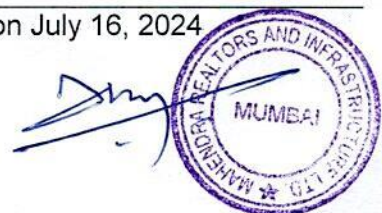


MAHENDRA REALTORS & INFRASTRUCTURE LIMITED
(Formerly Known as Mahendra Realtors and Infrastructure Private Limited).

RELATED PARTY TRANSACTIONS POLICY*

*(As approved by the Board of Directors in their Board Meeting held on July 16, 2024



1. Introduction

The Companies Act, 2013 ("Companies Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules") introduced specific provisions relating to Related Party Transaction and defined the terms – Related Parties, Material Related Party Transactions, Relatives and Key Management Personnel. The Companies Act and the Rules have also laid down the financial limits and the approval process for such transactions.

In addition, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the objective to make the corporate governance framework more effective, necessitates all the listed companies to formulate a policy on the materiality of Related Party Transaction and also a policy on dealing with Related Party Transactions including clear threshold limits duly approved by the Board of Directors.

Accordingly, the Board of Directors (the "Board") of Mahendra Realtors & Infrastructure Limited (formerly known as Mahendra Realtors & Infrastructure Private Limited) (the "Company" or "MRIL"), have adopted a policy and standard operating procedures to regulate transactions between the Company, its subsidiaries, and Related Party (ies).

2. Applicability

This Policy applies to the transaction(s) between the Company, its subsidiaries and one or more of their Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

Transactions covered by this Policy include any contract or arrangement with a Related Party with respect to transactions defined hereunder as "Related Party Transaction".

3. Scope and Purpose

This Policy is intended to ensure the proper approval and reporting of transactions, as applicable, between the Company and any of its Related Party in the best interest of the Company and its Stakeholders.

Provisions of this Policy are designed to govern the transparency of approval process and disclosure requirements to ensure fairness in the conduct of Related Party Transaction, in terms of the applicable laws. This Policy shall supplement the Company's other policies in force that may be applicable to or involve transaction with Related Party (ies). Further, the Board may amend this Policy from time to time as maybe required.

The Audit Committee formed by the Board ("Audit Committee"), shall review, approve and ratify Related Party Transaction(s) based on this Policy in terms of the requirements under the above provisions.

4. Definitions

"Arm's Length Transaction" means a transaction between two Related Parties that is conducted as if they are unrelated so that there is no conflict of interest.

"Audit Committee or Committee" means Committee of Board of Directors of the Company constituted under the provisions of Listing Regulations and Companies Act.



“Board” means the Board of Directors of Mahendra Realtors & Infrastructure Limited, as constituted from time to time.

“Company” means Mahendra Realtors & Infrastructure Limited.

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

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act and SEBI Regulations

- i. Managing Director or Chief Executive Officer or Manager;
- ii. Whole-Time Director;
- iii. Company Secretary;
- 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;

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

“The Act” means the Companies Act, 2013, along with the Rules framed thereunder including any statutory modifications or re-enactments thereof for the time being in force (hereinafter referred to as “Act”).

“Ordinary course of Business” means a transaction which is: -

- i. 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;
- ii. Historical practice with a pattern of frequency; or
- iii. Common commercial practice; or
- iv. Meets any other parameters/criteria as may be decided by the Board of Directors or the Audit Committee.

“Material Related Party Transaction” means a transaction with a Related Party shall be considered material if

- a. The transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 crores (Rupees One Thousand crores) or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
- b. In case of transactions involving payments made with respect to brand usage or royalty, if the transaction(s) to be entered into individually or taken together with previous transactions exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements or such other threshold limits as may be laid down from time to time as per law.



“Material Modification” shall mean an amendment to the terms of a transaction/agreement/commitment with/to a Related Party, the effect of which will be an increase over the approved limit for a transaction, by an amount more than Rs.10 (Ten) Crores in a financial year or 20% (Twenty percent) of the approved limit, whichever is higher.

“Policy” means this Related Party Transaction Policy.

“Related Party/Related Parties” with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act read with Regulation 2(1)(zb) of the Listing Regulations as amended from time to time.

