



Unico Housing Finance Private Limited

POLICY ON RELATED PARTY TRANSACTIONS

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Policy Number: UNICO/ FIN/ 004

Prepared and Proposed By	Finance Department
Reviewed and Recommended By	Audit Committee
Approved By	Board of Directors
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Review Cycle	Annually or as recommended by the Board of Directors

PURPOSE

The purpose of this Policy is to establish a clear framework for the approval, disclosure and reporting of transactions between the Company and any of its related parties with the objective of ensuring transparency, integrity and alignment with the Company's governance standards and stakeholder expectations. The Policy is framed in accordance with the requirements of Section 188 of Companies, Act 2013 read with relevant rules thereof, Reserve Bank of India (Housing Finance Companies) Directions, 2025, Reserve Bank of India (Non-Banking Financial Companies – Credit Risk Management) – Amendment Directions, 2026 and Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025.

SCOPE

Any transactions with Key Management Personnels, Directors, Promoter, entities and persons covered under the definition of related party are to be analysed and notified to Audit Committee confirming that such transactions are conducted on Arm's Length Basis.

APPLIES TO

This Policy applies to all Key Management Personnel (KMP), Directors of the Company, Promoter, as well as any Companies falling under the definition of Associate Company, Holding Company or Subsidiary, and any other entities or persons covered under the definition of a related party.

RESPONSIBILITY ASSIGNMENT MATRIX

Responsibility	Finance Department
Consulted with	Internal discussions in Management Committee

VERSION CONTROL

Version Number	Date of Approval	Approval Authority
1.0	7 th December 2023	Board of Directors
2.0	30 th April 2025	Board of Directors
3.0	30 th April 2026	Board of Directors

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Glossary Page:

RBI	Reserve Bank of India
NHB	National Housing Bank
Company	Unico Housing Finance Private Limited
KMP	Key Management Personnel
RPT	Related Party Transaction
AC	Audit Committee

1. Objective

The Board of Directors of UNICO (the "Company") has adopted this Policy on Related Party Transactions ("Policy") in relation to contracts or arrangements with a Related Party under the applicable provisions of the Companies Act, 2013 ("Act") read with the rules framed thereunder and as amended from time to time and applicable accounting standards. The purpose of this Policy is to ensure proper approval, disclosure and reporting of transactions, between the Company and any of its related parties, and safeguarding the best interests of the Company and its stakeholders.

Further, in accordance with Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 and other applicable laws and regulations:

- Details of all transactions with related parties must be disclosed in the Annual Report and
- The Company shall disclose the Policy on dealing with Related Party Transactions on its website and in the Annual Report.

The Audit Committee will periodically review this Policy and may recommend amendments to the Board from time to time, as it deems appropriate.

2. Scope and Applicability

Section 188 of the Companies Act outlines the framework to be followed for dealing with the Related Party Transactions of a company, including the nature of transactions covered and relevant approvals required from the Board of Directors and Shareholders.

This policy is prepared to promote transparency in the approval process and to ensure that all disclosure requirements are met thereby fostering fairness and accountability in the conduct of related party transactions.

3. Definitions

- "Act" means the Companies Act, 2013 as may be amended from time to time.
- "Turnover" means turnover of the Company as reflected in the Audited Financial Statements of the immediately preceding Financial Year
- "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;
- "Associate" means an enterprise in which the Company has a significant influence, but which is not a subsidiary company of the Company having such influence and includes a joint venture company, and the term "Associate Company" shall be interpreted accordingly. To this definition, "Significant Influence" means control of at least twenty percent of total voting power, or of control or participation in business decisions under an agreement.
- "Audit Committee" or "Committee" means Committee of Board of Directors of the Company

constituted under provisions of Section 177 of the Act;

- "Board" means Board of Directors of the Company;
- "Companies in the group" shall mean an arrangement involving two or more entities related to each other through any of the following relationships: subsidiary – parent (defined in terms of AS 21), joint venture (defined in terms of AS 27), associate (defined in terms of AS 23), promoter – promotee (as provided in the SEBI (Acquisition of Shares and Takeover) Regulations, 1997) for listed companies, a related party (defined in terms of AS 18), common brand name, and investment in equity shares of 20 per cent and above.
- Committee on lending to related parties shall mean a committee of the Board of the Company entrusted with sanctioning of loans to related parties. Company may also identify any existing Committee, other than the Audit Committee, for this purpose.
- "Contract or arrangement" shall have the same meaning as specified in Section 188(1)(a) to (g) of the Companies Act, 2013.
- "Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- "Director of the Company" shall mean a director appointed/elected to the Board of the entity.
- "Entity" in the context of a 'related party' shall mean a 'person' other than an individual and a Hindu Undivided Family.
- "Key Managerial Personnel" means -
 - the Chief Executive Officer or the Managing Director or the Manager;
 - the Company Secretary;
 - the Whole time Director;
 - the Chief Financial Officer;
 - 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
 - Such other officer as may be prescribed under Section 2(51) of the Act;
- "Lending" in the context of a 'related party' shall mean extending funded or/ and non-funded credit facilities to related parties. While investments in debt instruments of related parties shall be covered for this purpose, equity investments shall be excluded.
- "Material related party transactions" means those transactions entered with the Company by a related party, which when individually or together with previous transactions during a financial year, exceeds rupees one thousand crores or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
- "Net Worth" means net worth of the Company computed in accordance with Section 2(57) of the Act based on the Audited Financial Statements of the preceding Financial Year.
- "Person" shall have the same meaning as assigned to it under Section 3 (23) of Part I of Insolvency and Bankruptcy Code (IBC), 2016.

