

# **Poddar Bhumi Holdings Limited**

## **Policy on Materiality of Related Party Transactions**

Poddar Group has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions. An endeavour is consistently made to have only arms' length transactions with Related Parties.

Clause 49 of the Listing Agreement as amended recently now requires a listed company to formulate a Policy on materiality of Related Party Transactions and also on dealing with such Related Party Transactions. Accordingly, taking into account the provisions of Companies Act, 2013 and Rules made there-under & Clause 49 of the Listing Agreement and in the back-drop of the Company's philosophy on such matters, a Policy is hereby framed as under:-

1. All Related Party Transactions (RPTs) of the company as prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement will be approved by the audit committee of the Board from time to time.
2. Consent of the Board and the Shareholders would also be taken in respect of all RPTs, provided that such consent would not be required in the following cases:
  - I. The transactions are entered into by the company in its ordinary course of business and are on an arms' length basis; and
  - II. The transaction / transactions to be entered into individually or taken together with previous transactions during a financial year does not exceed 5% of the annual turnover or 20% of the net worth of the company (i.e. Poddar Bhumi Holdings Limited), as per the last audited financial statements of the company, whichever is higher.
3. Where Board consent / shareholders' approval is required as per para 2 above, a) the agenda of the Board meeting at which the resolution is proposed to be moved and b) explanatory statement to be annexed to the notice of such general meeting, shall disclose all such details / information about the contract as are prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.
4. Where RPTs require approval of the Board and the shareholders through special resolution as per para 2 above, (a) any director who is interested 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 and b) such Related Party (ies) shall abstain from voting on such resolutions of the shareholders.
5. Where RPTs require approval of the shareholders as per para (2) above, pursuant to Rule 15(2) of the said Rules, in case of wholly owned subsidiaries, special resolution passed by the holding company shall be sufficient for the purpose of entering into transactions between wholly owned subsidiary and holding company.
6. This Policy on Related Party Transactions shall be governed by the Companies Act, 2013 read with Rules made there under, as may be in force for the time being as well as Clause 49 of the Listing Agreement or such other Rules / Regulations, as may be notified by SEBI from time to time.