

1. PREAMBLE

The Board of Directors of **Macrotech Developers Limited** (hereinafter referred to as **(the Company)**), has adopted this Related Party Transactions policy on materiality of Related Party Transactions and on dealing with Related Party Transactions pursuant to the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“**Listing Regulations**”), as amended from time to time. The Policy is applicable to all Related Party Transactions irrespective of their value and size.

2. PURPOSE

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy also deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

3. APPLICABILITY

This Policy is applicable to Macrotech Developers Limited. The Policy to the extent applicable may be adopted by subsidiary companies. Accordingly, the terms ‘Company’, ‘Board of Directors’, ‘Audit Committee’, ‘Nomination and Remuneration Committee’, ‘Corporate Social Responsibility Committee’ shall be construed with reference to the respective companies. In case any company is not required to constitute any of the committees stipulated under the Companies Act, 2013 and / or the Listing Regulations, reference to “committee” in this Policy shall be read as the ‘Board of Directors’.

4. GENERAL GUIDELINES

- 4.1 This Related Party Transactions Policy must be followed for all transactions that the Company enters into with a related party or a transaction which may benefit a Related Party.
- 4.2 This Policy also applies when amending, novating, modifying or terminating an existing contract or agreement or any arrangement between Related Parties.
- 4.3 The value to be ascribed to an amendment or modification of contract which is confirmed as being on ordinary course, arms’ length terms is the change in value of the contract from the existing contract to the new contract. For other contracts the value to be ascribed would be the total value of the (new) amended contract.
- 4.4 When determining the value of a transaction to which the Policy applies, the total value of all commitments arising pursuant to the transaction (including taxes) should be taken into account. Any conditional or contingent amounts and the terms under which such amounts would become payable should also be indicated.
- 4.5 The Policy may be reviewed and updated by the Board of Directors or the Audit Committee from time to time but at least once every three years.

- 4.6 Any changes in the policy on account of regulatory requirements will be reviewed and approved by the Audit Committee and the Board. The Audit Committee / Board will give suitable directions / guidelines to implement the same.

5. **DEFINITIONS**

“Act” means the Companies Act 2013 and Rules thereunder as amended or modified from time to time.

“Arms’ 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.

“Audit Committee” means Audit Committee of the Board of Directors of the Company.

“Ordinary course transaction”: A transaction could be considered in “ordinary course of business” if

- Carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
- In connection with the normal business carried out by the Company;
- Historical practice with a pattern of frequency;
- Common commercial practice;
- Meets any other parameters / criteria as decided by the Board from time to time.

“Material Transaction” in relation to the Company means a related party transaction which individually or taken together with previous transactions with a related party during a financial year, exceeds Rupees One thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company whichever is lower.

Any transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

“Material Modification” means a modification which individually or taken together with previous transactions with a related party during a financial year, exceeds ten per cent of the value (plus or minus) of the original transaction.

“Related Party” in relation to a company means a party related with the Company under the applicable accounting standards or in any of the ways as laid down in section 2(76) of the Act, including:

- a. A Director or his relative;
- b. A Key Managerial Person or his relative;
- c. A firm, in which a director, manager or his relative is a partner;
- d. A private company in which a director or manager is a member or director;
- e. A public company in which a director or manager is a director and holds along with his

- relatives, more than 2% of its paid-up share capital;
- f. Any body corporate whose Board of Directors, MD or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager except where such advice, directions or instructions are given in professional capacity;
 - g. Any person on whose advice, directions or instructions a director or manager is accustomed to act except where such advice, directions or instructions are given in professional capacity;
 - h. Any company which is a holding, subsidiary or an associate company of such company; or a subsidiary of a holding company which it is also a subsidiary;
 - i. Director (other than an independent director) or key managerial personnel of the holding company or his relative.
 - j. Any person or entity belonging to the promoter or promoter group of the Company
 - k. Any person or entity holding 20% or more of shareholding in the Company with effect from April 1, 2022 and 10% or more with effect from April 1, 2023, either directly or on a beneficial interest basis as provided under Section 89 of the Act, at any time during the immediate preceding financial year

“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity 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 listed entity or any of its subsidiaries, with effect from April 1, 2023; regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) issue of specified securities on a preferential basis, subject to compliance of the requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s).

Any other term not defined herein shall have the same meaning as defined in the Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder including the Listing Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company or any other applicable laws and regulations.

6. POLICY

6.1 Prior approval of Audit Committee

- 6.1.1 All Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee.
- 6.1.2 Only those members of the audit committee, who are independent directors, shall approve related party transactions.
- 6.1.3 A related party transaction to which the subsidiary of a listed entity is a party but the listed entity 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 annual consolidated turnover, as per the last audited financial statements of the listed entity with effect from April 1, 2022 and exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary with effect from April 1, 2023.
- 6.1.4 For related party transactions of unlisted subsidiaries of a listed subsidiary where the listed subsidiary is a party but the listed entity (the Company) is not a party, prior approval of the audited committee of the listed subsidiary shall be taken provided regulations 23 and 15 (2) of the Listing Regulations are applicable to the listed subsidiary and prior approval of the Audit Committee of the Listed Entity (the Company) is not required.

6.2 Omnibus Approval

Omnibus approval may be obtained from the Audit Committee for certain transactions subject to compliance with the conditions stipulated under the Act read with the Rules framed thereunder and the Listing Regulations including the following:

- The Audit Committee shall lay down the criteria/Policy and Guidelines for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- The omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transactions that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.
- Where the need for Related Party Transaction cannot be foreseen and the 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;

- The 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 approvals given;
- Such omnibus approvals shall be valid for a period not exceeding 1 financial year and shall require fresh approvals after the expiry of such financial year.

7. Board Approval

The Board shall approve RPTs with respect to following transactions, which are not in ordinary course of business and/or not at arm's length:

- 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

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- a. Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the Policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- b. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- c. Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- d. Transactions meeting the materiality thresholds laid down Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

8. Shareholders' Approval

- 8.1 All Material Related Party Transactions and subsequent Material Modifications thereto, whether in ordinary course of business and/or arm's length basis or not, shall require prior approval of the shareholders and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- 8.2 Prior approval of the shareholders of the listed subsidiary shall be taken for a material related party transaction (including subsequent Material Modification thereto) to which the listed subsidiary is a party but the Company is not a party provided regulations 23 and 15 (2) of the

Listing Regulations are applicable to the listed subsidiary and prior approval of the shareholders of the Listed Entity (the Company) is not required.

- 8.3 In addition to the above, all transactions specified under the Act (whether material or not) which (a) are not in the ordinary course of business or are not at arm's length basis; and (b) exceed the thresholds laid down in the Act shall be placed before the shareholders for approval.

9. Related Party transactions where this Policy is not applicable

Clauses 6,7,8 & 9 of this Policy shall not be applicable in the following cases:

- a. Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- b. Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

10. DISCLOSURE AND REPORTING

Appropriate disclosures will be made in the Annual Return, Board's Report and to the Stock Exchanges as required under the Act and the Listing Agreement.