

## THAKKERS DEVELOPERS LTD

### RELATED PARTY TRANSACTION POLICY

#### Preamble

The Board of Directors (the "Board") of THAKKERS DEVELOPERS Ltd (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 will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

#### **Purpose**

This policy is framed as per requirement of the Listing Agreement entered by the Company with the BSE LTD 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. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

#### **Definition**

For the purposes of this policy, the following definitions apply:

##### **"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.

**"Related Party Transaction (RPT)"** is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged including without limitation -

1. Sale / purchase of goods;
2. Availing or rendering of services;
3. Buying / selling / leasing of property;
4. Appointment of agent for purchase or sale of goods, materials, services or property;
5. Appointment to any office or place of profit in the company, its subsidiary company or associate company; and
6. Remuneration for underwriting the subscription of any securities or derivatives thereof of the company.

##### **"Relatives of Directors / Key Managerial Persons":**

1. Members of same Hindu Undivided Family;
2. Spouse;
3. Father ("Father" includes step-father);
4. Mother ("Mother" includes the step-mother);
5. Son ("Son" includes the step-son);
6. Son's wife;
7. Daughter;
8. Daughter's husband;
9. Brother ("Brother" includes the step-brother); and
10. Sister ("Sister" includes the step-sister).

**"Related Party":** means

1. A director or his relative; Any firm in which any such director or his relative is a partner;
2. Any private company of which any such director or manager is a director or member;
3. Any body corporate at a general meeting of which not less than 25% of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; Any body corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company;
4. A Public Company in which Director or Manager is a Director and holds along with his relatives, more than 2% of its paid-up share capital;
5. Any company which is holding, subsidiary or an associate company of such company; subsidiary of a holding company to which it is also a subsidiary.
6. A Director or Key Managerial Personnel of holding company or his relatives with reference to a company shall be deemed to be a related party; and
7. An entity which is Related Party under the applicable Accounting Standards.

## **Policy**

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

## **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.

## **Prohibitions related to Related Party Transactions**

All Related Party Transactions shall require prior approval of Audit Committee. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

## **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 recuses himself or herself and abstain 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:

1. 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;
2. 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;
3. Whether the Related Party Transaction would affect the independence of an

independent director;

4. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
5. 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
6. 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:

1. 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.
2. 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.

### **Administration**

Board is responsible for the administration, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed. Implementing guidelines and procedures in support of this policy may be prepared and approved by Board.

### **Approval**

This policy shall be approved by the Board upon recommendation Board and the Audit Committee.