

Related Party Transactions Policy
of
ORIX Corporation India Ltd.

(Formerly known as ORIX Auto Infrastructure Services Limited)

(CIN: U63032MH1995PLC086014)

(Effective Date: May 18, 2017)

V.4

I. **PREAMBLE:**

ORIX Corporation India Ltd. (Formerly known as ORIX Auto Infrastructure Services Limited) is a Subsidiary Company of ORIX Corporation (Japan). The Company is professionally managed having good corporate governance and internal control system in place.

The Related Party Transaction Policy ('Policy') will guide the Company to effectively comply with the provisions of Companies Act, 2013 and Rules framed thereunder,, Accounting standards and amended as issued by Institute of Chartered Accountants of India, Income tax Act and such other statutes as may applicable and be put in place (hereinafter collectively referred as "Applicable Law"), in relation to Related Party Transactions.

The Board of Directors ("the Board") of the Company understands the importance of stakeholders' confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest inflicting any apprehension in the minds of the stakeholders, the Board of the Company, acting upon recommendation of its Audit Committee, has adopted the this Policy and procedures with respect to Related Party Transactions of the Company. This Policy intends to ensure that the transactions of the Company with its Related Party(ies), as defined below, is/ are undertaken on the basis of best practices and in accordance with Applicable Law.

II. **SCOPE:**

This policy shall be applied in:

- (1) Identifying Related Party (ies), updating and maintaining the database of such persons/entities;
- (2) Ascertaining that the transactions entered with the Related Party(ies) is/are in 'ordinary course of business' and at 'arm's length basis';
- (3) Identifying Related Party(ies) transactions;
- (4) Obtaining approvals before entering into any Related Party(ies) transactions;
- (5) Determining the disclosures / compliances to be adhered in relation to the Related Party(ies) transactions.

III. **DEFINITIONS:**

- (1) **"Act"** means the Companies Act, 2013.
- (2) **"Arm's Length Transactions"** means transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- (3) **"Arm's Length Price"** means a price which is applied or proposed to be applied in a Arm's Length Transaction between persons other than associated enterprises, in uncontrolled conditions.

- (4) **“Audit Committee” or “Committee”** means the Audit Committee of the Company as constituted by the Board.
- (5) **“Board of Directors” or “Board”** shall mean Board of Directors of the Company.
- (6) **“Key Managerial Personnel (KMP)”** means Managing Director, Chief Executive Officer, Whole Time Director, Chief Financial Officer ; Company Secretary of the Company and such other officer as may be prescribed in the Act from time to time.¹
- (7) **“Material Related Party Transaction”** means following contracts/ arrangements/transactions with a Related Party as per Section 188(1) of the Act and Rule 15(3) of the Companies (Meetings of the Board and its powers) Rules, 2014 and which are not in Ordinary Course of Business of the Company or on Arm’s Length Price:

| Sr. No. | Transactions | Threshold Values computed basis the last audited financial statements of the Company |
|---------|--|--|
| (i) | *Sale, purchase or supply of any goods or materials, directly or through appointment of agent | amounting to 10% or more of the Turnover of the Company; |
| (ii) | *Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, | amounting to 10% or more of the Net worth of the Company |
| (iii) | *Leasing of property of any kind | amounting to 10% or more of Turnover of the Company |
| (iv) | *Availing and rendering of any kind of services, directly or through appointment of agent | amounting to 10% or more of the Turnover of the Company |
| (v) | Appointment of any person in the office or any place of profit in the company, its subsidiary or associate company | at a monthly remuneration exceeding Rs. 2,50,000; |
| (vi) | Remuneration for underwriting of subscription of any securities or derivatives of the Company | Exceeding 1% of Net worth of the Company. |

* These limits shall apply for transaction(s) to be entered into either individually or taken together with the previous transactions during a financial year.

