POLICY ON RELATED PARTY TRANSACTIONS

Adopted on: May 28, 2022

1. 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 ("SEBI **Listing Regulations**") as amended from time to time, mandating the formulation of Policy on Related Party Transactions ("**RPT Policy**") by all the Listed entities and High Value Debt Listed Entities, Tata Housing Development Company Limited 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 on [*] based on recommendations of the Audit Committee.

2. PURPOSE

This Policy is framed as per requirement of Regulation 23 of the SEBI 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 SEBI Listing Regulations, and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

"Act" shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications or re-enactment thereof.

"Audit Committee" shall mean the Audit Committee constituted by the Board of the Company from time to time, in accordance with the provisions of the Act and the Listing Regulations.

"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.

"Board of Directors" or **"Board"** shall mean the collective body of the Directors of the Company as constituted from time to time, in line with the provisions of the Act and SEBI

Listing Regulations.

"Company" means Tata Housing Development Company Limited.

"Key Managerial Personnel" in relation to the Company shall be as defined under Section 2(51) of the Act, as amended from time to time.

"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 10% of the originally approved transaction amount or Rs. 100 Crores, whichever is higher.

"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 , or under the applicable accounting standards and also includes the following:

(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
(b) any person or any entity, holding equity shares:
(i) of twenty per cent or more; or
(ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under Section 89 of the Act, at any time, during the immediately preceding financial year.

"Related Party Transaction" (RPT) means:

(a) transaction of the Company with Related Parties as mentioned in clauses (a) to (g) of Section 188 (1) and clause (iv) of Section 177(4) of the Act; and

(b) a transaction involving a transfer of resources, services or obligations between:

i. a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
ii. a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023;

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

"**Relative**" means relative as defined under Section 2 (77) of the Act and Rules prescribed there under.

"SEBI Listing Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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

4. IDENTIFICATION OF POTENTIAL RELATED PARTIES AND TRANSACTIONS

Every director and Key Managerial Personnel (KMP), as defined under Section 2(51) of the Act is responsible for providing the list of Related Parties as covered under Section 2(76) of the Act as well as under applicable Accounting Standards to the Board or Audit Committee.

The Responsible Person (i.e. Company Secretary/ Compliance officer/ Chief Financial Officer) shall at all times maintain upto date database of the Company's Related Parties containing the names of individuals and details of the entities, identified on the basis of the definition set forth in Definition Clause above.

Every Director and KMP shall inform to the Company in advance of any potential Related Party Transaction, if any, involving him or her or his or her Relative, including any additional information about the transaction as may be required by the Board/ Audit Committee.

The Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction and if yes, such transaction will require compliance with this Policy.

5. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS

Approval of the Audit Committee

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 SEBI 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.

1. Prior Approval of Audit Committee:

   All Related Party Transactions and subsequent material modification shall require prior approval of the Audit Committee of the listed entity.

   Provided further that:

i. a Related Party Transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the Audit Committee of the listed entity if the value of such transaction whether entered into individually or taken

together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;

ii. with effect from April 1, 2023, a Related Party Transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the Audit Committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

iii. prior approval of the Audit Committee of the listed entity shall not be required for a Related Party Transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and regulation 15 (2) of SEBI Listing Regulations are applicable to such listed subsidiary.

Explanation: For Related Party Transactions of unlisted subsidiaries of a listed subsidiary as referred to in (iii) above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

iv. In case of a transaction, other than transactions referred to in Section 188 of the Act, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

v. The listed entity shall provide the information for review of the Audit Committee for approval of any proposed Related Party Transaction, as per annexure-A:

2. Omnibus approval of the Audit Committee

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

i. The Audit Committee may grant omnibus approval in respect of transactions which are repetitive in nature.

ii. The Audit Committee shall satisfy itself that there is a need for such omnibus approval and that such approval is in the interest of the Company.

iii. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be

entered into during the year, (ii) the indicative base price / current contracted price and the formula for variation in the price, if any (for ex +/- 10%) and (iii) such other conditions as the Audit Committee may deem fit.

iv. The Audit Committee may grant omnibus approval where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

v. Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.

vi. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

vii. Omnibus approval for Material RPT at Annual General Meeting shall be valid upto 15 months or next Annual General Meeting, whichever is earlier.

viii. Omnibus approval for Material RPT at Extraordinary General Meeting shall be valid upto 12 months from the date of Extraordinary General Meeting.