- "Policy" means Related Party Transaction Policy.
- "Promoter" shall have the same meaning as assigned to it under Section 2(69) of the Companies Act, 2013.
- "Related Party" in relation to the Company means (as defined in Credit Risk Management Amendment Directions dated January 05, 2026 & Companies Act, 2013("the Act")):

A) **Related person** shall mean a person, and the relatives of such a person, where the person is:

- A Director;
- A Key Managerial Personnel;
- Promoter
- A Director or Key Managerial Personnel of the holding company or his relative with reference to a company;
- Any other person that may be prescribed under the Act.
- Any person under whose advice, directions or instructions a Director or Manager is accustomed to act unless the advice, directions or instructions are given in a professional capacity;
- 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
- can, through an agreement with the Company, nominate a director to its Board; or
- is either singly or jointly, in control of the Company.

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

- A firm, in which a Director, Manager or his Relative is a partner;
- A private company in which a Director or Manager or his relatives is a member or director;
- A 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;
- 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 unless the advice, directions or instructions are given in a professional capacity;
- Any Body Corporate which is-
 - a holding, subsidiary or an associate company of such company;
 - a subsidiary of a holding company to which it is also a subsidiary; or
 - an investing company or the venturer of a company;
 - Explanation - For the purpose of this clause, "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.
- where a related person is a partner, manager, KMP, director or a promoter in other entities; or
- where a related person is a shareholder with more than ten per cent of paid-up equity share capital in other entities; or
- where a related person is having control, whether singly or jointly with another person in

- other entities; or
- 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 in other entities; or
- where a related person has the power to nominate a director to the Board of entities; (*this shall not apply in cases where the authority to nominate a director arises exclusively from a lending or financing arrangement*) or
- entities which are accustomed to act on the advice, direction, or instruction of a related person (this shall not apply to the advice, directions or instructions given in a professional capacity)
- entities where a related person is a guarantor or a surety; or
- entities 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
- entities which are related to the related person, as a subsidiary or a parent company or a holding company or an associate or a joint venture (Any company that the related person owns, manages, or is part of a larger business family with (including parent companies and partner ventures)

The Accounting Standard 18 defines related party as "parties are related if at any time during the reporting period one party can control the other party or exercise significant influence over the other party in making financial and / or operating decisions".

- "Related Party Transactions ("RPT")" means any transactions directly or indirectly with Related Parties and it also includes transactions as specified under clause (a) to (g) of sub-section (1) of Section 188 of the Act;
- "Relative" means relative as defined under Section 2(77) of the Act and includes anyone who is related to another in any of the following manner: -
 - They are members of a Hindu Undivided Family;
 - They are husband and wife;
 - Father (including step-father)
 - Mother (including step-mother)
 - Son (including step-son)
 - Son's wife
 - Daughter
 - Daughter's husband
 - Brother (including step-brother); or
 - Sister (including step-sister)
- "Specified employees" mean all employees of the Company who are positioned up to two levels below the Board and any employee designated as such as per the Company's policy.

Any other term not defined herein shall have the same meaning as defined in the Act and other applicable laws and regulations.

4. Identification of Related Parties & Potential Related Parties Transactions

The Company shall maintain a comprehensive database of Company's Related Parties with the names and relevant details of individuals and entities, identified based on the definition mentioned above including any revisions therein based on declarations / information received from directors,

shareholders, other reliable sources, etc., The updated list shall be duly shared with Finance Team at regular intervals. The database shall be reviewed annually by both the Finance and Secretarial Teams to ensure accuracy and completeness.

The Human Resources Department of the Company shall identify and maintain a comprehensive and updated list of "Specified Employees" of the Company, in accordance with applicable regulatory requirements and internal guidelines.

Credit facilities sanctioned to "Specified Employees" and their relatives shall be reviewed and reported to the Board on an annual basis, whether or not such transactions constitute Related Party Transactions, in accordance with applicable regulatory requirements.

Each Director and Key Managerial Personnel of the Company is responsible for providing notice to the Audit Committee of any potential RPT involving him/her or his/her relative, including providing any additional information regarding the transaction that the Audit Committee may request.

Every officer of the Company entrusted with authority to enter into any transaction shall be responsible for providing notice to the Audit Committee, through Company Secretary of any potential RPT involving the Company and the Related Parties listed in the comprehensive list prepared and circulated by the Company Secretary of the Company.

