



ORANGE CITY HOUSING
Finance Private Limited
(Formerly Known as ORANGE CITY HOUSING FINANCE LIMITED)

Related Party Transaction Policy

Version 1.1

For Private Circulation Only

Related Party Transaction Policy

I. Introduction

Orange City Housing Finance Private Limited (OCHFL) is a Housing Finance Company (HFC) based in Nagpur, registered with the National Housing Bank, New Delhi, wholly owned by the Reserve Bank of India. OCHFL is incorporated with Registrar of Companies, Mumbai under the Companies Act 1956, and is one of the 100 odd HFC license holders across India and the first in Central India. OCHFL aims to provide affordable housing loans to all sections of society. Since our inception, we will lead our customers on the path to prosperity by providing home loans to individuals for Purchase / Construction / Extension / Renovation etc. to help them to achieve their goals of owning their own home.

II. Company Philosophy

OCHFL was created to provide credit access to first time home buyers in EWS/LIG/MIG category and aims to contribute meaningfully towards the Indian Government's mission of "Housing for All". The Company intends to work on a philosophy of giving back to the society in a way and fashion that will cause a sustainable change for the less fortunate of India's populace without any discrimination based on religion, creed, caste, color or gender. The Company aims to undertake those initiatives which would bring about positive irreversible change for the betterment of the society and would help the beneficiaries quantitatively and qualitatively in their lives, with the underlying aim of decreasing the wealth inequality of Indian society.

Our Vision is to be the leading Housing Loan provider known for

- Exceptional Customer Service
- Loan Affordability
- Transparency of Operations
- Contribution to Society

OCHFL is geared towards fostering a maximally satisfied customer base with a mutually profitable relationship. It is therefore important to be completely open and honest with the customer and use simple, clear and unambiguous terms when offering a product or service to them.

This Policy serves as a set of broad guidelines to the loan origination team with these policy principles in mind.

III. Mission of Policy

OCHFL wholeheartedly believes in and complies with the general practices that are in line with the Master Directions and Circulars provided by the National Housing Bank to HFCs. At OCHFL, we believe that an effective management and administration combined with transparency and accountability is imperative to ensure a long and healthy life for the company.

The objective of the Policy is to ensure proper approval, disclosures and reporting of the transactions entered between the Company and its Related Parties.

This document should not be seen in isolation but in conjunction with the other policy

Related Party Transaction Policy

documents that define the overall workings of the company. For the sake of simplicity and to avoid confusion, any matter covered in other policy documents is not repeated in this document.

IV. Definitions

“Board of Directors” or “Board” in relation to a Company, means the Collective Body of the Directors of the Company.

“Audit Committee” means a Committee constituted under the provisions of Section 177 Companies Act, 2013.

“Key Managerial Person” “Key Managerial Person” in relation to a Company, means; i) The Chief Executive Officer or the Managing Director or the Manager; ii) The Company Secretary; iii) whole - time Director; iv) The Chief Financial Officer; v) Such other officers as may be prescribed under the Companies Act, 2013. vi) any other person identified by the Board.

“Related Party” Related Party shall have the same meaning as defined under sec 2(76) of the Companies Act, 2013 or related party under applicable accounting standard.

“Related Party Transaction” as per Companies Act, 2013 “Related Party Transaction” shall have the same meaning as defined under Sec 188 (1) of the Companies Act, 2013.

V. Applicability

In view of the definitions given above, the policy is applicable on all Directors, Key managerial Personnel, Senior Management and other employees of the Company.

VI. Identification of Potential Related Party Transaction

Each Director and Key Managerial Personnel is responsible for providing advance notice to the Board or Audit Committee of any potential Related Party Transaction involving himself/herself or their relatives, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the disclosure of Interest; and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Notice of any potential Related Party transaction shall be intimated to the Board/ Committee, well in advance so that the Board/ Committee has adequate time to review the transaction.

VII. Restrictions on Related Party Transaction

All related party transaction shall require prior approval of the Audit Committee; however, the Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered in to by the Company subject to the following conditions:

1. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.

Related Party Transaction Policy

2. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
3. Such omnibus approval shall specify the following details as prescribed under the Companies Act, 2013.

Provided that 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 crore in a Financial Year.

VIII. Review Related Party Transaction

Audit Committee shall review, at least on an annual basis, the details of Related Party Transaction entered in to by the Company pursuant to each of the omnibus approval given. Approval given by the Audit Committee shall be valid for not exceeding one year and shall require fresh approvals after the expiry of one year.

IX. Approval of Shareholders as per the requirement of Companies Act, 2013

Related Party Transaction with are either not in the 'Ordinary Course of Business' or are not at 'arm's length price' and exceeds the threshold under section 188 of the companies Act, 2013 shall also require prior approval of the shareholders through special resolution.

No members of the Company shall vote in a special resolution where related party contract or arrangement is being considered if such a member is a Related Party in Contract or Arrangement which is being considered.