¹ In terms of Section 203 of the Companies Act, 2013, the KMP of the Company (Managing Director/Chief executive Officer and Chief Financial Officer) and that of its Holding Company i.e . OAIS could be the same individuals

- (8) **“Net worth”** means the aggregate value of the paid-up share capital and all reserves created out of the profits and 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.
- (9) **“Related Party”** is a party as defined in sub-clause (76) of sections 2 of the Act which shall include:
- (a) A Director of the Company or his/her relative
 - (b) A Key Managerial Personnel of the Company or his/her relative
 - (c) A firm in which a Director, manager of the Company or his/her relative is a partner
 - (d) A private company in which Director, Manager of the Company or his relative is a Member or Director
 - (e) A Public Company in which Director or Manager of the Company is a director and holds along with his/ her relatives, more than 2% of its paid up share capital
 - (f) 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 of the Company
 - (g) Any person on whose advice, directions or instructions a Director or Manager of the Company is accustomed to act
Provided that nothing in sub-clauses (f) and (g) shall apply to the advise, direction or instructions given in the professional capacity
 - (h) Any body corporate which is:
 - (i) a holding, subsidiary or associate company of such a company or
 - (ii) subsidiary of a holding company of which it is also a subsidiary
 - (iii) an investing company or the venturer of a company
 - (i) Such other person as may be prescribed from time to time.²
- (10) **“Related Party Transaction”** or “RPT” means transactions as given under clause (a) to (g) sub-section (1) of section 188 of the Act and shall include :
- (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

² a director [other than an independent director] or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

- (g) Underwriting the subscription of any securities or derivatives thereof, of the Company.

Notwithstanding the foregoing, the following shall not be deemed as Related Party Transactions for the purpose of this Policy:

- (i). Reimbursement made of expenses incurred by a Related Party for business purpose of the Company.
- (ii). Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval by the Audit Committee.

(11) **“Relative”**

In terms of Section 2(77) of the Act read with the Companies (Specification of Definitions Details) Rules, 2014 a person is said to be a relative of another, if:

- (a) They are members of a Hindu undivided family;
- (b) They are husband and wife;
- (c) Father (including step-father);
- (d) Mother (including step-mother);
- (e) Son (including step-son);
- (f) Son's wife;
- (g) Daughter;
- (h) Daughter's husband;
- (i) Brother (including step-brother); or
- (j) Sister (including step-sister).

(12) **“Ordinary Course of Business”** shall mean any matter which transpires as a matter of normal and incidental daily customs and practices in business and / or something which is done, as a matter of corporate historical practice, in the ordinary course of business and shall include:

- (a) transactions covered in the 'main objects' or the 'objects incidental' to attainment of the main objects as envisaged in the Memorandum of Association of the Company, , as amended from time to time,
- (b) transactions which are usually carried on by the Company
- (c) transactions which have been done by the Company regularly in last Five (5) years,
- (d) transactions done with a Related Party on a similar basis as if a third party,
- (e) transaction or activity that is necessary, normal, regular and incidental to the business and involves significant amount of money or managerial resources that generates income for the Company.

- (13) "**Turnover**" means the gross amount of revenue recognized in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year.

IV. IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTIONS:

- (1) If any Related Party wishes to enter into a Related Party Transaction with the Company involving either him/her or his/her Relative, shall give a notice to the Company along with all relevant details and documents.
- (2) Notice of any Related Party Transactions, referred above shall be given well in advance so that the Company has adequate time to obtain additional information or documents about the proposed Related Party Transactions, if necessary, which is required to be placed before the Audit Committee to enable it to approve the said transactions.
- (3) Every Director and KMP shall make an annual disclosure as required under Section 184(1) of the Act read with applicable rules made there under as may be amended from time to time.
- (4) Every Director and KMP shall also promptly intimate any change in the annual disclosures mentioned above.

V. REVIEW, APPROVAL AND NOTING OF RELATED PARTY TRANSACTIONS:

(1) Audit Committee:

A. Omnibus (Review and Approval):

- (i) Every Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by way of circulation in line with Section 177 of Companies Act 2013 read with Rule 6A of the Companies (Meetings of the Board and its powers) Rules, 2014. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following guidelines:
 - (a) Repetitiveness of the transactions (in past or in future);
 - (b) Justification for the need of omnibus approval
- (ii) The omnibus approval given by the Audit Committee shall specify (i) the name/s of the Related Party(ies), (ii) nature of transaction/relationship, (iii) duration/period of transaction, (iv) maximum amount of transaction that can be entered into (v) the indicative base price/current contracted price and the formula for variation in the price if any, (vi) material terms of the contract with value, if any, (vii)(vi) brief particulars of the contract, and (vii) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

Provided that where a need for Related Party Transaction 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. 1,00,00,000 (Rupees One crore per transaction).

