MANAPPURAM HOME FINANCE LIMITED

Policy on Related Party Transaction & Materiality

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Policy Owner	**Secretarial Department**

MANAPPURAM HOME FINANCE LTD

POLICY ON MATERIALITY OF RELATED PARTY AND MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS.

Objective

Manappuram Home Finance Ltd (MAHOFIN or Company) is governed, amongst others, by the rules and regulations framed by the Reserve Bank of India/National Housing Bank. RBI has mandated every HFC to frame & disclose the policy on dealing with Related Party Transactions and the materiality of Related Party Transactions on its website and in the Annual Report vide their Master direction -Reserve Bank of India (Housing Finance Companies) Directions, 2025 updated from time to time.

Accordingly, the Company has formulated this policy on Materiality of Related Party Transactions and to dealing with Related Party Transactions (Policy). This Policy regulates all transactions between the Company and its related parties.

1. Title and commencement: -

This policy will be known as the Related party Policy of Manappuram Home Finance Ltd. and will be effective from the date as may be specified by the Board.

2. Important definitions

"Act" means the Companies Act 2013 and rules made there under as amended from time totime

Audit Committee' or the 'Committee' means the committee of the Board of Directors of thecompany constituted under the Companies Act 2013 or its earlier enactment.

Board means Board of Directors of the Company.

"Holding Company" shall have the meaning as specified under Section 2(46) of the CompaniesAct 2013

Key managerial personnel means:

i. Managing Director & Chief Executive Officer, Executive Directors, and Directors in the whole-time employment of the company
ii. Chief Financial Officer
iii. Company Secretary.
iv. And any other person as may be prescribed by the Central Government and to be applicable to the company…

“Material Modification” means such modification to existing related party transaction which inthe opinion of Independent Directors is material

“Material related Party transactions” Means a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company or Rupees 1000 crores whichever is lower as per the last audited financial statements of the company.

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, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

“Related party”

Related party, with reference to a company, means-

i) A director or his relative.

ii) 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 is a member or director.
v) A public company in which a director or manager is a director or holds along with his relatives, more than two percent of its paid-up share capital
vi) Anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instruction of a director or manager.
vii) Any person on whose advice, direction, 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 give in a professional capacity.

viii) Any company which is

A) A holding, subsidiary, or an associate company of such company

B) A subsidiary of a holding company to which it is also a subsidiary

ix) And such other entity which is a related party as provided under the applicable accounting standards.

[Definition of related party as per Ind AS 24

***Related party**: is a person or entity that is related to the entity that is preparing its financial statements.*

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control of the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

For the purpose of this definition an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture]

"Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

"Related party transactions" means a transaction involving a transfer of resources, services orobligations 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:

Provided that the following shall not be a related party transaction:

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 listed entity 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) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

3. Policy

All Related Party Transactions and subsequent material modifications to such material modification shall be approved by the Audit Committee and the same shall be recommended to the board for its approval if the same is not in the ordinary course of business and arm's length basis. All material related party transactions and subsequent material modifications as defined by audit committee shall require the approval of shareholders by way of ordinary resolution.

No related party shall vote on a resolution even if such party is not related to the particulartransaction under consideration and the same shall be passed in the general meeting.

3. Approval of Audit Committee of Holding company

The prior approval of Audit committee of Listed holding company shall be required for a related party transaction involving listed subsidiary and any other person but listed holding company is not a party to such transaction if Regulation 23 and Regulation 15(2) of SEBI (Listing Obligation & Disclosure Requirement) Regulations 2015 is not applicable to such listed subsidiary.

4. Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

5. Manner of dealing with related party transactions.

i. Company will entertain only such transactions which are in the interest or beneficial to the company and are at arm's length basis.

ii. All the related party transactions other than the remuneration/ compensation to any director or key managerial personnel in connection with the discharge of his or her duties in the company, its holding, subsidiary or associate company including the re-imbursement of reasonable expense towards travel, boarding and lodging, other perquisites or benefits as per the terms of employment or contract of service or as per the tradition or practice or pursuant to any provision of any statue and shall require the prior approval of the board after the review and recommendation by theaudit committee.

iii. The approval of the Board for a transaction shall be by means of a resolution passed at its meeting.

6. Manner of dealing with material related party transactions

i. Company may enter in to any material-related party transactions as defined in this policy only with the prior approval of the shareholders by way of a resolution passed either at a meeting of the shareholders.

ii. Any proposal for a material related party transaction shall be reviewed by the audit committee and recommend to the board before it is placed before the shareholders for approval.

iii. The related party shall not cast votes on the resolution even if he is not a related party to the transaction placed for approval by shareholders.

