

RDB INFRASTRUCTURE AND POWER LIMITED

(FORMERLY KNOWN AS RDB REALTY & INFRASTRUCTURE LIMITED)

POLICY ON RELATED PARTY TRANSACTIONS

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1. INTRODUCTION

RDB Infrastructure and Power Limited (*Formerly known as RDB Realty & Infrastructure Limited*) (“the Company”) recognizes that transactions with related parties may give rise to potential or actual conflicts of interest and may not always be conducted at arm’s length. Such transactions may also give rise to questions regarding the Company’s governance practices, particularly in terms of fairness, transparency, and compliance with applicable laws.

In compliance with applicable provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Company has formulated this policy on Related Party Transactions (“Policy”) to ensure for proper identification, review, approval and disclosure of such transactions.

This Policy sets out the framework for identifying related parties and Related Party Transactions, determining materiality thresholds, obtaining necessary approvals, and ensuring ongoing compliance with applicable laws and regulations.

2. OBJECTIVE & SCOPE

The primary objective of this Policy is to establish a robust and transparent framework for the identification, review, approval and disclosure of the Related Party Transactions undertaken by the Company, in compliance with applicable legal and regulatory requirements.

Specifically, this Policy aims to define the principles and procedures for identifying related parties and the transactions undertaken with such related parties, determining materiality thresholds and outlining the process and guidelines for entering into, reviewing, approving and disclosing such transactions.

This Policy shall be read in conjunction with, and be subject to, the provisions of the Act, the SEBI Listing

3. DEFINITIONS

Regulations and any other applicable laws, rules, regulations and guidelines.

“**Arm’s Length Transaction**” means a transaction between two related parties that is conducted as if they were unrelated parties, so that there is no conflict of interest;

“**Audit Committee**” means Audit Committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.

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

“**Ordinary course of business**” shall mean the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

“**Relative**” shall have the same meaning as defined under Section 2(77) of the Act and Regulation 2(1)(zd) of the SEBI Listing Regulations.

“**Related Party**” shall have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.

“**Related Party Transaction**” shall have the same meaning as defined under Section 188 of the Act and

Regulation 2(1)(zc) of the SEBI Listing Regulations and shall mean a transaction involving a transfer of resources, services or obligations between:

- a) the Company or any of its subsidiaries on one hand and a related party of 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 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, including but not limited to the following –

- i) sale, purchase or supply of any goods or materials;
- ii) selling or otherwise disposing of, or buying, property of any kind;
- iii) leasing of property of any kind;
- iv) availing or rendering of any services;
- v) appointment of any agent for purchase or sale of goods, materials, services or property;
- vi) appointment to any office or place of profit in the Company, its subsidiary or associate company;
- vii) underwriting the subscription of any securities or derivatives thereof, of the Company.

Provided that the following transactions shall not be considered as Related Party Transactions under this Policy:

- a) The issue of specified securities on a preferential basis, subject to compliance with the provisions of the Securities and Exchange Board of India (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:
 - payment of dividends;
 - subdivision or consolidation of securities;
 - issuance of securities by way of a rights issue or bonus issue; and
 - buy-back of securities.
- c) Retail purchases from the Company or its subsidiary by its Directors or its employees without establishing a business relationship and at the terms which are uniformly applicable or offered to all employees and Directors.

“Material Related Party Transaction” shall mean a transaction to be entered into with Related Parties which individually or taken together with the previous transactions during a financial year exceeds the threshold of:

- Rs. 1,000 crores (Rupees One Thousand Crore) or 10% (ten percent) of the annual consolidated turnover of the Company, as per its last audited financial statements of, whichever is lower; or
- 5% of the annual consolidated turnover of the Company as per its last audited financial statements, in case transaction involving payments made with respect to brand usage or royalty.

“Material Modifications to Related Party Transaction” shall mean any modification made in the value/exposure of any ongoing or proposed Related Party Transactions, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 20% or more or by which the transaction ceases to be in ordinary course and/or on arm’s length basis or such other parameter as may be determined by the Audit Committee from time to time.

“Industry Standards” shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for approval of Related Party Transaction as notified by SEBI vide its circular dated 14th February, 2025.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation, unless the context otherwise require.

4. ADOPTION AND REVIEW POLICY

This Policy has been approved and adopted by the Board of Directors of the Company (“the Board”) upon the recommendation of the Audit Committee, in compliance with Regulation 23(1) of the SEBI Listing Regulations.

The Audit Committee shall periodically review this Policy and recommend any necessary amendments to the Board, ensuring continued alignment with applicable legal and regulatory requirements, evolving best practices in corporate governance, and the Company’s strategic objectives.

