

LADAM AFFORDABLE HOUSING LIMITED

Related Party Transactions Policy

1. Introduction

The Board of Directors of **Ladam Affordable Housing Limited** (formerly known as Ladam Finance Limited) (“the Company”, “LAHL”) has adopted the following policy and procedures with regards to Related Party Transactions (including materiality of related party transactions and dealing with related party transactions) as defined below. The Audit Committee is to review and shall, from time to time, recommend amendments, if any, in this policy to the Board.

This Policy applies to all transactions executed between the Company and one or more of its Related Parties, which are taken in the best interest of the Company and its shareholders.

This Policy is primarily framed based on Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, herein after referred as ‘Listing Regulations’ and the provisions of Companies Act, 2013 (the “Act”) including Rules made thereunder and are primarily intended to ensure the governance and reporting of transactions between the Company and its Related Parties.

2. Objectives

The objective of this policy is to be set out (a) the clear materiality thresholds limits for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23(1) of Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. Definitions

- a. “**Act**” means Companies Act, 2013.
- b. “**Arm’s Length basis**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- c. “**Audit Committee**” means a committee of Board of Directors of the Company.
- d. “**Board of Directors**” or “**Board**” means the Board of Directors of the Company.
- e. “**Company**” means Ladam Affordable Housing Limited (formerly known as Ladam Finance Limited).
- f. “**Key managerial personnel**”, in relation to a Company, means the Key Managerial Personnel of the Company as defined under the Act.
- g. “**Material Related Party Transaction**” A transaction with a related party will be considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent (or such other limit as may be specified under applicable laws / regulations, as the case may be) of the annual consolidated turnover as per the last audited financial statements of the

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Company.

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 to be entered into, either individually or taken together with previous transactions during a financial year, exceeds two percent of the annual consolidated turnover as per the last audited financial statements of the Company.

- h. **“Policy”** means the Policy on Related Party Transactions, including amendments, if any, from time to time.
- i. **“Related Party Transactions”** will have the same meaning as defined under Section 2 (76) of the Companies Act, 2013 as amended from time to time or under the applicable accounting standards.
- j. **“Relative”** will have the same meaning as defined under Section 2(77) of the Companies Act, 2013.
- k. **“Subsidiary”** will have the same meaning as defined under Section 2(87) of the Companies Act, 2013.

4. Policy

1. The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).
2. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:
 - a. Maximum value of transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - b. Maximum value per transaction which can be allowed;
 - c. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
Based on the aforementioned criteria, the Audit Committee may in the interest of the Conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available. While assessing a proposal for approval under the omnibus route, the Audit Committee to satisfy itself on the need for such approval and that the same is in the interest of the Company.
 - d. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of

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the omnibus approval given.

- e. Such Omnibus approvals shall be valid for the period not exceeding one year and shall require fresh approvals after the expiry of one year.

3. Approval of Board of Directors

All Related Party Transactions that are:

- a. Not in the Ordinary Course of business.
- b. In the Ordinary Course of business but not at arms' length or
- c. Neither in the Ordinary Course of business nor at arms' length

Shall require the prior approval of Board of Directors at a Meeting of the Board.

Any member of the Board who is intended or has a potential interest in any Related Party Transaction is not to be present at the meeting during discussions on the subject matter of the resolution related to Related Party Transactions.

4. Approval of Shareholders

- a. All the **Material Related Party Transactions** (other than transactions entered into by the Company with its wholly owned subsidiary, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval) require prior approval of shareholders through resolution and No Related Party shall vote to approve such resolutions irrespective of whether the entity is party to the particular transaction or not.
- b. All Related party Transactions which are not in Ordinary Course of Business and/ or are not at Arms' Length Basis and are exceeding the limits mentioned in the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall require prior approval of the shareholders through resolution. Related Parties to the Contract or arrangement are to abstain from voting on such resolution.

5. Amendment in Law

Any Subsequent amendment/ modification in the SEBI (LODR) Regulations, 2015 in this regard shall automatically apply to this policy.

**By Orders of the Board
For Ladam Affordable Housing Ltd.**

**Director
00325063
Date 1st April, 2019**