

ADHBHUT INFRASTRUCTURE LIMITED

RELATED PARTY TRANSACTIONS - POLICY & PROCEDURES

1. Preamble

ADHBHUT INFRASTRUCTURE LIMITED is committed to adopting the best practices of Corporate Governance and maintains high levels of ethical and legal conduct in fulfilling its responsibilities as a corporate citizen.

The Company recognizes that related party transactions can present a risk of actual or apparent conflicts of interest of the Directors, KMPs, Senior Management etc. with the interest of the Company and hence has laid down a comprehensive policy for governing the Related Party Transactions.

The Board of Directors of ADHBHUT INFRASTRUCTURE LIMITED (“Company”), adopts the following policy and procedures with regard to Related Party Transactions (RPT) as defined below, in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules made thereunder and any subsequent amendments thereto (the “Act”) and Listing Agreement with the Stock Exchanges, in order to ensure the transparency and procedural fairness of such transactions.

2. Objective

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders.

Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. This Policy shall supplement the Company’s other policies in force that may be applicable to or involve transactions with related persons.

The Audit Committee of Directors (“Audit Committee”), shall review Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act 2013, including the Rules promulgated thereunder and Clause 49 of the Listing Agreement and must be approved in the manner as may be decided by the Board of Directors.

3. Definitions

- i. **“Act”** means the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- ii. **“Arm’s length basis”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

- iii. **“Associate Company”**, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—“significant influence” means control of at least twenty percent of total share capital, or of business decisions under an agreement.

- iv. **“Board”** means the Board of Directors of the Company.

- v. **“Company”** means ADHBHUT INFRASTRUCTURE LIMITED.

- vi. **“Control”** includes 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:

Provided that a director or officer of the company shall not be considered to be in control over such company, merely by virtue of holding such position;

- vii. **“Key Managerial Personnel”** means Key Managerial Personnel of the Company as defined by the Companies Act, 2013 and the Rules made thereunder and includes:-

- (i) Chief Executive Officer or the Managing Director or the Manager;
- (ii) Whole-time Director;
- (iii) Company Secretary;
- (iv) Chief Financial Officer;

- viii. **“Policy”** means Related Party Transaction Policy of the Company.

- ix. **“Related Party”** means a person or an entity which is related party as per

- a. Section 2(76) of the Companies Act, 2013.
- b. As per Clause 49 of the Listing Agreement.
- c. Applicable Accounting Standards.

- x. **“Relatives”** with reference to any person, means anyone who is related to another, if-

- 1) They are members of a Hindu Undivided Family;
- 2) They are husband and wife; or
- 3) One person is related to the other in the following manner, namely: -
 - a) Father (including step-father)
 - b) Mother (including step-mother)
 - c) Son (including step-son)
 - d) Son’s Wife
 - e) Daughter
 - f) Daughter’s Husband
 - g) Brother (including step-brother)
 - h) Sister (including step-sister)

- xi. “Related Party Transactions”** means transactions/ contracts/ arrangement between the Company and its related parties which fall under one or more of the following headings:

As per Section 188 of the Act read with Clause 49 of Listing Agreement:

- (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;
- (h) Transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged.

As per Accounting Standards 18:

- (i) Transfer of research and development
- (j) License agreements
- (k) Finance (including loans and equity contributions in cash or kind)
- (l) Guarantees and collaterals
- (m) Management contracts including for deputation of employees.

- xii. “Material Related Party Transaction”** means a Related Party Transaction which individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such limits as may be prescribed either in the Companies Act, 2013 or the Listing Agreement, from time to time.

4. Identification of Related Party Transactions

The Related Party List shall be identified on the basis of the definition set forth in Definition Clause 3 above shall be updated whenever necessary and shall be reviewed at periodically.

Functional departmental heads shall submit to the CFO the details of proposed transaction with details/draft contract/ draft agreement or other supporting documents justifying that the transactions are on arms' length basis and in an ordinary course of business at prevailing market rate or otherwise Based on this note, he will appropriately take it up for necessary prior approvals from the Audit Committee at its next meeting and convey back the decision to the originator.

5. Review and Approval of Related Party Transactions

- I. All Related party transactions other than the exempted transactions shall require prior approval of Audit Committee.
- II. The Audit Committee may grant omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- III. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company; Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, maximum amount of transaction that can be entered into and (iii) such other conditions as the Audit Committee may deem fit;
- IV. Provided that where the 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 Crore per transaction.
- V. Audit Committee shall review at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- VI. All Related Party Transactions that are:
not in the ordinary course of business, or in the ordinary course of business but not at arms' length or neither in the ordinary course of business nor at arms' length shall require consent of the Board of Directors at a meeting of the Board.
- VII. Prior Approval of shareholders by way of a Special Resolution shall be required if any related party transaction(s) exceeds such limits as mentioned under the Act and rules thereto or Listing Agreement including any amendment thereto from time to time.
- VIII. No Shareholder of the Company if such shareholder is a related party with reference only to the contract or arrangement for which the said special resolution is being passed shall vote on any such special resolutions.
- IX. Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:
 - Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

- Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

6. Review and Modification of the Policy

The Policy shall be reviewed annually by the Board of Directors and modified in accordance with the applicable amendments in the Companies Act, Rules made thereunder, Listing Agreement, Circulars and Notifications by appropriate authorities.

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