- (iii) The omnibus approval shall be valid for a period of one (1) financial year and shall require fresh approval after expiry of such financial year.
- (iv) Omnibus approval shall not be granted for transactions in respect of selling or disposing of the undertaking of the Company.
- (v) In determining whether to approve a Related Party Transaction, the Audit Committee shall consider (among other aspects it deems relevant), if there are clearly demonstrable reasons from the Company's business point of view, to enter into a transaction with a Related Party(ies).
- (vi) Audit Committee shall review, on quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
- (vii) Factors to be considered by the Audit Committee while approving a Related Party Transaction:
 - (a) Whether the terms of Related Party Transaction are fair and on Arm's Length Price?
 - (b) Whether the Related Party Transaction is in the Ordinary Course of Business of the Company?
 - (c) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any?
 - (d) Whether the Related Party Transaction would affect the independence of an independent director;
 - (e) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company; and
 - (f) Any other factors the Audit Committee deems relevant.
- (viii) Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party 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, subject to compliance with the applicable legal provisions.

B. Actual (Noting):

The Audit Committee shall note details of actual RPT carried out/undertaken by the company during the financial year, as audited by the statutory auditor, against the Omnibus approval of RPT granted for the Financial year.

(2) Approval of the Board of Directors:

- A. The following Related Party Transactions shall be placed before the Board of Directors for approval, after the approval of the Audit Committee:
- (i) Related Party Transactions referred by the Audit Committee;
 - (ii) Related Party Transactions **not** at Arm's Length Price, and/or;
 - (iii) Related Party Transactions **not** in the Ordinary Course of Business.
- B. The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-
- (i) the name of the Related Party and nature of relationship;
 - (ii) the nature, duration of the contract and particulars of the contract or arrangement;
 - (iii) the material terms of the contract or arrangement including the value, if any;
 - (iv) any advance paid or received for the contract or arrangement, if any;
 - (v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract
 - (vi) 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
 - (vii) any other information relevant or important for the Board to take a decision on the proposed transaction in line with the applicable legal requirements.
- C. Any Director interested in any contract or arrangement with a Related Party shall not be participate in the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

(3) Approval of the Shareholders:

- A. Where member's approval is required on any Related Party Transaction, such approval shall be prior and obtained through resolution.
- B. All Material Related Party Transaction shall be placed before the shareholders for its approval.

- C. All the Related Party shall abstain from voting irrespective of whether they are interested in that particular transaction or not. Provided that this requirement shall not apply to the company in which 90% or more members in number are relatives of promoters or are Related Party.
- D. The explanatory statement to be annexed to the notice of a general meeting convened shall contain the following particulars namely:
- (i) Name of the Related Party.
 - (ii) Name of the Director or Key Managerial Personnel who is related, if any;
 - (iii) Nature of relationship;
 - (iv) Nature, material terms, monetary value and particulars of the contract or arrangement;
 - (v) Any other information relevant or important for the members to take a decision on the proposed resolution.

VI. EXCEPTION TO OBTAIN THE REQUIRED APPROVALS:

No approval of the Shareholders shall be required for transactions between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the general meeting.

VII. THE APPROVAL POLICY FRAMEWORK IS GIVEN BELOW:

| Audit Committee prior Approval | Board Approval | Shareholders' Approval |
|---------------------------------------|---|---|
| ❖ All Related Party Transactions. | ❖ Related Party Transactions referred by Audit Committee for approval of the Board ❖ Related Party Transactions not in the Ordinary Course of Business and/or not at Arm's Length Price. | ❖ Approval by Ordinary resolution for Related Party Transactions a) not in Ordinary Course of Business and/or not at at Arm's Length Price and/or b) Material Related Party Transactions. No approval shall be required for transactions mentioned under Clause VI. |

VIII. DECISION REGARDING TRANSACTIONS IN ORDINARY COURSE OF BUSINESS AND AT ARM'S LENGTH:

The Audit Committee or the Board shall after considering the materials placed before them judge if the transaction is in the Ordinary Course of Business and at Arm's Length Price.

