SMFG INDIA HOME FINANCE COMPANY LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

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1. SCOPE AND OBJECTIVE

Related party transactions can create conflict of interest affecting SMFG India Home Finance Company Limited ("the Company") and its stakeholders. To maintain transparency and compliance, the Company adheres to legal norms such as the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, RBI Directions, IND AS-24, and IRDA Regulations ('Applicable Laws').

The Company's Policy on Related Party Transactions (RPT(s)) ensures:

i. Systematic identification of Related Parties (RP) per applicable laws.
ii. Transparent processes for identifying, approving, and disclosing RPTs as per applicable laws.
iii. Fair conduct of RPTs in line with legal requirements.
iv. To set out Materiality thresholds for RPTs.

This policy is to be read with the Internal SOP/ Process Manual formulated by the Company for RPTs.

2. DEFINITIONS

Annual Consolidated Turnover	Turnover as per the last audited Consolidated Financial Statements
Annual Standalone Turnover	Turnover as per the last audited Standalone Financial Statements.
Company	SMFG India Home Finance Company Limited
Act	Companies Act, 2013
Arm's length basis	a transaction between two related parties that is conducted as if they were unrelated so that there is no conflict of interest.
Key Managerial Personnel (KMPs)	i. the Chief Executive Officer (CEO)or the Managing Director (MD) or the Manager; ii. the Company Secretary (CS); iii. the Whole-time Director (WTD); iv. the Chief Financial Officer (CFO); v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board and vi. such other officer as may be prescribed
Listing Regulations/ LODR	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time.
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit

	balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
Potential Conflict of Interest	conflict of interest either by being a party to an RPT or in case of an RPT with another body corporate, holding more than 2% of the paid-up share capital of the other body corporate.
Related Party (RP)	Related Party (RP) means a Related Party (RP) with reference to a company, shall include: i. director or his relative; ii. key managerial personnel or his relative; iii. firm, in which a director, manager or his relative is a partner; iv. private company in which a director or manager or his relative is a member or director; v. public company in which a director or manager is a director and holds along with his relatives, more than two per cent. of its paid-up share capital; vi. any body corporate whose Board of Directors, Managing Director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager other than advice, directions or instructions given in a professional capacity vii. any person on whose advice, directions or instructions a director or manager is accustomed to act other than advice, directions or instructions given in a professional capacity,; viii. any company which is: (a) a holding, subsidiary or an associate company of the company; (b) a subsidiary of a holding company to which it is also a subsidiary; (c) an investing company or the venturer of the company (“the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.); ix. a director (other than an independent director) or KMP of the holding company or his relative with reference to the Company. x. any related party as identified under IND-AS 24.

Related Party Transaction (RPT)	Related Party Transaction means any contract or arrangement with a related party with respect to— (a) sale, purchase or supply of any goods or materials; (b) selling or otherwise disposing of, or buying, property of any kind; (c) leasing of property of any kind; (d) availing or rendering of any services; (e) appointment of any agent for purchase or sale of goods, materials, services or property; (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and (g) underwriting the subscription of any securities or derivatives thereof, of the company Provided that the transactions specified under Para 3 of this Policy shall be excluded from the definition of a RPT.
Related Party Transaction requiring shareholder's approval	Related Party Transaction as referred to in **Annexure 1 of this Policy shall require shareholder's approval**.
Relative	'Relative' with reference to any person, means any one who is related to another, if they are - i. members of Hindu Undivided Family; ii. husband or wife; iii. father (including step-father) and mother (including step-mother iv. son (including step-son) and son's wife; v. daughter and daughter's husband; vi. brother (including step-brother) and sister (including step-sister);
Senior Officers (SOs)/ Senior Management/ Leadership Team	Means officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management, one level below the CEO & MD, and shall specifically include the functional heads, by whatever name called and the persons identified and designated as KMP (other than board of directors) by the Company.
Turnover	The aggregate value of the realisation of amount made from the sale, supply, or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

Note: *All words and expressions used herein, unless defined herein, shall have the same meaning as respectively assigned to them under the Act and Rules framed thereunder, LODR, IND-AS 24 or any other applicable law or as per the circulars/ guidelines issued by RBI from time to time.*