“Related Party Transaction” means

- For the purpose of the Companies Act, specified transaction(s) mentioned in clause (a) to (g) of sub-section 1 of Section 188 as amended from time to time;

For the purpose of Listing Regulations, as defined under Regulation 2(1) (zc) of the Listing Regulation, as amended from time to time.

“Relative” means relative as defined under the Companies Act, as amended from time to time.

“Responsible Person” means Company Secretary and Chief Financial Officer of the Company or Director or any other person authorized by the Board

5. Policy

5.1 Identification of Related Party

- i. The Company shall identify related parties as per the Act and Listing Regulations;
- ii. The Company shall obtain a list of related parties of its Subsidiary Company, if any as defined under the Act and Listing Regulations;
- iii. It is required to verify the list of related parties periodically and review at regular intervals in accordance with the Act, 2013 and Listing Regulations.

5.2 Identification of Related Party Transactions:

The Company will identify the Related Party Transaction(s) in terms of the Act and Listing Regulations and take approval from the Audit Committee, Board of Directors, and shareholders, as may be required.

All RPTs, whether material or not, and whether or not they are in the ordinary course of business and whether or not at an arm's length basis, will however require prior approval of the Audit Committee. However, if the RPTs are not in the ordinary course of business and not on an arm's length basis, apart from the approval of the Audit Committee that is required to be obtained under the Listing Regulations and also in terms of Section 177 (4) (iv) of the Act, it will also be required to be approved by the Board of the Company in terms of Section 188 of the Act based on the recommendations of the Audit Committee. Further, it will also require the approval of shareholders, if the RPT exceeds the threshold limits as provided in the Act, with the concerned related/interested party abstaining from voting.



Regulation 23 of SEBI Listing Regulations states as follows:

- (1) The listed entity shall formulate a policy on materiality which shall be reviewed by the Board of Directors at least once every three years and updated accordingly.
- (2) All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee of the listed entity provided that only those members of the Audit Committee, who are independent directors, shall approve related party transactions.
- (3) The Company may obtain omnibus approval from the Audit Committee for such transactions.
- (4) All material related party transactions and subsequent material modifications as defined by the Audit Committee under sub-regulation (2) above, shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of the shareholders of a listed entity shall not be required for related party transactions in which the listed subsidiary is a party but the listed entity is not a party;

The provisions of sub-regulations (2), (3) and (4) shall not, inter alia, be applicable to:

- (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

The Responsible Person shall at all times maintain a database of the Company's Related Parties containing the names of individuals and companies/entities, identified based on the definition set forth in the Definition Clause above, along with their personnel/Company details including any revisions therein.

The Related Party List shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April of every year.

The responsible person shall collate the information, coordinate, and send the Related Party List to the concerned employees which may include the Executive Chairperson, Managing Director, Chief Executive Officer, Business Heads, Branch Heads, the Finance & Accounts Department, and Statutory Auditors and who he/she believes might be in the position to conduct or know of the possible conduct of Related Party Transaction(s).

Functional departmental heads shall submit to the Responsible Person the details of the proposed transaction with details/draft contract/draft agreement or other supporting documents justifying that the transactions are on an arms' length basis in an ordinary course of business at the prevailing market rate. Based on this note, Company Secretary or such other person as may be authorized for the purpose, will appropriately take it up for necessary



prior approvals from the Audit Committee at its next meeting and convey back the decision to the respective head/ originator. The illustrative list of records and supporting documents is given separately in this Policy in clause 6.2.

For the purpose of implementing the provisions under this Policy, the Board and Audit Committee shall receive timely, full, and sufficient information about the transactions covered under this Policy.

In determining, whether to approve a Related Party Transaction or not, the Board will take into account, among other factors, the recommendations of the Audit Committee including prior approvals wherever required, whether the Related Party Transaction is in the interest of the Company and its stakeholders and there is no actual or potential conflict of interests between the Related Parties.

5.3 Review and approvals of Related Party Transactions

I. Audit Committee

- a) Every Related Party Transaction and subsequent Material Modification shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act and Rules made thereunder read with the mandatorily applicable Secretarial Standards.