IX. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

In the event the Company becomes aware of a transaction with a Related Party(ies) that has / have 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 of the relevant facts and circumstances regarding such 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 Committee under this Policy and shall take any such action as it deems appropriate.

In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

If any contract or arrangement mentioned under section 188 of the Act is entered into by a director or any other employee, without obtaining the consent of the Board or approval of shareholders and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 3 months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a Related Party to any director, or is authorized by any other director, the directors concerned shall indemnify the Company against any loss incurred by it.

X. AMENDMENT:

The policy as reviewed by the Audit Committee shall be placed before the Board for its approval. Any and all provisions of this Policy shall also be amended as required due to any regulatory changes from time to time.

In case any amendments, clarifications, circulars and guidelines, not being consistent with the provisions laid down under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendments, clarifications, circulars and guidelines.

XI. DISCLOSURE:

Appropriate disclosures as required by the Act, and Indian Accounting Standard will be made in the Annual Report of the Company.

XII. ROLES AND RESPONSIBILITIES:

Roles and responsibilities emanating from this policy exhibited in **Annexure – 1** below.

Roles and Responsibilities:

| Sr.no | Roles and Responsibilities | Responsible Department |
|-------------------------|---|--|
| (1) | Identifying transactions of Related Party, updating and maintaining the database of such persons/entities Corporate Secretarial Department to provide list of relatives of Directors / KMP to Finance & Accounts department basis declaration received from such Directors/KMP | Finance & Accounts Corporate Secretarial |
| (2) | Ascertaining that the transactions entered with the Related Party is/are in the ' <u>ordinary course of business</u> ' and at Arm's Length Price | Finance & Accounts |
| (3) | If any Director, KMP or their relatives seeking to enter into a RPT with the Company shall give a notice to the Company along with all relevant details and documents. | Directors/KMP and Corporate Secretarial |
| (4) | Every Director and KMP shall make an annual disclosure as required under Section 184(1) of the Act read with applicable rules made there under as may be amended from time to time | Directors/KMP and Corporate Secretarial |
| (5) | Every Director and KMP shall also promptly intimate any change in the annual disclosures mentioned above | Directors/KMP and Corporate Secretarial |
| (6) | Obtaining approvals before entering into any related party(ies) transactions | Corporate Secretarial jointly with Finance & Accounts |
| Omnibus Approval | | |
| (7) | Omnibus approval given by the Audit Committee shall specify: (i) the name/s of the Related Party(ies), (ii) nature of transaction/relationship, (iii) duration/period of transaction, (iv) maximum amount of transaction that can be entered into (v) the indicative base price/current contracted price and the formula for variation in the price if any, (vi) material terms of the contract with value, if any, (vii) brief particulars of the contract, and (viii) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction. | Finance & Accounts Department to provide details to the Corporate Secretarial Department before end of the Financial Year (Between 15/02 to 01/03) to seek Omnibus approval of RPT from the Audit Committee. |
| (8) | To monitor, on quarterly basis, actual RPT carried out and ensure that at no point of time actual RPT does not exceed Omnibus approval. | Finance & Accounts Department |