5. Broad Parameters to assess:

- **Ordinary Course of Business**

The phrase "Ordinary Course of Business" is not defined under the Act or Rules. The Company shall adopt a reasonable approach / methodology to demonstrate 'Ordinary Course of Business' which shall, inter alia, include the nature of the transaction, the frequency / regularity / length of time the company is engaged in such transactions / if action is consistent with the past business practices. Additionally, it will evaluate whether the transaction is consistent with the ordinary course of the normal day-to-day operations of the company and reflects common commercial practices typically observed in businesses within the same / similar line of business.

- **Arm's Length**

Transactions between two related parties can be at arm's length pricing, if such transactions are carried out as if the parties were not related, with no conflict of interest. In other words, arm's length pricing is the condition that the two related parties transact as independent (un-related) parties. Key considerations for determining arm's length pricing include the nature of the goods / services exchanged, risk assumed, assets / resources employed, and the key terms / covenants of the agreement.

The Company shall adopt reasonable approach / methodology to demonstrate Arm's Length Pricing for the specified RPT identified, which shall, inter alia, include the nature of the transaction, description of functions to be performed, risks to be assumed and assets to be employed, key terms / special terms within the arrangement forming part of a composite transaction.

6. Approval of Transaction:

• **Approval of Audit Committee**

- All RPT or any subsequent modifications with Related Parties shall require approval of the Audit Committee. The Audit Committee may grant omnibus approval for the repetitive related party transactions that occur in the ordinary course of business, provided that the pricing is determined at arm's length basis, subject to compliance of the conditions set forth under the Act read with the rules made thereunder and other applicable laws. The Audit Committee shall satisfy itself of the need for the omnibus approval and ensure that the same is in the interest of the Company.
- Any member of the Audit Committee who has a potential interest in any RPT will abstain from discussion and voting on the approval of the RPT.
- 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 the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - (b) the 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;
 - (d) transactions which cannot be subject to the omnibus approval by the Audit Committee.
- The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: –
 - (a) repetitiveness of the transactions (in past or in future);
 - (b) justification for the need of omnibus approval.
- The Audit Committee shall satisfy itself on the needs for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.
- The omnibus approval shall contain or indicate the following: –
 - (a) name of the related parties;
 - (b) nature and duration of the transaction;
 - (c) maximum amount of transaction that can be entered;
 - (d) the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - (e) 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.

- Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

- Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- The Audit Committee shall review on yearly basis, the details of RPTs entered by the Company pursuant to each of the omnibus approval granted as stated above.
- **Prior approval of Board of Directors**
 - All transactions with related parties which are either not in the ordinary course of business or are not at Arm's Length shall require prior approval of the Board of Directors, in terms of Section 188 of the Act, at a meeting of the Board.
 - In the above context, where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present during the discussions and shall not vote on the subject matter of the resolution relating to such contract or arrangement.
- **Prior approval of Shareholders**

Transactions with related parties which are either not in the ordinary course of business or not conducted on an 'arm's length basis, and which exceed the threshold limits prescribed under section 188 of the Act, shall require prior approval of the shareholders by way of an ordinary resolution. An illustrative list of transactions is prescribed under Section 188 of the Act.

No member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

7. Ratification of Related Party Transactions:

Where any contract or arrangement, which is considered as a Related Party Transaction exclusively as per the Act, is entered into by a director or any other employee, without obtaining the consent of Audit Committee or the Board or the shareholders of the Company, such transaction shall be ratified by the Board or by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered.

8. Loans to Related Parties and Specified Employees

Credit facilities to related parties can be extended by the Company subject to the Credit Policy of the Company. However, such loans to the Directors or KMP, shall be subject to a materiality threshold as per the Credit Policy which shall not be higher than INR 5 Crores.

All loans above the prescribed materiality should be sanctioned by the Board of Directors. If the Board so decides it may delegate the power to Risk Management Committee.

Credit facilities to "Specified Employees" and their relatives shall be governed under the Company's internal credit policy and approved in accordance with the delegated authority matrix. All such credit facilities shall be:

- sanctioned on an arm's length basis; and

- compliant with applicable internal credit norms, including eligibility, pricing, and risk assessment parameters.

Recusal of Interested Parties

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, etc.

9. Related Party Transactions not approved under this Policy

In case the audit committee is not willing to ratify a transaction, then the Company shall evaluate all available options including ratification, revision or termination of the transaction.

If, despite its efforts, the Company is unable to satisfy the conditions specified by the Audit Committee, the matter will be escalated to the board of directors or where applicable to shareholders for approval. Such a transaction shall not be deemed to violate this Policy so long as post facto approval of Audit Committee, Board and / or Shareholders is obtained as required.

10. Frequency of Review of this Policy

This policy would be reviewed on an annual basis or earlier based on business needs. The recommended changes would be presented to the Audit Committee / Board for approval.