Provided that the transactions entered into by the Company with its wholly owned subsidiary (ies), if any whose accounts are consolidated with the Company and placed before the Shareholders at the General Meeting for approval shall not require prior approval of the Audit Committee.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature and subject to compliance with the conditions contained in Listing Regulations and Companies Act and Rules made thereunder, as amended from time to time.

i. Criteria for Omnibus Approval:

- The transaction is / shall be frequent/regular/repetitive in nature.
- The transaction is / shall be in the ordinary course of business and at arm's length.
- Such other criteria as may be laid down by the Audit Committee.
- Such approval shall remain valid for a period not exceeding one (1) year, during which period the commercial terms of approved RPTs may change, provided that, arm's length criterion shall be ensured at the time of each such change.
- The Company shall provide all necessary information as may be provided in the Listing Regulations and/or Companies Act for review of the Audit Committee for approval of a proposed Related Party Transaction for Omnibus Approval.

- ii. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transaction(s) entered into by the Company pursuant to the omnibus approvals given for such transactions.

- iii. The Committee shall also satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company.



- iv. All other transactions would require approval.
- v. If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction to the Audit Committee for its prior approval.
- b) The Audit Committee shall also review the statement of significant Related Party Transaction(s) submitted by management as per its terms of reference.
- c) Any member of the Committee who has a potential interest in any Related Party Transaction shall not participate at the meeting wherein such Related Party Transaction is considered. Further, only those Members of the Audit Committee who are Independent Directors shall approve Related Party Transaction(s).
- d) As mentioned in Regulation 23 (2) of SEBI (LODR) Regulations, 2015 with effect from April 1, 2023, 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 listed entity 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 standalone turnover, as per the last audited financial statements of the subsidiary;
- e) To review a Related Party Transaction, the Audit Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions.
- f) The Audit Committee shall recommend the Related Party Transaction(s) for approval of Board of Directors / Shareholders as per terms of this Policy.

II. Approval of the Board and the Shareholders

The Board shall approve such Related Party Transaction(s) as are required to be approved under Companies Act and / or Listing Regulations and / or transactions referred to it by the Audit Committee.

1. In addition to the above, the following kinds of transactions with related parties shall also be placed before the Board for its approval:
 - a) 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.
 - b) Transactions which are in the ordinary course of business and on an arm's length basis, but which in Audit Committee's view, requires Board approval.
 - c) Material Related Party Transactions and subsequent material modifications as well as Related Party Transactions requiring shareholder's approval under Section 188 of the Companies Act and Rules made thereunder, which are intended to be placed before the Shareholders for approval.



Where any director is interested in any Related Party Transaction, such director shall not participate at the Meeting wherein Related Party Transaction is considered.

Further, all such Related Party Transaction(s) and subsequent Material Modifications exceeding the threshold limits prescribed in the Companies Act shall also require prior approval of Shareholders of the Company and Related Party/ies shall abstain from voting on such resolution.

2. In compliance with Listing Regulations, Material Related Party Transactions and subsequent Material Modifications shall require approval of Shareholders and the Related Party/ies shall abstain from voting on such resolution.

Provided that the Material Related Transactions and subsequent Material Modifications 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.

In case the Shareholders decide not to approve a Related Party Transaction, the Board/ Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescinding of the transaction, or suggest such modifications to the transaction with a view to place it again before the Shareholders for a fresh consideration.

5.4 Rules for transactions with Related Parties which are in Ordinary Course of Business/ on arm's length except Specific Transactions

Transactions with Related Parties which are in the Ordinary Course of Business of the Company and at arm's length shall be periodically disclosed to the Audit Committee/Board.

The Company shall ensure that details of such transactions are brought to the notice of the Executive Chairperson, Managing Director and / or any other person so authorized and discussed with the Board at the next following meeting, as may be required.

Transactions being entered into with the Related Parties even though being in the ordinary course of business of the Company shall satisfy the criteria of arm's length pricing. It shall be the responsibility of the Responsible Person to ensure that requisite evidence and documentation are made available to the Auditors/Audit Committee/Board, as may be required by them, to demonstrate that the transactions are in sum and substance conducted on arm's length basis.

5.5 Related Party Transactions not previously approved

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 Audit Committee. The Audit 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.



Where any contract or arrangement is entered into by a Director or any other employee of the Company with a Related Party, without obtaining the consent of the Board or approval by a resolution in the general meeting, where required and if it is not ratified by the Board or, as the case may be, by the Shareholders at a meeting within three (3) months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a Related Party to any director, or is authorized by any other director, the director concerned shall indemnify the Company against any loss incurred by it.