7. Nonmaterial transactions and pecuniary relationships

i. For this policy, directors, including independent directors and key Managerial personnel may enter transactions with the company in the ordinary course of its business at arm's length prices where such transactions do not involve a consideration or commercial value exceeding Rs.10. million in the aggregate during a financial year. However, they shall not enter any negotiated transactions, contracts, or other arrangements with the company without complying with the other provisions of this policy.

ii. Any transaction in which the Related Party's interest arises solely from ownership of securities, if any, issued by the Company and all holders of such securities receives the same benefits pro rata as the Related Party.

8. Parent & Associate companies

a. All related party transactions with the Parent company & its associates require the prior approval of the audit committee and the board.

i. The company may enter into a transaction with its Parent company & its associates if they are urgent in nature and have to be undertaken in between two scheduled board /audit committee meetings and in such case the same shall be approved by resolution by circulation and the same shall be taken note of at the next board / committee meetings with all relevant particulars.

9. Review and Approval of Related Party Transactions

While considering any related party transaction, the Committee shall consider all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. Any member of the Committee who has a potential interest in any Related Party Transaction will refuse himself or herself and abstain from the discussion and voting on the approval of the himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

The Committee shall be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In addition, while reviewing the transactions, the committee shall be entitled to call for additional information or opinions of expertise at the cost of the company and to demand for the attendance of any officer or other employee of the company.

Prior to the approval, the Committee may, inter-alia, consider the following factors to the extent relevant to the transaction:

- Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and in the ordinary course of business

- Whether the Related Party Transaction would affect the independence of an independent director.

- Whether the proposed transaction includes any potential reputational risk issues that may arise because of or in connection with the proposed transaction.

- While considering the arm's length nature of the transaction, the Committee may consider the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Committee may also take into consideration subsequent events (i.e., events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the global / domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

- Whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial interest or benefit to the Director, Key Managerial Personnel or other Related Party concerned, the direct or indirect nature of the Director's interest, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Committee deems relevant.

10. Omnibus Approval

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant omnibus approval. For granting omnibus approval, the committee shall specify the following details:

- Name of the related party.
- Nature of the transaction.
- Period of the transaction.
- Maximum amount of the transactions that can be entered in to
- Indicative base price / current contracted price and formula for variation in price,if any.
- Justification for the omnibus approval.

Provided that where the need for Related Party Transactions 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 for each transaction

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction for the specific period approved.

The omnibus approval shall be valid for a period of one financial year and fresh approvalshall be obtained after the expiry of one year.

11. Manner of dealing with unregulated related party transactions.

Where the company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The 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 Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate or submit their recommendation to the Board.

12. Disclosure and Recording of Related Party Transactions:

a. Company shall disclose each year in the Audited Financial Statements transactions with Related Parties as prescribed in the applicable Accounting Standard as well as accounting policies governing transactions with Related Parties.
b. Disclosure in the Board's Report to the shareholders shall be made as prescribed under
   Companies Act, 2013.
c. The Company Secretary shall make necessary entries in the Register of Contracts required to bemaintained under the Companies Act, 2013.

13. Amendment to the policy

The policy may be updated or modified in accordance with the changes to the threshold limits or as may be required by the amendments to the applicable laws and regulations with the approval of Board of directors.

14. Communication of the policy

This Policy will be published on the website of the company and a link will be provided in the annual report of the company the publication on the web site will constitute a notice to all towhom it is applicable.

15. Effective date and applicability

The policy shall be effective from the date of approval of the policy by the Board.

Section: Lending to Related parties

1. Introduction:

The Company is being guided by the RBI circulars, Reserve Bank of India (Non- Banking Financial Companies- Credit Risk Management) Directions, 2025 and Reserve Bank of India (Credit Risk Management) Directions, 2026 updated from time to time.

This Policy is framed in accordance with the requirements of the Reserve Bank of India (RBI) Credit Risk Management – Amendment Directions, 2026, issued on January 5, 2026 and effective from April 1, 2026, governing lending to related parties by regulated entities including NBFCs and HFCs.

2. Definitions

a. Related Party

'Related Party' with respect to the Company shall mean a related person, or any of the following entities:

(a) where a related person is a partner, manager, KMP, director or a promoter; or

(b) where a related person is a shareholder with more than ten per cent of paid-up equity share capital; or

(c) where a related person is having control, whether singly or jointly with another person; or

(d) where a related person controls more than twenty per cent of voting rights on account of ownership or through a voting agreement or through any other arrangement; or

(e) where a related person has the power to nominate a director to its Board; or

(f) which is accustomed to act on the advice, direction, or instruction of a related person; or

(g) where a related person is a guarantor or a surety; or

(h) where a related person is a trustee or an author or a beneficiary and where the entity is in the form of a private trust; or

(i) which is related to the related person as a subsidiary or a parent company or a holding company or an associate or a joint venture.

Provided that nothing sub-clause (e) above shall apply in cases where the authority to nominate a director arises exclusively from a lending or financing arrangement.

