

RELATED PARTY TRANSACTIONS POLICY

I-STAY HOUSING PVT. LTD.

Policy Owner: Company Secretariat / Finance Department

Approved By: Management

1. PURPOSE AND OBJECTIVE

I-Stay Housing Ltd. (hereinafter referred to as the “**Company**”) recognises that transactions involving persons or entities connected with the Company require appropriate oversight to ensure transparency, fairness and protection of the Company’s interests.

The purpose of this **Related Party Transactions Policy** (“Policy”) is to establish a clear framework for identifying, reviewing, approving, monitoring and reporting transactions entered into by the Company with its Related Parties.

The Policy is intended to ensure that Related Party Transactions are undertaken only where they are in the legitimate interests of the Company and are conducted in accordance with applicable law, appropriate commercial principles and the Company’s standards of corporate governance.

The Policy seeks to ensure that:

- a. Related Party Transactions are identified and appropriately disclosed;
 - b. Potential conflicts of interest are properly managed;
 - c. Transactions are undertaken on fair and reasonable terms;
 - d. Necessary approvals are obtained before entering into transactions;
 - e. Interested Directors or other concerned persons do not improperly influence the approval process;
 - f. Appropriate records and disclosures are maintained; and
 - g. The Company and its stakeholders are protected from transactions that may adversely affect the Company’s interests.
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2. REGULATORY FRAMEWORK

This Policy shall be interpreted and implemented in accordance with the **Companies Act, 2013**, the rules made thereunder, applicable accounting standards and such other laws, regulations, notifications, circulars and governmental or regulatory directions as may apply to the Company from time to time.

Where the Company becomes subject to any additional regulatory framework, including provisions applicable to listed entities, the requirements of such framework shall also be complied with to the extent applicable.

In the event of any conflict or inconsistency between this Policy and a mandatory provision of applicable law, the statutory provision shall prevail.

3. SCOPE AND APPLICABILITY

This Policy shall apply to all Related Party Transactions entered into by the Company, including transactions:

- directly between the Company and a Related Party;
- through any subsidiary or other entity where the applicable law requires such transaction to be considered;
- involving transfer of goods, services, assets, funds, obligations or other resources;
- involving contractual arrangements or commitments; and
- involving amendment, renewal, modification, extension or termination of an existing Related Party arrangement.

The Policy shall apply irrespective of whether consideration is actually charged or whether the transaction is monetary or non-monetary.

4. GENERAL PRINCIPLES

All Related Party Transactions shall, to the extent applicable:

- a. Be undertaken in the ordinary course of the Company's business and on an arm's-length basis wherever required;
- b. Be supported by appropriate commercial justification;

- c. Be entered into on terms that are fair and reasonable to the Company;
- d. Be appropriately documented;
- e. Receive the required approvals before execution;
- f. Be subject to appropriate disclosure and reporting requirements; and
- g. Be conducted without allowing personal interests to override the interests of the Company.

Any renewal, extension, amendment, modification, restructuring or termination of an existing Related Party arrangement shall also be examined under this Policy where required.

5. DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings assigned below:

5.1 “Act”

Means the Companies Act, 2013 and the rules made thereunder, as amended or replaced from time to time.

5.2 “Arm’s-Length Transaction”

Means a transaction between Related Parties carried out on terms and conditions comparable to those that would reasonably have been agreed between independent and unrelated parties dealing with each other in similar circumstances.

5.3 “Audit Committee”

Means the Audit Committee of the Board of Directors, where such Committee is constituted and applicable under law.

5.4 “Board”

Means the Board of Directors of I-Stay Housing Pvt. Ltd.

5.5 “Company”

Means I-Stay Housing Pvt. Ltd.

5.6 “Key Managerial Personnel” or “KMP”

Shall have the meaning assigned to the expression under the Companies Act, 2013 and applicable regulations.

5.7 “Ordinary Course of Business”

Means a transaction that is undertaken as part of the normal and customary activities of the Company, having regard to the nature, frequency and established practices of its business.

Factors that may be considered include:

- whether the activity is within the Company’s objects and business activities;
- whether similar transactions are regularly undertaken;
- whether the transaction is connected with the Company’s normal operations;
- whether there is an established history of similar transactions;
- whether the transaction is consistent with normal commercial practice; and
- such other factors as may reasonably be considered by the Board or Audit Committee.