3. EXCLUSION FROM THE DEFINITION OF RPTS

The following transactions shall not be considered as a related party transactions, although disclosure in the financial statement as per the Listing Regulations shall be made by the Company:

i. 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, as amended from time to time.

ii. Corporate actions uniformly applicable or offered to all shareholders in proportion to their shareholding, including:
   - Payment of dividends;
   - Subdivision or consolidation of securities;
   - Issuance of securities by way of a rights issue or bonus issue; and
   - Buy-back of securities.

iii. Acceptance of fixed deposits (including payment of interest thereon) by banks / NBFCs 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 SEBI.

iv. Acceptance of current account deposits and savings account deposits by banks in compliance with the directions issued by the relevant regulators in the relevant jurisdiction from time to time. For the purposes of these clauses, acceptance of deposits includes payment of interest thereon.

v. Retail purchases from the Company or its subsidiary by its directors or KMPs and relatives of directors or KMPs, without establishing a business relationship and at the terms which are uniformly applicable or offered to all its employees, directors, KMPs and relatives of directors or KMPs. "Retail purchases" refer to the purchase or availing of products and services offered by the Company in the ordinary course of business, or, in case of any related party transaction by any subsidiary, in the ordinary course of its business of such subsidiary, through retail channels (i.e., branches or business outlets) through which the Company/subsidiary services its retail customers, at the terms which are uniformly offered to all its employees, directors, KMPs and relatives of director or KMPs as per applicable policies of the Company/subsidiary, subject to applicable laws.

vi. Any other exception consistent with the Applicable Laws, including any rules or regulations made thereunder.

4. APPROVAL OF RELATED PARTY TRANSACTIONS:

A. AUDIT COMMITTEE:

i. Prior approval of the Audit Committee of the Company shall required for the following transactions:

   - All related party transactions and modifications thereto, where Company is one of the party to the transaction.

ii. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval. In case of transaction, other than transactions referred to in section 188 of the Companies Act, 2013, where ACB does not approve the transaction, it shall make its recommendations to the Board. The Audit Committee may not approve a transaction but may make appropriate recommendations to the Board.

iii. Any member of the Committee who has a potential interest in any Related Party Transaction shall not be present at the meeting during the discussion and voting on such transactions. Only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

iv. The following Related party transactions would be exempted from obtaining approval from the Audit Committee:

- transactions between the Company and its wholly owned subsidiary, except those transactions referred to in Section 188 of the Act. transactions between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

v. The members of the Audit Committee, who are independent directors, may ratify related party transactions entered into by a director or officer of the Company without obtaining the approval of the Audit Committee, within three months from the date of the transaction or in the immediate next meeting of the AC, whichever is earlier, subject to the following conditions:
   - the value of the ratified transaction(s) with a related party shall not exceed rupees one crore
   - Any other condition as specified by the Audit Committee.
   - failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

vi. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company. 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.

vii. The Audit Committee shall review the status of long-term (more than one year) and/or recurring RPTs, on an annual basis.

B. OMNIBUS APPROVAL OF AUDIT COMMITTEE:

i. The Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary which are repetitive in nature and subject to certain criteria/conditions as required under and Section 177 of the Act read with rules made thereunder and such other conditions as it may consider necessary in line with this policy and in the interest of the Company.

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

iii. Such omnibus approval shall specify the following:

(a) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;
(b) the indicative base price / current contracted price and the formula for variation in the price if any; and (iii) such other conditions as the Audit Committee may deem fit.
(c) Where the need for related party transactions cannot be foreseen or for which specific details as required to be placed for seeking omnibus approval are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

iv. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.

