

ADHBHUT INFRASTRUCTURE LIMITED

RELATED-PARTY TRANSACTION POLICY

*(This Policy is adopted by Board of Directors in the Board Meeting held on
30.05.2022)*

PREAMBLE

The Board of Directors (the “Board”) of **ADHBHUT INFRASTRUCTURE 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 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.

1. PURPOSE

- a. This policy on Related Party Transactions (hereinafter referred to as “RPT Policy” or “Policy”) of Adhbhut Infrastructure Limited (“the Company”) is framed considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“the Act”) read with the Rules framed there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“LISTING REGULATIONS”) including SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulation 2021. The Company has formulated the RPT policy and guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.
- b. Also, Regulation 23(1) of the Listing Regulations requires a company to formulate a policy on materiality of Related Party Transactions (“RPTs”) and dealing with RPTs. Regulation 23(2) of the Listing Regulations also requires defining material modifications of RPTs and disclose it as part of the RPT policy.
- c. This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee of Directors (Audit Committee) of the Company. Going forward, the Audit Committee would review and amend the RPT Policy, as and when required, subject to the approval of the Board. In addition to the above, this Policy shall be reviewed by the Board of Directors at least once in three years.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the manner of dealing with the transactions between the Company and its related parties; (b) the materiality thresholds for RPTs, based on the Act, SEBI LODR and any other statute as may be applicable to the Company; and (c) lay down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders.

3. DEFINITIONS

All terms used in this Policy will have the meanings as assigned to them under the Act and the Rules made thereunder, SEBI Listing Regulations Applicable Accounting Standards, as amended from time to time.

4. MATERIALITY THRESHOLDS

A. AS PER SEBI LISTING REGULATIONS:

If the transaction / transactions to be entered into individually or taken together with previous transactions to be entered individually or to be taken together with previous transactions during a financial year, **exceeds rupees 1000 Crore or 10% of the Annual Consolidated Turnover** of the Company as per the last Audited Financial Statements, whichever is lower.

Notwithstanding anything contain above a transaction involving payment made to a related party with respect to brand usage or royalty shall be considered material if transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed **5% of Annual Consolidated Turnover** of the Company as per the last Audited Financial Statements.

B. AS PER COMPANIES ACT, 2013

I. Contracts or arrangements with respect to-

- a. sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;
- b. selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;
- c. leasing of property any kind amounting to ten per cent or more of the turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188;
- d. availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

II. Appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1) of section 188.

III. Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of section 188

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS AND MATERIALITY THRESHOLDS

Approval of the Audit Committee:

- (a) Prior approval of the Audit Committee is required for:

- All RPTs, and subsequent material modifications to the transaction with Related Parties as per the provisions of Companies Act, read with the Listing Regulations.
- A RPT to which the subsidiary of a Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover, as per the last audited financial statements of the Company.
- With effect from April 1, 2023, an RPT to which the subsidiary of a Company is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary company.
- With effect from April 1, 2023, 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.

Note: 'Material Modification' in any approved Related Party Transaction shall mean any deviation of 25% or more in any of the condition of the Related Party Transactions which have been pre-approved by the Audit Committee of the Company.

(b) Prior approval of the Audit Committee shall not be required for:

- RPTs, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI LODR are applicable to such listed subsidiary.
- RPTs of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the Audit Committee of the listed subsidiary is obtained.
- RPT or subsequent material modifications of RPT (other than those RPT stipulated under Section 188 of the Act) entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- RPT entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Note: Provided that only those members of the Audit Committee, who are Independent Directors, shall approve such Related Party Transactions. Further, any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the related party transaction(s).

(a) The Audit Committee shall lay down the criteria/Framework 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 (either in the past or in the future);

The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -

- Repetitiveness of the transactions (in past or in future);
- Justification for the need of omnibus approval;
- Satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company

The proposal for Omnibus Approval placed before the Audit Committee shall include the following information:

- Name of the related parties;
- Nature and duration of the transactions;
- The Period of Transaction;
- Maximum amount of transaction that can be entered into;
- The indicative base price or current contracted price and the formula for variation in the price, if any; and
- Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

In case the need for related party transaction cannot be foreseen and the aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

Omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of such one year.

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

A Memorandum on quarterly basis shall be placed before the Audit Committee for review of each omnibus approval granted by the Audit Committee.

Approval of the Board of Directors:

Except with the consent of the Board of Directors given by a resolution at a meeting of the Board, the Company shall not enter into any contract or arrangement with a related party with respect to-

- 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

Provided that nothing of the above shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

Explanation —

The expression “**office or place of profit**” means any office or place—

- 1) Where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- 2) Where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

The expression “**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.

Approval of Shareholders

Except with the permission of the Company by a Special/Ordinary Resolution, as may be specified from time to time under Companies Act, 2013 or SEBI Listing Regulations, the Company shall not enter into a Material Related Party transaction as given above and make any subsequent “material modification” as defined above in the existing related party transaction which was approved by the shareholders.

All the related party shall not vote to approve the relevant transaction irrespective of whether entity is a party to the particular transaction or not.

Following Information shall be provided to shareholders for consideration of agenda on Related Party Transactions as under:

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- a) A summary of the information provided by the management of the Company to the Audit Committee;
- b) Justification for why the proposed transaction is in the interest of the Company;
- c) A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- d) Any other information that may be relevant.

Exemption:

Approval of Board and Shareholder's, will not be applicable in the following cases:

- Transactions entered into between 2 Government Companies.
- 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.

Approval of Audit Committee will not be required in in the following case:

- Transactions between a Holding Company and its Wholly Owned Subsidiary.

6. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

- A. Each Director and Key Managerial Personnel shall be responsible for giving notice to the Company about any potential RPTs, where he/she may be interested.
- B. In case of any potential RPTs which is being proposed to be entered (including any proposed modifications) by the Company with its Subsidiaries / Associated/ Joint Ventures, the Head of the Subsidiaries and Associates Department shall be responsible to intimate details of such potential RPTs for seeking approval of the Audit Committee of Directors.

7. REVIEW OF THE POLICY

This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to change in applicable law or at least once in every three years and updated accordingly based on the recommendations of the Audit Committee.

DISCLOSURE REQUIREMENTS

A. Disclosure by Board of Directors, KMP and Senior Management

- Every Director shall at the first Meeting of the Board in which he participates as a Director and thereafter at the first Meeting of the Board in every Financial Year or whenever there is any change in the disclosures already made, then at the first Board Meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding.
- Every KMP shall disclose to the Board of Directors, whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting IFCI.
- Every Member of Senior Management shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

Explanation - For the purpose of above:

“Conflict of Interest” relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.

“Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the executive directors, including all functional heads.

B. Disclosure in Corporate Governance Report

Details of all Material Transactions with Related Parties shall be disclosed quarterly along with the compliance report on Corporate Governance to be submitted to the Stock Exchanges where the securities of the Company are listed.

C. Disclosure on Website of the Company

The Company shall disclose the Policy on dealing with Related Party Transactions on its website and a web-link shall be provided in the Annual Report of the Company.

D. Disclosure in Board’s Report

Every contract or arrangement entered into by the Company requiring Board’s and Company’s approval shall be referred to in the Board’s report to the shareholders along with the justification for entering into such contract or arrangement