



खुशियां आपकी साथ हमारा....

MENTOR HOME LOANS INDIA LTD.

RELATED PARTY
TRANSACTION
POLICY

MENTOR HOME LOANS INDIA LTD.

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RELATED PARTY TRANSACTION POLICY
(The Policy is formulated as per directive of NHB)**I. Introduction**

The Board of Directors (the “Board”) of Mentor Home Loans India Limited [Formerly, Mentor India Limited (the “Company”) proposed this Policy on Related Party Transactions (“Policy”) as required under Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 issued by National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February, 2017 (‘Direction’) and Companies Act, 2013 (‘the Act’).

The Board of Directors (“the board”) of Mentor Home Loans India Limited (hereinafter referred to the “Company” or “MHLIL”), in pursuance of The Companies Act, 2013 (the Act’), the Rules framed thereunder and Housing Finance Companies–Corporate Governance (National Housing Bank) Directions, 2016, and other applicable provisions, has adopted Related Party Transaction Policy (“this policy”) to regulate the transactions between the Company and its Related Parties and ascertainment of materiality of transactions with related parties.

The Board has adopted this Policy to ensure that all transactions with Related Parties shall be subject to this Policy and approval or ratification in accordance with Applicable Laws (defined herein). This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions.

II. Definitions

Unless the term(s) otherwise defined, the following terms shall have the following meaning assigned to them wherever appearing in the policy:

i) “Applicable Laws” includes (a) the Companies Act, 2013 („the Act”) and rules made thereunder; (b) Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and applicable under the Act (c) National Housing Bank (NHB) Act, 1987 (d) NHB Housing Finance Companies Directions, 2010 (e) Housing Finance Companies–Corporate Governance (National Housing Bank) Directions, 2016, from time to time and (f) any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions, as may be applicable on the Company, from time to time.

ii) “Arm’s length transaction” mean the explanation provided under the provisions of section 188(1) of the Companies Act, 2013, i.e. transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

iii) **“Audit Committee”** means the committee of Board of Directors of the Company constituted in accordance with the provisions of Companies Act, 2013 and Rules made thereunder.

iv) **“Key Managerial Personnel” or (“KMP”)** shall have the meaning as defined in the Companies Act 2013.

v) **“Material Related Party Transactions”** mean such Related Party Transaction(s) to be entered into individually or taken together with previous Related Party Transaction(s) during a financial year, which exceeds the threshold limits as specified under Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

vi) **“Related Party”**: means any person who is

- i.) a related party under Section 2(76) of the Companies Act, 2013 read with rules issued thereunder;
- ii.) a related party under the applicable accounting standards; or
- iii.) any other person or entity covered under Applicable Laws

III. Procedures for approval and review of Related Party Transactions

A. Audit Committee

- Each of MHLIL Directors is instructed to inform the Company Secretary or Management of the Company of any potential Transaction with Related Party. All such transactions will be analyzed by the Audit Committee in consultation with management to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction requiring compliance with this Policy. The Committee will be provided with the following details of each new, existing or proposed Related Party Transaction:
 - The name of the Related Party and nature of relationship;
 - The nature, duration and particulars of the contract or arrangement;
 - The material terms of the contract or arrangement including the value, if any;
 - Any advance paid or received for the contract or arrangement, if any;
 - The manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract;
 - 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
 - Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

- Transactions with related party including any subsequent modification shall review by the Audit Committee irrespective of ordinary course of business or arm length basis or both.
- The Related Party Transactions which are not in the ordinary course of business and/or not at arm's length will be reviewed by the Audit Committee and then recommended to the Board of Directors for its approval or recommending to the shareholders" of company for their approval, if required.
- Any member of the Committee who has an interest in the transaction under discussion will abstain from voting on the approval of the Related Party Transaction. However, the Chairperson of the Committee may allow participation of such member in some or all of the Committee's discussions of the Related Party Transaction.
- The Audit Committee may review any previously approved or ratified Related Party Transaction that is continuing and determine based on then-existing facts and circumstances, including the Company's existing contractual or other obligations, if it is in the best interests of the Company to continue, modify or terminate the transaction.