The Board of Directors shall review this Policy at least once every 3 (three) years and make appropriate updates as necessary.

Any amendments to this Policy shall become effective only upon approval by the Board of Directors.

5. MANNER OF DEALING WITH RELATED PART TRANSACTIONS

5.1 Identification of Related Party Transactions

The Company classifies Related Party Transactions as defined in Clause 3 of this Policy.

Any employee who becomes aware of a transaction that could potentially qualify as a Related Party Transaction must promptly report the matter to the Company Secretary, who will escalate it to the Audit Committee for further evaluation.

All Directors, members of the Audit and other Committees and Key Managerial Personnel (“KMPs”) are required to disclose their interests, including those of their relatives, in other entities such as Companies, firms, or partnerships at the beginning of each financial year. Any change in such interests during the year must also be communicated without delay.

Additionally, Directors, Committee members and KMPs must inform the Company Secretary in advance of any proposed transaction that may involve them or their relatives, and could be considered a Related Party Transaction. This disclosure must include all relevant details, along with any supplementary information the Audit Committee may require for its assessment.

The Board shall formally record all such declarations and the Audit Committee will evaluate whether the proposed transaction is in the ordinary course of business and conducted on an arm’s length basis.

To ensure timely review, such disclosures should be made well in advance to allow the Company

Secretary sufficient time to gather and assess the necessary information before placing the matter before the Audit Committee.

5.2 Determination of Ordinary Course of Business and Arm's Length Basis

The Company shall evaluate whether the identified Related Party Transactions are in the ordinary course of business and undertaken on an arm's length basis.

In making this determination, the Company may consider a range of factors such as industry practices, commercial substance, relevant benchmarks, and pricing methodologies. Where necessary, the Company may also obtain external expert opinions or third-party valuation reports to validate whether the transaction meets the above criteria.

5.3 Classification and Categorization of Related Party Transactions:

Upon identification, each Related Party Transaction shall be classified into one of the following categories, based on prevailing industry standards and applicable regulatory guidelines:

a) **Material Related Party Transactions (MRPTs):**

Transactions that meet or exceed the materiality thresholds defined under Clause 3 of this Policy.

b) **Other RPTs involving Promoter / Promoter Group:**

Transactions that, while not classified as material in terms of value, involve the Company's Promoter or Promoter group or any person or entity in which such Promoter or Promoter group has a direct or indirect concern or substantial interest and exceeds any of the following threshold:

- i) 2% of turnover, as per the last audited consolidated financial statements of the Company;
- ii) 2% of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
- iii) 5% of the average of absolute value of profit or loss after tax, as per the last 3 (three) audited consolidated financial statements of the Company.

Explanation: Promoter or promoter group shall be deemed to be concerned or interested in any person, if they in any way, whether directly or indirectly—

- i) where the person is a body corporate, holds more than 2% shareholding or voting rights of that body corporate, or is a promoter, managing director, manager, Chief Executive Officer of that body corporate; or
- ii) where the person is a firm or other entity, the promoter(s) or the promoter group is a partner, owner or member, as the case may be.

c) **Residual Related Party Transactions:**

All other Related Party Transactions not falling under sub-clauses (a) or (b), including those with associates, joint ventures, subsidiaries, or entities in which Directors or KMPs may have a financial or personal interest.

The Management shall place a comprehensive summary of all identified and categorized RPTs, along with the relevant supporting documents and justifications, before the Audit Committee for its review and necessary approval, as per the governance mechanism outlined in this Policy.

6. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS

6.1 APPROVAL OF THE AUDIT COMMITTEE:

- a) All the Related Party Transactions and/or subsequent material modifications thereof, shall be require approval of the Audit Committee in the manner specified under the SEBI Listing Regulations.

Provided that only those members of the Audit Committee, who are independent directors, shall approve related party transactions.

- b) The minimum information shall be provided to the Audit Committee for its review and approval of Related Party Transactions that falls under clause 5.3(a) or 5.3(b) of this Policy in accordance with Industry Standards.
- c) All Related Party Transaction to which the subsidiary 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 10% (ten per cent) of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- d) Audit committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions:
- i) The following criteria for granting omnibus approvals are fulfilled:
 - The transactions qualify to be in the “ordinary course of business” as defined above and satisfy “arm’s length price” condition; and
 - The transactions are repetitive in nature.
 - ii) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
 - iii) The omnibus approval shall specify:
 - Name(s) of the related party;
 - Nature of transaction;
 - Period of transaction;
 - Maximum amount of transactions that shall be entered into;
 - Indicative base price / current contracted price and the formula for variation in the price if any; and
 - such other conditions as the Audit Committee may deem fit.
 - iv) 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 (Rupees One Crore) per transaction.
 - v) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.