3. Related Party Transactions that shall not require approval

a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

b) the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

i payment of dividend;
ii subdivision or consolidation of securities;
iii issuance of securities by way of a rights issue or a bonus issue; and
iv buy-back of securities.

c) 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;

d) transactions entered into between a Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

e) transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

f) any other transaction which do not require the approval as per this RPT Policy.

Approval of the Board of Directors of the Company

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.

The Board may if it considers necessary seek external professional opinion to determine whether a Related Party Transaction is in the Ordinary Course of Business and/ or at Arms' Length.

The following Related Party Transactions shall also be placed before the Board for its approval

i. Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
ii. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
iii. Transactions which are in the ordinary course of business and at arm's length basis, but which in the Audit Committee's view require the Board's approval.
iv. Material Related Party Transactions as well as Related Party Transactions requiring shareholders' approval under Section 188 of the Act and Rules made thereunder, which are intended to be placed before the shareholders for approval.

Where any director is interested in any Related Party Transaction, such director shall not remain present at the meeting when Related Party Transaction is considered.

Such approval shall be granted only by means of a Resolution passed at a Meeting of the Board.

Approval of the Shareholders of the Company

All Material Related Party Transactions and subsequently material modification shall require prior approval of the shareholders and no Related Party shall vote to approve such resolutions whether the entity is a Related Party to the particular transaction or not.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.

The notice seeking approval of shareholders for any proposed Related Party Transactions shall, in addition to the requirements under the Act, include the information forming a part of the explanatory statement, as per Annexure-B:

Transactions for which approval of shareholders is not required

i. for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and regulation 15 (2) of Listing Regulations are applicable to such listed subsidiary.

   Explanation: for related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

ii. Transactions entered into between a Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

iii. Transactions entered into between two wholly-owned subsidiaries of the listed holding Company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

6. DISCLOSURES

i. Disclosures with respect to Related Party Transactions to be made as per applicable provisions of Act and/or SEBI sting Regulations,.
ii. Details of all Material Related Party Transactions shall be disclosed to the Stock Exchange on a half yearly basis .
iii. The Company shall disclose the details of contract or arrangement with Related Parties in the Board's report, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.
iv. The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.
v. The Company shall submit disclosure of Related Party Transaction along with its standalone financial results for the half year.
vi. Any other disclosures as may be required from time to time

7. RELATED PARTY TRNASCSTIONS NOT APPROVED UNDER THE POLCIY

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without its approval, the Audit Committee, as appropriate, may direct [*] additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

In cases where the Board and / or shareholders' approval is required for a Related Party Transaction but such approval has not been obtained, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such Related Party Transaction was entered into, such Related Party Transaction shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any director, or is authorized by any director, the directors concerned shall indemnify the Company against any loss, if any, incurred by it.

8. 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 SEBI 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 SEBI Listing Regulations and the Policy, the provisions of the Act and SEBI Listing Regulations would prevail over the Policy.

9. COMPLIANCE RESPONSIBILITY AND APPLICABLITY

Compliance of this Policy shall be the responsibility of the 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 SEBI Listed Regulations is applicable to the Company on Comply or explain basis till March 31, 2023 and mandatory thereafter.

Hence, for the purpose of SEBI Listing Regulations, the mandatory compliance of this Policy shall be effective from April 1, 2023.

ANNEXURE - A

a. Type, material terms and particulars of the proposed transaction;
b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
c. Tenure of the proposed transaction (particular tenure shall be specified);
d. Value of the proposed transaction;
e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
   i. details of the source of funds in connection with the proposed transaction;
   ii. where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
      - nature of indebtedness;
      - cost of funds; and
      - tenure;
   iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
   iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
g. Justification as to why the RPT is in the interest of the listed entity;
h. A copy of the valuation or other external party report, if any such report has been relied upon;
i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
j. Any other information that may be relevant

The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.

ANNEXURE-B

a. A summary of the information provided by the management of the listed entity to the Audit Committee as specified in Annexure-A;
b. Justification for why the proposed transaction is in the interest of the listed entity;
c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under Annexure-A (f) above;
d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
f. Any other information that may be relevant.