B. CRITERIA FOR OMNIBUS APPROVAL

- Pursuant to the provisions of Section 177 of the Companies Act, 2013 read-with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time. The Committee after taking into consideration all the provisions defined the following criteria for making omnibus approval for transactions with individual Related Party:
 - The maximum value per transaction shall not exceed Rs. 50 Crs.
 - The maximum value of all transactions in aggregate shall not exceed Rs 200 Crs
- Following disclosures shall be made while granting omnibus approval:
 - Name of the related party
 - Nature and duration of the transaction
 - Maximum amount of transactions that can be entered into
 - The indicative base price or current contracted price and the formula for variation in the price, if any; and
 - Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may make omnibus

approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- The Committee shall review and assess, on periodically basis, the related party transactions entered into by the company, including the limits to ensure that they are in compliance with the policy and criteria specified herein. Further, the omnibus approval cannot be made for transactions in respect of selling or disposing of the undertaking of the company.

C. Board of Directors

- In terms of the provisions of Section 188 of the Companies Act, 2013 Approval of the Board shall not be required for the RPTs to be entered into in ordinary course of business and at arm's length basis.
- Transactions with related parties which are other than in ordinary course of business or arm length basis, as recommended by Audit Committee, will require prior approval of the Board of Directors.
- The Board of Directors shall review and recommend all transactions in terms of section 188(1) requiring shareholders' prior approval.
- Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.
- Following minimum information would be placed before the Board for enabling the Board to consider and approve the Related Party Transaction:
 - The Name of the Related Party and nature of relationship;
 - The nature, duration and particulars of the contract or arrangement;
 - The material terms of the contract or arrangement including the value, if any; Any advance paid or received for the contract or arrangement, if any;
 - The manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract;
 - 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
 - Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

D. Approval of Shareholders

The contracts or agreements with any Related Party may require prior approval of the shareholders by a resolution in accordance with the provisions of Section 188 of the Companies Act, 2013 read-with Rules made thereunder.

E. Disclosure

Each director who is, directly or indirectly, concerned or interested in any way in any transaction with the Related Party shall disclose all material information and the nature of his interest in the transaction to the Committee or Board of Directors.

F. Standards for Review

A Related Party Transaction reviewed under this Policy will be considered, approved or ratified if it is authorized by the Audit Committee / Board, as applicable, in accordance with the standards set forth in this Policy after full disclosure of the Related Party's interests in the transaction.

The Audit Committee / Board will review all relevant information available to it about the Related Party Transaction. The Audit Committee / Board, as applicable, may approve / ratify / recommend to the shareholders, the Related Party Transaction only if the Audit Committee / Board, as applicable, determines in good faith that, under all of the circumstances, the transaction is fair as to the Company. The Audit Committee / Board, in its sole discretion, may impose such conditions as it deems appropriate on the Company or the Related Party in connection with approval of the Related Party Transaction.

IV. Administrative Measures

The Audit Committee / Board as applicable, shall evaluate such transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction.

In connection with such evaluation and review of the Related Party Transaction, the Audit Committee / Board as applicable, shall have the authority to modify or waive any procedural requirements of this Policy.

V. Interpretation

In any circumstance where the terms of these Policies and Procedures differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time as these Policies and Procedures are changed to confirm to the law, rule, regulation or standard.

VI. Dissemination of Information

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The Company shall disclose related party Transactions in the Financial Statements and Annual Report of the Company in accordance with Companies Act 2013, Accounting Standards, the NHB Direction and other applicable law.

The Company shall keep one or more registers as specified under Applicable Laws giving separately the particulars of all contracts or arrangements with any Related Party.

VII. Disclaimer

While this policy has been made as informative as possible and structured to ensure quick and easy interpretation by all. As and when there's an amendment to this policy, the updated policy document will be shared through the appropriate channel of communication.

In case of any ambiguity related to understanding of this policy, the final interpretation by the management will be considered as applicable.

Any changes in this policy shall be with the approval of Managing Director.

Pawan Kumar Goyal
Managing Director

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