- vi) The omnibus approval granted shall be valid for a period not exceeding 1 (one) year and shall require fresh approvals after the expiry of 1 (one) year.
- e) In the event that a Related Party Transaction is undertaken without prior approval from the Audit Committee, such transaction shall not automatically be considered a breach of this Policy, nor shall it be regarded as invalid or unenforceable, provided that it is promptly disclosed to the Audit Committee and subsequently ratified within three months from the date of the transaction or in the immediate next meeting of the Audit Committee whichever is earlier, subject to the following conditions:
 - i) Value of the ratified transactions with a related party, whether entered into individually or taken together, during a financial year shall not exceed Rs. 1 Crore (Rupees One Crore);
 - ii) Transaction is not material as defined in Clause 3 of this Policy.
 - iii) Rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
 - iv) Any other condition as specified by the Audit Committee.

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any Director, or is authorised by any other Director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

- f) Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction.

All Related Party Transaction which is not in the ordinary course of business or not at arm's length basis, shall be referred to the Board of Directors for their approval.

6.2 APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY:

- a) The following Related Party Transactions shall, subsequent to Audit Committee approval, also be submitted to the Board of Directors for their consideration and approval:
 - i) Transactions that are not in the ordinary course of business;
 - ii) Transactions that are not at arm's length basis;
 - iii) Material Related Party Transactions, as defined in Clause 3 of this Policy.
 - iv) Transactions that are in the ordinary course of business and on arm's length basis, but which the Audit Committee consider appropriate to refer to the Board for approval, based on the nature, value or other relevant factors.
- b) While seeking approval of the Board of Directors, the following information and documents, to the extent applicable, shall be placed before the Board for its review and consideration:
 - i) Name of the related party and nature of the relationship;
 - ii) Nature, duration and particulars of the transaction;

- iii) Transaction value and manner of determining the pricing, including any supporting valuation or benchmarking reports, if applicable;
 - iv) The business rationale and benefits of the transaction to the Company;
 - v) Justification for entering into the transaction, especially where it is not in the ordinary course of business or not conducted on an arm's length basis;
 - vi) Details of any potential conflict of interest and whether any Director or Key Managerial Personnel is interested in the transaction;
 - vii) Recommendations or observations of the Audit Committee, if any;
 - viii) Any other relevant information necessary for informed decision-making.
- c) Any Director who is directly or indirectly concerned or interested in any Related Party Transaction shall not participate in the discussion or vote on the resolution pertaining to such transaction at the Board meeting.

6.3 APPROVAL OF THE SHAREHOLDERS OF THE COMPANY:

- a) The following Related Party Transactions shall, subsequent to Board of Directors approval, also be placed before the shareholders for their consideration and approval:
 - i) All Material Related Party Transaction and subsequent material modifications thereof, as defined in Clause 3 of this Policy;
 - i) Transactions that are not in the ordinary course of business;
 - ii) Transactions that are not at arm's length basis;
 - iii) Transactions that exceeds certain thresholds prescribed under the Act and/or the SEBI Listing Regulations, as applicable.
- b) The explanatory statement contained in the notice sent to the shareholders for seeking their approval for Related Party Transactions shall include the minimum information as provided under Industry Standards. This is to ensure that shareholders are adequately informed to assess whether the terms and conditions of the proposed RPT are in the best interests of the Company.
- c) No member of the Company who is a Related Party shall vote on such resolutions, irrespective of whether the member is a party to the particular transaction being approved.

7. DISCLOSURES

1. The Company shall maintain a register of Related Party Transactions in accordance with Section 189 of the Companies Act, 2013, wherein particulars of all Related Party Transactions shall be duly recorded;
2. Transactions covered under Section 188(1) of the Act, which are either not in the ordinary course of business or not conducted on an arm's length basis, along with the justification for entering into such transactions, shall be disclosed in the Annual Report.
3. The Company shall place all the information, as specified in Industry Standards read with the provisions

of SEBI Listing Regulations, the Act, as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable.

4. Details of ratification of Related Party Transactions shall be disclosed along with other disclosures relating to such transactions.
5. Remuneration and sitting fees paid by the Company or its subsidiaries to directors, key managerial personnel, or senior management, excluding those belonging to the promoter or promoter group, shall not require disclosure under this sub-regulation, provided such payments are not material as defined under sub-regulation (1).

8. LIMITATION

In the event of any conflict between the provisions of this Policy and of the Act or the Listing Regulations or any other legal requirement ("Applicable Law"), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.