5.8 “Material Related Party Transaction”

Means a Related Party Transaction which meets or exceeds the materiality thresholds prescribed under applicable law.

5.9 “Related Party”

Means a person or entity regarded as a Related Party under the Companies Act, 2013, applicable accounting standards and, where applicable, other regulatory requirements.

Depending upon the applicable statutory provisions, this may include:

- a. A Director or his/her relative;
- b. A Key Managerial Personnel or his/her relative;
- c. A firm in which a Director, Manager or relative is a partner;
- d. A private company in which a Director, Manager or relative is a member or Director;

- e. A company or body corporate in which a Director or Manager has such interest as may bring it within the statutory definition;
- f. A body corporate or entity controlled or materially influenced by a Director or Manager, where covered by applicable law;
- g. A holding company, subsidiary, associate or other entity falling within the statutory definition;
- h. Persons or entities forming part of the promoter or promoter group, where applicable;
- i. Such other persons or entities as may be treated as Related Parties under applicable law or accounting standards.

The definition shall automatically stand modified to reflect any amendment to the applicable statutory provisions.

5.10 “Related Party Transaction” or “RPT”

Means any transaction, arrangement or contract between the Company and a Related Party which falls within the scope of applicable law, whether entered into individually or as part of a series or group of transactions.

This may include, among other matters:

- sale or purchase of goods or property;
- leasing or licensing arrangements;
- provision or receipt of services;
- borrowing or lending arrangements;
- guarantees or security arrangements;
- appointment to offices or positions carrying remuneration;
- transfer of resources or obligations; and
- such other transactions as may be prescribed under applicable law.

6. IDENTIFICATION OF RELATED PARTIES

The Company shall maintain an appropriate record of persons and entities that qualify as Related Parties.

6.1 Disclosure by Directors and KMP

Every Director and KMP shall make appropriate disclosures regarding:

- entities in which he/she has an interest;
- directorships or partnerships;
- material shareholding or beneficial interests;
- relationships covered under applicable law; and
- any other information reasonably required for identifying Related Parties.

Such disclosures shall be updated whenever there is a material change and at such intervals as may be prescribed by law or determined by the Company.

6.2 Maintenance of Related Party Register

Based on statutory requirements and disclosures received, the Company shall maintain and periodically update its Related Party records.

The Finance Department / Company Secretary / designated officer shall ensure that relevant Related Party information is appropriately communicated to the persons responsible for processing transactions.

Where appropriate, Related Parties may also be identified in the Company's accounting or financial systems to facilitate monitoring.

7. IDENTIFICATION AND REPORTING OF PROPOSED TRANSACTIONS

Before entering into a transaction which may involve a Related Party, the concerned department shall ascertain whether the transaction falls within the scope of this Policy.

Where there is uncertainty regarding whether a person or entity is a Related Party or whether a proposed transaction constitutes an RPT, the matter shall be referred to the Company Secretary, Finance Department or such other officer designated by the Company.

No person shall structure, split or otherwise arrange a transaction with the intention of avoiding the requirements of this Policy.

Where several connected transactions form part of one arrangement, their aggregate value and overall commercial substance shall be considered wherever required under applicable law.

8. APPROVAL OF THE AUDIT COMMITTEE

Where an Audit Committee is required or constituted, Related Party Transactions falling within its statutory or delegated authority shall be placed before the Audit Committee for prior approval, wherever required.

The Audit Committee shall consider, among other relevant matters:

- a. The nature and purpose of the proposed transaction;
- b. The identity and relationship of the Related Party;
- c. The commercial rationale for entering into the transaction;
- d. The terms and conditions of the proposed arrangement;
- e. The pricing and other commercial considerations;
- f. Whether the transaction is on an arm's-length basis, where applicable;
- g. Whether the transaction is in the ordinary course of business, where relevant;
- h. The estimated or actual value of the transaction;
- i. Any potential conflict of interest; and
- j. Such other information as may be required to make an informed decision.

Any member of the Audit Committee having an interest in the proposed transaction shall disclose such interest and abstain from participating in the consideration or approval of the transaction to the extent required by law or determined appropriate by the Committee.

9. OMNIBUS APPROVAL

Where permitted under applicable law, the Audit Committee may grant omnibus approval for recurring Related Party Transactions where it is satisfied that such approval is appropriate and in the interests of the Company.

