred by it.

Pursuant to the Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, dated January 05, 2026, the Company has formulated a separate policy on the Loan to Directors, KMP or Specified employees and the transaction entered by the Company basis the said policy would be subject to the provisions of the RPT policy.

2. Approval of the Board of Directors

A. The following related party transactions shall be placed before the Board of Directors for approval, after the approval of the Audit Committee:

- (i) Related party transactions referred by the Audit Committee;
- (ii) Related party transactions not on arm's length basis; or
- (iii) Related party transactions not in the ordinary course of business.

B. In accordance with Rule 15(1) of Companies (Meetings of Board and its powers) Rules, 2014, the agenda of the Board meeting at which the resolution is proposed to be moved shall disclose the following -

- (i) The name of the related party and nature of relationship;
- (ii) The nature, duration of the contract and particulars of the contract or arrangement;
- (iii) The material terms of the contract or arrangement including the value, if any;
- (iv) Any advance paid or received for the contract or arrangement, if any;
- (v) The manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract;
- (vi) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (vii) Any other information relevant or important for the Board to take a decision on the proposed transaction in line with the applicable legal requirements.

3. Approval of Shareholders

Any related party transaction which is not in the ordinary course of business and/or not on arm's length basis, and crosses prescribed threshold limit as per Section 188(1) of the Act read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 will require prior approval of the Shareholders.

In accordance with the explanation to Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, the explanatory statement to be annexed to the notice of a general meeting convened shall contain the following particulars, namely:

- (i) Name of the related party;

- (ii) Name of the director or key managerial personnel who is related, if any;
- (iii) Nature of relationship;
- (iv) Nature, material terms, monetary value and particulars of the contract or arrangement;
- (v) Any other information relevant or important for the members to take a decision on the proposed resolution.

4. The Framework for review/ grant of approval in terms of this Policy, is as under:

Audit Committee	Board	Shareholders
All Related Party Transactions except those items as mentioned in Clause 6 below.	<ul style="list-style-type: none"> • Related Party Transactions referred by Audit Committee for approval of the Board. • Related Party Transactions u/s 188(1) of the Act not in the ordinary course of business and/ or not on an arm's length basis. 	Approval by Ordinary resolution for Related Party Transactions u/s 188(1) of the Act not in Ordinary Course of Business or not at Arm's length basis and crosses prescribed threshold limit as per Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its powers) Rules, 2014.

The Audit Committee or the Board shall after considering the materials placed before them judge if the transaction is in the ordinary course of business and meets the arm's length requirements.

5. CRITERIA FOR OMNIBUS APPROVAL:

1. The proposal for Omnibus approval to be placed before the Audit Committee should contain following information –
 - A. The name(s) of related party, nature of transactions, period/duration of transactions, maximum amount that can be entered per transaction and maximum value of the transactions in aggregate which can be allowed under the omnibus route in a financial year;
 - B. The indicative base price or current contracted price and the formula for variation in the price, if any; and
 - C. Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
2. Review of related party transactions entered into by the company pursuant to each of the omnibus approval. Such review shall be conducted at intervals as determined by the Audit Committee, as deemed appropriate;
3. The Audit Committee shall consider the following factors while specifying the criteria for omnibus approval, namely: -
 - (a) Repetitiveness of the transactions (in past or in future);
 - (b) Justification for the need of omnibus approval.
 - o The audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company; the omnibus approval shall specify:
 - o The name(s) of the related party,
 - o Nature of transaction,
 - o Period of transaction, Maximum amount of transactions that shall be entered into,
 - o The indicative contracted price and
 - o The formula for variation in the price if any; and
 - o Such other conditions as the audit committee may deem fit

4. Approval of Omnibus transaction without fulfilling the above criteria:

A. Special Condition:

- (i) Where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1,00,00,000/- (Rupees One Crore only) per transaction, which shall be valid for a period not exceeding one financial year.

B. Repetitive in nature:

- (i) All omnibus approval granted by Audit Committee during a financial year shall expire at the end of financial year of the company. On the commencement of new financial year, the Company may not enter into such related party transaction without a prior approval/ omnibus approval by the Audit Committee. Such prior approval shall be obtained before the expiry of the financial year.
- (ii) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- (iii) Omnibus approval shall be valid for a period of one financial year.
- (iv) In case of non-repetitive transactions, the agenda of the Audit Committee at which the such transaction(s) item is/are proposed to be tabled/moved, shall contain the following disclosures:
 - a. the name of the related party and nature of relationship;
 - b. the nature, duration/period of the contract and particulars of the contract or arrangement;
 - c. the material terms of the contract or arrangement including the value, if any;
 - d. any advance paid or received for the contract or arrangement, if any;
 - e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
 - f. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
 - g. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
 - h. statement of transactions as per the contracts/arrangements

- 5. Where any director is interested in any contract or arrangement with a related party, such director shall not participate at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement. Further, there shall be a disclosure whether the contracts/ transactions with related parties are being conducted on an arm's length basis and in the ordinary course of business, at the meetings of the Audit Committee and that of the Board.