C. BOARD OF DIRECTORS:

i. In case any related party transactions are referred by the Audit Committee to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, or (iii) a transaction not approved but recommended by the Audit Committee, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board shall approve the transaction or require such modifications to transaction terms as it deems appropriate under the circumstances. Where any Director is interested in any contract or arrangement with a related party, such Director shall not be present at the meeting during the discussion on the subject matter of the resolution relating to such contract or arrangement.

ii. The Board shall also consider the related party transaction requiring shareholder approval as per applicable laws.

iii. Any member of the Board who has any interest in any related party transaction shall not vote to approve the related party transaction.

iv. The approval of the Board is not required for a transaction, other than a transaction referred to in Section 188 of the Companies Act, 2013 with a wholly-owned subsidiary of the Company.

v. The Company will ensure compliance with the provisions of Section 188 of the Act.

D. SHAREHOLDERS:

i. Related party transaction, entered by the Company, which are either not in the ordinary course of business, or not at arm's length price and exceeds the thresholds prescribed under the Act read with rules made thereunder, shall also require prior shareholders' approval by a resolution. In such a case, any member who is a related party shall not vote on such resolution passed for approving related party transaction. However, transaction between the Company and its wholly owned subsidiary will be exempt from shareholders' approval.

ii. The Related Party Transactions which would require prior approval of Shareholders, will be placed before the Shareholders after seeking prior approval of Audit Committee/Board.

5. Loans and advances to Directors

- Unless sanctioned by the Audit Committee, the Company shall not grant loans and advances aggregating Rupees five crores and above to-
  i. Directors, (including the Chairman/Managing Director) or relatives of directors;
  ii. any firm in which any of their directors or their relatives is interested as a partner, manager, employee or guarantor;
  iii. any company in which any of the directors, or their relatives is interested as a major shareholder, director, manager, employee or guarantor.
- A director or their relatives shall be deemed to be interested in a company, being the subsidiary or holding company, if he/she is a major shareholder or is in control of the respective holding or subsidiary company.
- A director who is directly or indirectly concerned or interested in any proposal should disclose the nature of their interest to the Board when any such proposal is discussed and should recuse themselves from the meeting unless their presence is required by the other directors for the purpose of eliciting information and the director so required to be present shall not vote on any such proposal.
- Any loans, advances or awarding of Contracts to the above borrowers less than INR 5 crore shall be in pursuance of the provisions of the Companies Act, 2013 read with applicable Rules and Regulations thereof and shall be approved as per the loan approval matrix of the Company.
- Any such loans, advances or awarding of Contracts shall be reported to the Audit Committee and the Board in the immediate next meeting.

- Company shall obtain details of all live loans, advances or Contracts taken by an individual or their Relatives prior to becoming Director in the Company and the same shall be reported to the Board at the time of appointment

This section shall be applicable till 31 March, 2026.

6. Loans and advances to Senior Officers of the NBFC

- Loans and advances sanctioned to senior officers of the NBFC shall be reported to the Board.
- No senior officer or any Committee comprising, inter alia, a senior officer as member, shall, while exercising powers of sanction of any credit facility, sanction any credit facility to a relative of that senior officer. Such a facility shall be sanctioned by the next higher sanctioning authority under the delegation of powers
- Company shall obtain declaration form the borrower giving details of the relationship of the borrower to its Directors/ Senior officers for availing loans and advances aggregating INR 5 Crore and above from the Company. Loans to borrower shall be recalled if any false declaration is given by the borrower.

This section shall be applicable till 31 March, 2026.

Any loans or advances sanctioned to the Directors or Senior Officers of the Company on or before 31 March 2026 shall remain valid and continue until their respective maturity or agreed tenure. Any renewal/ review of such loans/limits undertaken after expiry of the maturity or agreed tenure shall be in line with the RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026 or any amendment thereto.

7. LENDING TO RELATED PARTIES

i. This section shall be applicable effective April 01, 2026

ii. For the purpose of this section, Related Persons, Related Party, Specified employees and Lending shall have the meaning as provided under the Credit Risk Management Policy of the Company in line with the RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026.

iii. The Credit Risk Management Policy of the Company contains the specific provisions governing Lending to Related Parties in accordance with RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026. All such facilities, including personal loans to Directors or KMPs, shall be subject to the materiality thresholds as prescribed in the said policy. All loans beyond the prescribed materiality threshold shall be sanctioned by the Risk Oversight Committee of the Company.

