



## **D B REALTY LIMITED**

### **POLICY ON RELATED PARTY TRANSACTIONS**

(Modified w.r.t. the Sixth Amendment to the SEBI LODR Regulations dated 9<sup>th</sup> November, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021)

Date of review of modification in the Policy by Audit Committee	30 <sup>th</sup> May, 2022
Date of Approval of modification in the Policy by Board of Directors	30 <sup>th</sup> May, 2022
Effective date of Modification (except where expressly specified otherwise)	30 <sup>th</sup> May, 2022

#### **D B REALTY LIMITED**

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CIN: L70200MH2007PLC166818

## 1. Preamble

The Board of Directors (the “Board”) of D B Realty Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.

## 2. Purpose

This policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“SEBI LODR”) and in terms of Section 188 of the Companies Act, 2013 and is intended to ensure proper approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

## 3. Definitions

“Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“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. For determination of Arm’s Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

“Board of Directors” or “Board” means the Board of Directors of the Company, as constituted from time to time.

“Audit Committee or Committee” means “Audit Committee” constituted by the Board of Directors of the Company under provisions of SEBI LODR and Companies Act, 2013 as amended from time to time.

“Associate Company” means any other Company, 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.

Explanation – For the purpose of this clause “significant influence” means control of at least twenty per cent of total share capital, or business decisions under an agreement.

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Related Party” means related party as defined under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder or under the applicable accounting standards:

The following shall also be treated as the Related Party –

- a. all persons or entities forming part of promoter or promoter group irrespective of their shareholding;
- b. any person/entity holding equity shares in the listed entity, as below, either directly or on a beneficial interest basis at any time during the immediately preceding financial year:
  - i. to the extent of 20 % or more
  - ii. to the extent of 10% or more w.e.f. April 1, 2023 or such other date as may be extended under SEBI LODR.

**“Related Party Transaction or transaction (“RPT)”** means transaction in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, regardless of whether a price is charged.

Explanation – A “transaction” with a Related Party shall be construed to include single or a group of transactions in a contract.

The RPT shall include transactions between -

- a. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand;
- b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries w.e.f. April 1, 2023 or such other date as may be extended under SEBI LODR.

**“Material Related Party Transaction”** in terms of SEBI LODR means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:

- (i) In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- (ii) In case of any other transaction(s), if the amount exceeds Rs 1,000 crores or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.

**“Material Modification”** in terms of SEBI LODR means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% or more, in the relevant previously approved related party transaction.

**“Policy”** means Related Party Transaction Policy.

#### 4. Policy

##### a) Approval of Audit Committee:

Subject to exceptions provided under SEBI LODR and the Act, all Related Party Transactions and subsequent material modifications thereof shall require prior approval of the Audit Committee of the Company. A Related Party Transaction to which the unlisted subsidiary (ies) of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company.

Provided that w.e.f April 1, 2023 or such other date as may be extended under SEBI LODR, a Related Party Transaction to which the unlisted subsidiary (ies) of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the standalone annual turnover of the subsidiary as per the last audited financial statements of the subsidiary.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the conditions specified under SEBI LODR and the Act.

##### b) Approval of Board:

All transactions specified under Section 188 of the Act shall require approval of the Board of Directors. However, no approval of the Board shall be required for transactions with related parties if such transactions are entered into by the Company in its ordinary course of business and on arm's length basis.

Approval of the Board shall also be required for Related Party Transactions which are intended to be placed before the shareholders for prior approval and such other transactions as referred to the Board by Audit Committee.

##### c) Approval of Shareholders:

Subject to the exceptions provided under SEBI LODR, all material Related Party Transactions and subsequent material modifications thereof shall require prior approval of the shareholders of the Company. No related party with respect to the Company shall vote to approve such resolutions. Transactions with related parties which are not in the ordinary course of business or at arm's length basis and exceeds the ceiling provided under rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 (as amended) read with Section 188 of the Act shall require prior approval of shareholders of the Company subject to exceptions provided under the Act.

Whenever threshold for obtaining approval of the Audit Committee, Board or the Shareholders changes with amendment in the Act or SEBI LODR or any relaxation is granted in terms of applicability or

effective date, then, irrespective of what is stated above, said amended threshold or relaxations become applicable to the Company and the Audit Committee shall be informed.

Material Related Transactions entered into by the Company with its wholly owned subsidiary (ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

Provided that the provisions pertaining to –

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of shareholders for Material Related Party Transactions and subsequent Material Modifications

shall not be applicable when the transactions are entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

#### **5. Disclosures**

The Company shall make the necessary disclosures regarding this policy and Related Party Transactions in the annual report, as required pursuant to the Act, SEBI LODR and Indian Accounting Standards.

#### **6. Amendment**

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

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