The omnibus approval should, as applicable, specify or reasonably identify:

- the Related Party;
- nature and description of transactions;
- indicative value or financial limits;
- applicable pricing methodology;
- duration of the arrangement;
- maximum permissible aggregate amount; and
- such other information or conditions as may be considered necessary.

Omnibus approvals shall remain valid only for the period permitted under applicable law and shall be reviewed and renewed as required.

Transactions undertaken pursuant to an omnibus approval shall be periodically placed before the Audit Committee for review.

10. BOARD APPROVAL

Where required under applicable law, the following categories of Related Party Transactions shall be placed before the Board for prior approval:

- a. Transactions requiring Board approval under the Companies Act, 2013;
- b. Transactions involving a Director or KMP having an interest in the proposed arrangement;
- c. Transactions that are not in the ordinary course of business and/or are not undertaken on arm's-length terms where statutory approval is required;
- d. Material Related Party Transactions requiring Board consideration;
- e. Material modifications to previously approved Related Party Transactions, where applicable;

- f. Transactions specifically referred to the Board by the Audit Committee; and
- g. Any other transaction for which Board approval is mandated by applicable law or Company policy.

A Director who is concerned or interested in a proposed Related Party Transaction shall disclose the nature of such interest and shall abstain from discussion or voting wherever required by law.

11. SHAREHOLDER APPROVAL

Where shareholder approval is mandated by applicable law, the Company shall obtain such approval before entering into the relevant Related Party Transaction.

The explanatory statement accompanying the relevant resolution shall contain such particulars as are required under applicable law.

A Related Party shall not participate in or vote on the relevant resolution where such restriction is imposed by applicable law.

12. MATERIAL RELATED PARTY TRANSACTIONS

The Company shall comply with the materiality thresholds and approval requirements prescribed under applicable law.

A transaction or series of transactions shall not be artificially divided into smaller arrangements for the purpose of avoiding the applicable materiality or approval requirements.

Where a transaction is modified, renewed or extended, the aggregate effect of the transaction and relevant modifications shall be considered wherever required.

13. ORDINARY COURSE AND ARM'S-LENGTH TRANSACTIONS

A Related Party Transaction may qualify for treatment as an ordinary-course and/or arm's-length transaction only where the applicable statutory requirements and relevant circumstances support such classification.

The fact that a transaction is regularly undertaken shall not, by itself, automatically establish that it is on arm's-length terms.

Similarly, a transaction being commercially beneficial to the Company shall not, by itself, eliminate the need for statutory approvals where such approvals are required.

The Company shall maintain appropriate supporting documentation wherever an arm's-length or ordinary-course determination is relevant.

14. MODIFICATION OF APPROVED TRANSACTIONS

Any material change to an approved Related Party Transaction shall be reviewed to determine whether fresh approval is required.

A material modification may include a significant change in:

- transaction value;
- duration;
- pricing;
- scope of services or obligations;
- counterparties;
- commercial terms; or
- other material conditions.

Where applicable law prescribes a specific threshold for determining a material modification, that statutory threshold shall prevail.

15. EXEMPT TRANSACTIONS

Transactions which are specifically exempted from the approval requirements under applicable law shall be dealt with in accordance with the relevant statutory provisions.

Such exemption shall not prevent the Company from maintaining appropriate records, disclosures or internal controls where considered necessary.

The Company shall periodically review statutory exemptions to ensure that they continue to be applicable to the relevant transaction.

16. TRANSACTIONS COVERED BY OTHER SPECIFIC APPROVAL MECHANISMS

Where a transaction is specifically regulated by another statutory provision and is subject to an independent approval mechanism, the Company shall comply with that specific mechanism.

However, where the transaction also falls within the requirements of this Policy, the Company shall comply with both sets of requirements unless an applicable law expressly provides otherwise.

17. RATIFICATION OF TRANSACTIONS

Where a Related Party Transaction has been entered into without obtaining a required approval, the matter shall be brought to the attention of the appropriate authority without undue delay.

The Audit Committee, Board or shareholders may ratify such transaction only where such ratification is permitted under applicable law and subject to the conditions prescribed therein.

Ratification shall not be treated as a substitute for obtaining prior approval where prior approval was mandatory.

The Company shall take appropriate corrective measures in cases where a transaction has been undertaken in breach of this Policy or applicable law.

18. CONFLICT OF INTEREST

All persons involved in reviewing or approving Related Party Transactions shall act objectively and in the interests of the Company.