   Directors, KMP, or Specified employees, shall recuse themselves from deliberations and decision on loan proposals, or contracts and arrangements, involving themselves or their related parties. Such recusal shall also extend to deliberations and decisions relating to any subsequent material changes to the terms of such loans, including one-time settlements, write-offs, waivers, enforcement of security, implementation of resolution plans, or such other changes as may be provided in the Credit Risk Management Policy of the Company.

iv. Any deviation from the provisions of the lending to related parties as covered in the Credit Risk Management Policy including reasons therefor shall be reported to the Audit Committee.

v. Company shall obtain details of all live loans, advances or Contracts taken by an individual or their Relatives prior to becoming Director in the Company and the same shall be reported to the Board at the time of appointment.

vi. In addition to the provisions relating to Lending to Related Parties provided under the Credit Risk Management Policy of the Company read with the RBI (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026, the Company shall continue to comply to the applicable provisions of the Act, the Listing Regulations and other applicable laws, as amended from time to time.

8. OBLIGATIONS TOWARDS THE PARENT COMPANY AS PER SEBI LISTING REGULATIONS

In addition to the compliances under Companies Act, 2013, the related party transactions will also be governed by the provisions of regulation 62K and 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 being a subsidiary of a high value debt listed entity.

Prior approval of the Audit Committee of the Parent Company shall be required for the following transactions:

- a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the Company is a party but the Parent Company is not a party, if the value of such transaction exceeds (i) 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary or (ii) the threshold for material related party transactions of the Parent Company whichever is lower;

Approval of Debenture Holders And Shareholders of the Parent Company:

- if the value of a related party transaction undertaken by the Company (not involving Parent Company as a party to the transaction) with any related party of the Company or Parent Company exceeds the materiality threshold applicable to the Parent Company, the same shall also be subject to prior approval of the Debenture Trustee and shareholders of the Parent Company in terms of Reg 62K of LODR.

9. DISCLOSURE

- Website and Annual Report: The RPT Policy will be uploaded on the company's website and included in the Corporate Governance Report, which is part of the Annual Report.
- Directors Report: The Policy on Related Party Transactions should be disclosed in the Directors Report. Also, particulars of RPTs will be included in the Boards' report in the form AOC-2 as per section 134(3)(h) of the Act.
- Form MBP-4: The Company will disclose RPTs in Form MBP-4 Part A and Part B, as applicable.
- RBI Guidelines: RPT details will be disclosed according to the norms under any applicable RBI guidelines.
- Company shall disclose in the Annual Report, any loans, advances or Contracts made to its Related Parties, Senior Officer or to its Relatives in addition to disclosure w.r.t. related party transactions as mandated under RBI (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 covering disclosure in financial statements -notes to accounts.

10. POLICY REVIEW

This Policy is framed based on the provisions of the Act and rules thereunder and other applicable law.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and rules thereunder or other applicable law, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Board at least once in a year and shall be amended as and when any changes are to be incorporated in the Policy due to change in applicable law /regulations. or as may be felt appropriate.

ANNEXURE 1

Related Party Transaction requiring shareholder's approval	Following transactions with Related Parties, which are not in the ordinary course of business or not on an arm's length basis shall be entered only with the prior approval of the company by a resolution. It shall include: (i) sale, purchase or supply of any goods or materials amounting to 10% or more of the turnover of the Company; (ii) selling or otherwise disposing of, or buying, property of any kind amounting to 10% or more of net worth of the Company; (iii) leasing of property of any kind amounting to 10% or more of the turnover of the Company; (iv) availing or rendering of any services amounting to 10% or more of the turnover of the Company; (v) appointment of any agent for purchase or sale of goods, materials, services or property amounting to 10% or more of the turnover of the Company; (vi) Appointment to any office or place of profit in the company, subsidiary company or associate company with monthly remuneration exceeding two and a half lakh rupees; (vii) For remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1 % of the net worth. Note: **i)** The Limits specified in (i) to (v) above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year. **ii)** The Turnover or Net Worth shall be computed on the basis of the Audited Financial Statement of the preceding financial year.