



Related Party Transaction Policy

{Pursuant to Regulation 23 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015}

AJMERA REALTY & INFRA INDIA LIMITED

*Regd. Office: - "CITI MALL, 2ND FLOOR, NEW LINK ROAD, ANDHERI (WEST),
MUMBAI-400053"*



Related Party Transaction Policy

1. Introduction

The Board of Directors (the "Board") of AJMERA REALTY & INFRA INDIA 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 applicable laws and regulations applicable on the Company.

This policy is framed as per requirement of Regulation 23(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

2. Definitions:-

In this Policy, unless the context otherwise requires,-

- a. "**Audit Committee or Committee**" means Committee of Board of Directors of the Company constituted under provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Companies Act, 2013.
- b. "**Board**" means Board of Directors of the Company.
- c. "**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.
- d. "**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 a target company shall not be considered to be in control over such target company, merely by virtue of holding such position;
- c. **"Key Managerial Personnel"** means key managerial personnel as defined under the Companies Act, 2013 and includes :
- (i) Chief Executive Officer or the managing director or the manager;
 - (ii) Company Secretary;
 - (iii) Whole-time director;
 - (iv) Chief Financial Officer;
 - (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) Such other officer as may be prescribed by the provisions of Companies Act, 2013 from time to time.
- d. **"Material Related Party Transaction"** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, **exceeds ten percent of the annual consolidated turnover of the Company** as per the last audited financial statements of the company or any other limit as may be prescribed in the Companies Act,2013 and SEBI (Listing and Obligations Disclosures)Regulations ,2015 as may be amended from time to time.
- Notwithstanding the above, a 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, exceed two percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.
- e. **"Policy"** means Related Party Transaction Policy as originally framed or as altered from time to time.
- f. **"Related Party"** Under Regulation 2(zb) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and for the purpose of this policy an



entity shall be considered as related if:

- a) Such entity is a related party under Section 2(76) of Companies Act, 2013
 - b) Such entity is a related party under the applicable accounting standards.
- As per Section 2(76) of Companies Act 2013 related party with reference to a company, means:

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director and manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) any body corporate which is—
 - a) a holding, subsidiary or an associate company of such company;
 - b) a subsidiary of a holding company to which it is also a subsidiary; or
 - c) an investing company or the venturer of the company;"

Explanation.—For the purpose of this clause, “the investing company or the venture of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- (ix) a director other than an independent director or key managerial personnel of the company or his relative with reference to a company, shall be deemed to be a related party.

Provided that any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company shall be deemed to be related party.



g. **"Relative"** means relative as defined under the Section 2(77) of Companies Act, 2013 and includes anyone who is related to another, if -

- a) They are members of a Hindu undivided family;
- b) They are husband and wife; or
- c) Father (including step-father)
- d) Mother (including step-mother)
- e) Son (including step-son)
- f) Son's wife
- g) Daughter
- h) Daughter's husband
- i) Brother (including step-brother)
- j) Sister (including step-sister)

h. **"Related Party Transaction"** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and a transaction with related party shall be construed to include a single transaction or a group of transaction in a contract.

Provided the above definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

3. Policy

All Related Party Transactions needs to get prior approval of the Audit Committee for its compliance with the policy.

3.1 Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.



The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

3.2 Prohibitions related to Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee except those transactions exempted by the Committee through omnibus specific approval. Further, all Material Related Party Transactions shall require approval of the shareholders through ordinary resolution and the Related Parties shall abstain from voting on such resolutions.

Exemption as per Regulation 23(5) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and also as provided in this policy is that:

Prior approval by Audit Committee or by omnibus approval or in case of material related party transaction, approval by shareholders will not be required in following situation:

When the transactions are entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and such accounts are placed before the shareholders at the general meeting for approval.

3.3 Review and Approval of Related Party Transactions

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will abstain himself or herself from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.



In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.



Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- i. 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.
- ii. 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.

3.4 Omnibus Approval for Related Party Transaction:

Audit Committee may grant omnibus approval for related party transaction proposed to be entered into by the company subject to following conditions:

- (a) the audit committee shall lay down the criteria for granting the 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;
- (b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the company;
- (c) the omnibus approval shall specify:
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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:
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 rupees one crore per transaction.
- (d) 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.



(e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

4. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

Approved:

Version -2 of 2019
Version-Approved by the Board of Directors
Version approved on : 4th February, 2019
Last Modified : 4th February, 2019
Effective Date: 4th February, 2019
Next Review: Annually/After three years



Sd/-	Sd/-	Sd/-
Mr.Rajnikant S.Ajmera Chairman & Managing Director	Mr.Manoj I.Ajmera Managing Director	Mr.Sanjay C.Ajmera Whole time Director
Sd/-	Sd/-	Sd/-
Mr. Ambalal C. Patel Independent Director	Mr. K. G. Krishnamurthy Additional Independent Director	Mrs. Aarti Ramani Independent Director