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| (9) | To provide details to the Corporate Secretarial Department on quarterly basis for review of the Audit Committee. Such details to be sent by 30 th of the first month of the Next Quarter. | Finance & Accounts Department |
| (10) | Audit Committee shall review, on quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given. | Corporate Secretarial (Basis details received from Finance & Accounts) |
| (11) | Any member of the Audit Committee who has a potential interest in any RPT shall abstain from discussion and voting on the approval of the RPT | Corporate Secretarial and Concerned Directors/KMP |
| Noting of RPT: | | |
| (12) | Submission of details of actual RPT carried out/undertaken by the company during the financial year, as Audited by the Statutory Auditor, against the Omnibus approval of RPT granted at the beginning of the Financial year | Finance & Accounts |
| (13) | Noting of actual RPT place before Audit Committee | Corporate Secretarial (Basis details received from Finance & Accounts) |
| Approval of the Board of Directors: | | |
| (14) | <p>The following Related Party Transactions shall be placed before the Board of Directors for approval, after the approval of the Audit Committee:</p> <ul style="list-style-type: none"> (i) Related Party(Transactions referred by the Audit Committee; (ii) Related Party Transactions not on Arm's Length basis or at Arm's Length Price, and/or; (iii) Related Party Transactions not in the Ordinary Course of Business. | Finance & Accounts Department to provide details to the Corporate Secretarial Department to seek approval of the Board |
| (15) | <p>The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-</p> <ul style="list-style-type: none"> (i) the name of the Related Party(ies) and nature of relationship; (ii) the nature, duration of the contract and particulars of the contract or arrangement; (iii) the material terms of the contract or arrangement including the value, if any; (iv) any advance paid or received for the contract or arrangement, if any; (v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract | Corporate Secretarial Department jointly with Finance & Accounts |

| | | |
|-------------------------------------|---|--|
| | <p>(vi) 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</p> <p>(vii) any other information relevant or important for the Board to take a decision on the proposed transaction in line with the applicable legal requirements</p> | |
| (16) | Any Director/KMP interested (Either themselves or through their relatives) in any contract or arrangement with a Related Party shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement. | Corporate Secretarial |
| Approval of the Shareholders | | |
| (17) | Where member's approval is required on any RPT, such approval shall be prior and obtained through resolution | Corporate Secretarial & Finance & Accounts |
| (18) | All RPT specified under Section 188 of the Act which (a) are not in the ordinary course of business and/or at Arm's Length Price; and (b) Material Related Party Transactions shall be placed before the shareholders for its approval. | Finance & Accounts |
| (19) | All the Related Party shall abstain from voting irrespective of whether they are interested in that particular transaction or not. Provided that this requirement shall not apply to a company in which 90% or more members in number are relatives of promoters or are related parties | Corporate Secretarial |
| (20) | <p>The explanatory statement to be annexed to the notice of a general meeting convened shall contain the following particulars namely:</p> <p>(i) Name of the Related Party(ies)</p> <p>(ii) Name of the Director or Key Managerial Personnel who is related, if any;</p> <p>(iii) Nature of relationship;</p> <p>(iv) Nature, material terms, monetary value and particulars of the contract or arrangement;</p> <p>(v) Any other information relevant or important for the members to take a decision on the proposed resolution.</p> | Corporate Secretarial |

| Disclosure: | | |
|--|---|--|
| (21) | Appropriate disclosures as required by the Act and Indian Accounting Standard will be made in the Annual Report of the Company. | Finance & Accounts |
| Related party Transactions not approved under this policy | | |
| (22) | In the event the Company becomes aware of a transaction with a Related Party(ies) that has / have not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. | Corporate Secretarial basis details received from Finance & Accounts |

Revision History

| Revision date | Description | Reviewed / Revised by | Version # |
|-------------------|---|---|-----------|
| May 18, 2017 | Introduction of the Policy as per Companies Act, 2013 | Secretarial Department | 1.0 |
| July 31, 2018 | Review of the Policy | Secretarial Department | 1.0 |
| July 04, 2019 | Review of the Policy | Secretarial Department | 1.0 |
| May 27, 2019 | Review of the Policy | Secretarial Department | 1.0 |
| July 31, 2020 | Amendment of the Policy | Secretarial Department | 2.0 |
| March 31, 2021 | Review of the Policy | Secretarial Department | 2.0 |
| March 22, 2022 | Review of the Policy | Secretarial Department | 2.0 |
| March 20, 2023 | Review of the Policy | Secretarial Department | 2.0 |
| April 03, 2024 | Amendment of the Policy | Secretarial and Finance & Accounts Department | 3.0 |
| November 27, 2025 | Amendment of the Policy | Secretarial and Finance & Accounts Department | 4.0 |