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

The Company may proceed against a Director or any other employee who had entered into such contract or arrangement in contravention of this Policy for recovery of any damages caused by any loss sustained by it as a result of such contract or arrangement and shall take any such action, it deems appropriate.

6. Disclosures

6.1 Registers

The Company shall keep and maintain a register, maintained physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this Policy applies, and such register is placed/taken note of before the Meeting of the Board.

Every Director or key managerial personnel shall, within a period of thirty (30) days of his/her appointment, relinquishment of his/her office in other companies or change in the disclosures already made as the case may be, disclose to the Company the particulars relating to his/her concern or interest in the other associations which are required to be included in the register maintained from the date on which such request is made upon the payment of such fee as maybe specified in the articles of the Company but not exceeding Rs. 10 (Rupees ten) per page.

The register to be kept under this section shall also be produced at the commencement of every annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

The register shall be preserved for such period which is required as per Companies Act, 2013, applicable regulations, and Company archival policy and shall be kept in the custody of the Company Secretary / Chief Financial Officer of the Company or any other person authorized by the Board for the purpose.



6.2 Records relating to Related Party/ Supporting documents

Illustrative list of supporting documents:

a) Rent/Retail Agency Agreement

- (i) Copy of draft agreement.
- (ii) Quotation from a property dealer/ advisor in the area in which the property is located or a nearby area.
- (iii) Rate of commission on net sales and if it is not as per the standard prescribed rate of commission, justification thereof.
- (iv) If quoted prices are substantially lower / higher than existing, to seek additional quotation(s).
- (v) Expected business from the store and rent as a percentage of expected netsales to ensure it is within acceptable norms.

b) Purchase/ sale of property

- (i) Valuation reports from independent valuers to ascertain Fair Market Value.
- (ii) Draft copy of agreement to sell/Draft of proposed sale deed.
- (iii) Brief terms and conditions and justification of such transaction.

c) Purchase/sale of material, goods, etc.

- (i) Copy of agreements/purchase orders/correspondence exchanged/letters of exchange/bills/ invoices etc.
- (ii) Invoices/ bills of similar transactions on the same date or nearby date with unrelated parties from the seller.
- (iii) Quotation from an unrelated material supplier or service provider, wherever practicable.

d) Availing/ Rendering Services

- (i) Copy of Agreement/ MOU/ Correspondence etc.
- (ii) Supporting documents justifying the transaction on arms' length basis.

e) Loans/ Advances given or taken

- (i) Compliance of Sections 185, 186, and other applicable provisions of the Companies Act.
- (ii) Agreements
- (iii) Statutory approvals, wherever required.
- (iv) Rate of Interest and justification for the same considering the nearest prevailing G-SEC rate for the term of the loans/advances (wherever applicable).

f) Subscription to shares/debentures/securities

- (i) Valuation Report or documents justifying that subscription is done/received at a rate on which placement has been made/ shall be made to an unrelated party.
- (ii) Subject to such applicable rules and regulations under the Companies Act and / or SEBI rules and regulations.



g) Guarantees /Securities

- (i) Compliance of Sections 185, 186, and other applicable provisions of the Companies Act and Rules there under.
- (ii) Agreements.
- (iii) Other documents justifying the same clearly identifying the need and / or benefits to the Company or its subsidiaries.

h) Other transactions

- (i) Agreements or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate.

6.3 Disclosures

1. Details of all Material Related Party Transaction(s) with Related Parties shall be disclosed quarterly along with the compliance report on corporate governance.
2. The Company shall disclose the contract or arrangements entered into with the Related Party in the Board Report to the Shareholders along with the justification for entering into such contract or arrangement.
3. The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.
4. Disclosures with respect to Related Party Transactions shall be made as per applicable provisions of the Companies Act and/or Listing Regulations.
5. The Company shall provide any other disclosure as may be required from time to time.

7. Policy Review and Amendments

The Policy shall be reviewed once in every three (3) years as required under the Listing Regulations. The Board of Directors reserves the power to review and amend this policy from time to time based on need and emerging requirements for the smooth conduct of business as also considering any recommendation on this matter from the Audit Committee. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act, including the Rules promulgated thereunder and Listing Regulations, and must be approved in the manner prescribed or as may be decided by the Board of Directors.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. A note in relation to such changes shall be placed in subsequent meeting of the Board and the Audit Committee