Any Director, KMP, Committee member or other person involved in the approval process who has a direct or indirect interest in the proposed transaction shall disclose such interest.

The concerned person shall abstain from discussion, decision-making or voting where required under applicable law or Company policy.

19. DISCLOSURE AND REPORTING

The Company shall maintain appropriate records of Related Party Transactions and make disclosures as required under applicable law and accounting standards.

Where applicable, disclosures may include:

- nature of the relationship;
- nature and description of the transaction;
- transaction value;
- outstanding balances or commitments;
- approval status; and
- such other information as may be prescribed.

The Company shall make statutory disclosures in its financial statements, Board's Report, Annual Report or other filings, wherever required.

Where the Company becomes subject to listing requirements, applicable stock exchange and SEBI disclosures shall also be complied with.

20. RECORD KEEPING

The Company shall maintain appropriate documentation relating to Related Party Transactions, including, as applicable:

- disclosures of Related Parties;
- proposals submitted for approval;
- supporting commercial information;
- pricing or benchmarking information;
- approvals obtained;

- agreements and contracts;
- minutes or resolutions;
- modifications and renewals; and
- statutory disclosures.

Records shall be retained in accordance with the Company's record-retention policy and applicable law.

21. INTERNAL CONTROLS AND MONITORING

The Company shall maintain reasonable internal controls to identify and monitor Related Party Transactions.

The Finance Department, Company Secretary or other designated officer may periodically review transactions to ensure that:

- a. Required approvals have been obtained;
- b. Transactions are appropriately recorded;
- c. Applicable limits have not been exceeded;
- d. Material modifications are identified;
- e. Statutory disclosures are completed; and
- f. Transactions undertaken under omnibus or other prior approvals remain within the approved parameters.

Any material deviation or suspected non-compliance shall be escalated to the appropriate authority.

22. RESPONSIBILITY OF DIRECTORS AND KMP

Directors and KMP shall:

- promptly disclose their relevant interests and relationships;
- assist the Company in identifying Related Parties;
- disclose any potential conflict of interest;

- refrain from influencing approval processes where they have a personal interest;
- provide accurate information when requested; and
- comply with the requirements of this Policy and applicable law.

Failure to make required disclosures may be treated as a matter of non-compliance and may result in appropriate action.

23. ROLE OF THE AUDIT COMMITTEE

Where constituted, the Audit Committee shall oversee Related Party Transactions within its statutory and delegated responsibilities.

The Committee shall, among other matters:

- a. Review proposed Related Party Transactions requiring its approval;
 - b. Consider whether the transaction is in the Company's interests;
 - c. Review material modifications;
 - d. Monitor transactions undertaken pursuant to omnibus approvals;
 - e. Review periodic reports on Related Party Transactions; and
 - f. Recommend appropriate action in cases of significant non-compliance.
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24. ROLE OF THE BOARD

The Board shall have overall responsibility for ensuring that the Company's Related Party Transactions are governed by appropriate controls and approval procedures.

The Board shall consider matters placed before it under this Policy and shall ensure that transactions requiring Board approval are appropriately evaluated and documented.

The Board may also call for any Related Party Transaction to be placed before it for consideration where it considers such review appropriate.

25. VIOLATION OF THE POLICY

Any violation of this Policy shall be taken seriously.

Where a person knowingly fails to disclose a Related Party relationship, conceals a relevant interest, circumvents an approval requirement or enters into a transaction in breach of this Policy, the Company may take appropriate corrective, disciplinary or legal action, subject to applicable law.

Where a transaction is found to have been entered into contrary to statutory requirements, the Company shall take such remedial measures as may be necessary.

26. INTERPRETATION

Any question regarding the interpretation or application of this Policy shall be referred to the Company Secretary, Audit Committee or Board, as appropriate.

In case of any ambiguity or conflict between this Policy and applicable law, the applicable statutory provisions shall prevail.

Any amendment to applicable law shall automatically be taken into consideration in interpreting this Policy from the date such amendment becomes effective.

27. REVIEW AND AMENDMENT

This Policy shall be reviewed periodically and may be reviewed earlier if required due to:

- changes in applicable law;
- changes in the Company's organisational structure;
- changes in the Company's business activities;
- changes in regulatory requirements;
- significant changes in the Company's Related Party relationships; or
- any other circumstances considered relevant by the Board.

The Board may amend, modify or replace this Policy from time to time based on recommendations of the Audit Committee, Company Secretary or other appropriate authority.