Provided further that nothing in sub-clause (f) above shall apply to the advice, directions or instructions given in a professional capacity.

Provided further that Government of India/ State Government-owned or controlled entities shall not be treated as related parties to a government-owned Company just by virtue of the fact that the Government has the common ownership or control of such entities.

b. Related Person:

'Related Person' with respect to a MAHOFIN shall mean a person, and the relatives of such a person, where the person:

(a) is either a promoter, or a director, or a KMP of the Company; or
(b) owns more than five per cent of paid-up equity share capital of the Company or can, either singly or jointly, exercise more than five per cent of the voting rights of the Company on account of either ownership or voting agreement or through shareholders' agreement or through any other arrangement; or
(c) can, through an agreement with the Company, nominate a director to its Board; or
(d) is either singly or jointly, in control of the Company.

c. Specified Employees:

'Specified employees' mean all employees of Company who are positioned upto two levels below the Board and any employee designated as such as per the Company's policy.

2. Objectives and scope

The objectives of this Policy are to:

- Ensure that lending to related parties is conducted on an arm's length basis and in the ordinary course of business
- Mitigate risks arising from conflict of interest, concentration, or insider influence
- Establish a robust approval, monitoring, and reporting framework
- Ensure full compliance with RBI regulatory requirements and governance standards

This Policy shall apply to all fund-based and non-fund-based exposures extended to related parties.

3. General Principles for Lending

- All transactions shall be at arm's length and comparable to similar transactions with non- related parties

- No preferential terms, implicit guarantees, or quid pro quo arrangements shall be permitted
- Lending decisions shall be based solely on commercial merit and creditworthiness

4. Responsibility of Board and Governance

The Board shall have the overall responsibility of ensuring that suitable mechanisms are put in place for implementation of the policy on lending to related parties by the MAHOFIN.

The Board shall approve this Policy and review it periodically, ensure adequate systems for monitoring related party exposures and Oversee compliance and risk management framework.

The Board has not delegated powers of lending beyond the materiality threshold to any Committee. Hence, all loans above the threshold will be sanctioned by the Board. Below threshold exposures may be approved by delegated authorities.

Recusal Requirements- Any Director/KMP/employee with interest shall disclose the interest and recuse from all deliberations and decisions.

5. Lending

Lending Includes:

- Fund-based and non-fund-based credit facilities
- Investment in debt instruments of related parties

6. Prohibited Transactions

The following shall be strictly prohibited:

- Lending against the Company's own shares or securities
- Lending to prohibited categories such as specified directors, except as permitted under applicable law

7. Materiality Thresholds

MAHOFIN is a middle layer NBFC, hence the threshold limit is Rs 5 Crore.

8. Exposure Limits

- Aggregate exposure limits for:
  - Single Related Party – Rs 1 Crore
  - Group of Related Parties- Rs 5 Crore

- Limits shall be within overall prudential exposure norms and concentration risk framework

9. Specified employees

For MAHOFIN, 'Specified employees' mean all employees who are positioned upto two levels below the Board. Also, those employees designated as Senior Managerial Persons as per the Erstwhile Scale Based Regulations.

MAHOFIN shall abide by the following when granting loans and advances to its senior officers:

a. Loans and advances sanctioned to Specified employees shall be reported to the Board.

b. No specified employees or any Committee comprising, inter alia, a specified employees as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that specified employee. Such a facility shall be sanctioned by the next higher sanctioning authority under the delegation of powers.

c. MAHOFIN shall obtain a declaration from the borrower, giving details of the relationship of the borrower to the related persons/ specified employees of the Company for loans and advances. MAHOFIN shall recall the loan if it comes to their knowledge that the borrower has given a false declaration.

10. Approval Conditions

All proposals must demonstrate:

- Arm's length nature

- Adequate credit appraisal and repayment capacity

- Compliance with exposure norms

11. Credit Appraisal and Risk Management

- Independent and robust credit appraisal process shall be followed
- Transactions shall be subject to same or stricter underwriting standards
- Additional safeguards may include:
  - Enhanced due diligence
  - Collateral requirements
  - Independent valuation

12. Monitoring and Review

Continuous monitoring of:

- Performance of related party exposures
- Compliance with terms and conditions

Quarterly review by internal auditors to check, whether guidelines and procedures in relation to loans to related parties are being adhered to or not.

Credit facilities sanctioned to 'specified employees' and their relatives shall be reported to the Board on an annual basis.

Any deviation from the policy relating to lending to related parties and reasons therefor shall be reported to the Audit Committee of the Board.

13. Reporting and Disclosures

- Periodic reporting to Board/Committee on:
  - Outstanding exposures to related parties
  - Breaches, if any
- Disclosures in financial statements as per RBI and applicable accounting standards

14. Whistleblower Mechanism

- MAHOFIN Whistle Blower Mechanism enables to report Undue favours, Conflict of interest and Irregular related party transactions.