6. RELATED PARTY TRANSACTIONS THAT NOT REQUIRE REQUISITE APPROVAL:

Following Related Party Transactions shall not require any separate approval of the Audit Committee or the Board, under this Policy:

- 1. Transactions between a holding company and its wholly owned subsidiary, provided the subsidiary's accounts are consolidated with the holding company and presented before shareholders at the general meeting for approval.
- 2. Any transaction pertaining to appointment and remuneration of Directors and KMPs that require approval of the Nomination and Remuneration Committee of the Company and the Board;
- 3. Payment of Dividend;

4. Transactions involving corporate restructuring, such as buy-back of shares, subdivision or consolidation of securities, capital reduction, merger, demerger, hive-off etc. which are approved by the Board and carried out in accordance with the specific provisions of the Companies Act, 2013;
5. Contribution towards Corporate Social Responsibility (CSR) within the overall limits approved by the Board that require approval of the CSR Committee.
6. The issue of specified securities on a preferential basis, subject to compliance of applicable Laws;
7. Employer's contribution to Provident Fund/Gratuity/Superannuation etc. to a recognized Trust as part of its statutory obligations and reimbursement of expenses at actuals based on supporting documents.

It is clarified that in respect of all transactions referred to in Section 188 of the Act, prior Audit Committee approval shall be obtained for approval or any subsequent modification of transactions of the company with related parties.

7. RELATED PARTY TRANSACTION NOT APPROVED UNDER THE POLICY

1. In the event the Company enters into any contract or arrangement (transaction) with a Related Party, that has not been approved by the Audit Committee, in terms of Policy, prior to its consummation, the matter shall be placed for the review/ approval of the Audit Committee at its ensuing meeting
2. The Audit Committee shall consider the relevant facts and circumstances regarding to the Related Party Transaction(s), and evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction(s).
3. The Audit Committee shall also examine the facts and circumstances and reasons in respect of the failure of the Company to report such Related Party Transaction(s) under the Policy, and may take such action(s)/ recommendations, as it may deem fit.
4. Where any transaction, is entered into by a director or any other employee, without obtaining the consent of the Board or Audit Committee or approval by means of a resolution passed at the general meeting, under sub-section (1) of Section 188 of the Act, and if it is not ratified by the Board or, by the shareholders, as the case may be, at their meeting within a period of 3 (three) months from the date on which such transaction was entered into, such transaction shall be voidable at the option of the Board or, by the shareholders, as the case may be, and if the transaction is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the Company against any loss incurred by it, in this regard.

8. DISCLOSURES RELATED TO RELATED PARTY TRANSACTIONS

This Policy shall be placed on the website of the Company, and details thereof shall be provided in the Annual Report of the Company.

Every Director and the KMP shall, from time to time make the necessary disclosures to the Board, a period of 30 days of his appointment, or relinquishment of his office in other Companies/Firms/bodies corporate, as the case may be, disclose to the Company the particulars relating to his/her concern or interest in the other associations which are required to be included in the Register maintained in this regard.

Details of Related Parties and RPTs should be recorded in MBP-4 Part A and B respectively

The said Register of Contracts shall be placed for the review and shall be duly signed by all the Directors present at the meeting of the Board as and when there are changes in particulars of the register.

9. REVIEW AND APPROVAL

This Policy would be effective from the date of approval by the Board and would be subject to amendments in accordance with Regulations, Rules, Circulars, Notifications, etc. as may be issued by regulatory authorities, from time to time. In case of any inconsistency of the provisions of this Policy with any

amendments, circulars, clarifications issued by relevant authorities, then such amendments shall prevail upon the provisions of this Policy and this Policy shall accordingly stand amended from the effective date.

This Policy shall be reviewed by the Audit Committee on an annually basis or before in case if as and when any changes are to be made in the Policy and the revised policy as recommended by the Committee, shall be presented to the Board for their approval.