RELATED PARTY TRANSACTIONS POLICY OF

SURAJ ESTATE DEVELOPERS LIMITED

[CIN: L99999MH1986PLC040873]

Policy Ownership & Management		
Issuer	**Owner**	**Approver**
Company Secretary	Company Secretary	Director

Version	Issued Date	Effective From Date	Brief description of Change / Review
1.	19-01-2022	19-01-2022	First release
2	07-05-2024	07-05-2024	Reviewed by the Board
3.	01-04-2026	01-04-2026	Changed as per recent amendment of SEBI (Listing obligations and Disclosure requirements Regulations), 2015

RELATED PARTY TRANSACTIONS POLICY

1. OBJECTIVE

This Policy will ensure that related party transactions of the Company are carried out in a transparent manner i.e. in ordinary course of business and at arm's length basis as per the legal provisions. This policy also aims at providing guidance in situations of potential conflict of interest and compliance matters relating to related party transactions.

This policy has been framed in order to comply with the requirements of SEBI (LODR) Regulations, 2015 and Companies Act, 2013. This policy will guide the Company to effectively comply with the provisions of Companies Act, 2013, Accounting standards as issued by Institute of Chartered Accountants of India, Income tax Act and such other statutes as may be put in place, in relation to Corporate Governance and Related Party Transactions.

In order to comply with these requirements and as a good Corporate Governance practice, this policy on Related Party Transactions is adopted for implementation by the Board of Directors (the "Board") of Suraj Estate Developers Limited (the "Company").

2. SCOPE

This policy shall be applied in:

a. Identifying related parties, updating and maintaining the database of such persons/entities;
b. Ascertaining that the transactions entered with the related parties are in 'ordinary course of business' and at 'arm's length basis';
c. Identifying related party transactions;
d. Obtaining approvals before entering into any related party transactions;
e. Determining the disclosures / compliances to be adhered in relation to the related party transactions.

3. DEFINITIONS

a. **"Act"** means Companies Act, 2013 and the Rules framed there under including any statutory modifications or re-enactments thereof.

b. "**Arm's Length Transaction / Basis**" means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

c. **"Associate Company"** shall have the meaning ascribed to such term under sub section (6) of Section 2 of the Act.

d. **"Audit Committee or Committee":** Audit Committee is the committee which is constituted by the Company pursuant to section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the LODR.

e. **"Board" means** Board of Directors of the Company.

f. **"Body Corporate"** shall have the meaning ascribed to such term under sub-section (11) of Section 2 of the Act.

g. **"Compliance Officer"** means Company Secretary of the Company.

h. "**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 (RPT)" as notified by SEBI vide its circular dated February 14, 2025 and amendments thereof.

i. **"Key Managerial Personnel" ("KMP")** shall have the same meaning ascribed to such term under sub-section (51) of Section 2 of the Act.

j. **"Holding Company**" in relation to one or more Companies means a Company of which such Companies are Subsidiary Companies as per sub-section (46) of Section 2 of the Act.

k. **"Material Related Party Transaction"** A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following:

Consolidated Turnover of Listed Entity	**Threshold**
(I) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than Rs. 20,000 Crore to upto Rs. 4 Crore	₹2,000 Crore + 5% of the annual consolidated turno the listed entity above ₹20,000 Crore
(III) More than Rs. 40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹ Crores, whichever is lower.

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, exceeds five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

l. **"Materiality Threshold"** means limits for Related Party Transactions beyond which the shareholders' approval will be required as specified in Act and rules thereof and amendments thereto.

m. **"Net Worth"** shall have the meaning ascribed to such term under sub-section (57) of Section 2 of the Act.

n. **"Office or Place of Profit"** shall have the meaning ascribed to such term under section 188 of the Act.

o. **"Ordinary Course of Business'** shall mean the usual transactions, customs and practices carried on generally by the Company and shall include:

   i. transactions covered in the 'main objects' or the 'objects incidental' to attainment of the main objects as envisaged in the Memorandum and Articles of Association of the Company,
   ii. transactions which has been done by the Company regularly in last three (3) years,
   iii. transactions done with a related party on a similar basis as of a third party,
   iv. transaction or activity that is necessary, normal, regular and incidental to the business and involves significant amount of money or managerial resources that generates income for the Company.

p. **"Related Party"** shall have the meaning ascribed to such term under Regulation 2(1) (zb) of the Listing Regulations and under sub-section (76) of Section 2 of the Act.

q. **"Relative"** shall have the meaning ascribed to such term under sub-section (77) of Section 2 of the Act and under Regulation 2(1) (zd) of the Listing Regulations.

r. **"Related Party Transaction"** shall have the meaning ascribed to such term under Regulation 2(1) (zc) of the Listing Regulations and under Section 188 of the Act, as amended from time to time.

s. **"Securities"** means the Securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulations) Act, 1956.

t. **"Subsidiary Company"** or **"Subsidiary",** in relation to any other Company (that is to say the Holding Company), as per the sub-section (87) of Section 2 of the Act means a Company in which the Holding Company

i. Controls the composition of the Board of Directors; or
ii. Exercises or controls more than 1/2 (one-half) of the total voting power either at its own or together with one or more of its Subsidiary Companies.

u. **“Turnover”** shall have the same meaning as specified under section 2(91) of the Companies Act, 2013

v. **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations or any other applicable law or regulation, each as amended.

4. INTERPRETATION

In case of any dispute or difference upon the meaning/interpretation of any provision in the Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

I. Identification/Updating of Related Party

A. Identification of Related Party:

Every Director and Key Managerial Personnel will be responsible for providing a declaration in the format as per Annexure 1 containing the following information to the Board / Audit Committee on an annual basis:

1. Names of his / her Relatives;
2. Partnership firms in which he / she or his / her Relative is a partner;
3. Private Companies in which he / she or his / her Relative is a member or Director;
4. Public Companies in which he / she is a director and holds along with his/her Relatives more than 2% of paid up share capital;

B. Updating of Related Party

Every Director and the Key Managerial Personnel will also be responsible to update the Board / Audit Committee of any changes in the above relationships, directorships, holdings, interests and / or controls immediately on happening of event or him / her becoming aware of such changes, whichever is earlier.

The database will be updated whenever necessary and will be reviewed at least once a year jointly by the Company Secretary and Chief Financial Officer of the Company.

C. Responsibilities of Company Secretary:

The Company Secretary shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of –

1. All Directors and Key Managerial Personnel;
2. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
3. Company"s subsidiary companies and associate companies;
4. All Suraj Estate Developers Limited Group entities; and
5. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with the relevant Listing Regulations or the relevant Accounting Standard/IND AS

6. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Every Director, Key Managerial Personnel is responsible for providing Notice to the Board or Audit Committee of any potential Related Party Transaction involving him/her or his/her relative, including any additional information about the transaction that the Board or Audit Committee may request. The Board shall record the disclosure of Interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Notice relating to disclosure of potential Related Party Transaction shall be received in well advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

7. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

7.1 Approval of the Audit Committee:

All RPTs shall be referred to the Audit Committee for prior approval, irrespective of its materiality, whether at a meeting or by passing of a circular resolution.

Any subsequent material modifications shall also be referred to the Audit Committee for prior approval, whether at a meeting or by passing of a circular resolution. „Material Modification" for the purpose of this clause shall mean those modification, amendment or waiver or supplement or consent that have a material impact on the cost or price or timing of a contract.

1. Quantitative Criteria (Material Modification):

Any modification which has the effect of amending the value of contract, in any respect, which exceeds 20% of the pre- approved related party transaction value or price of such transaction or contract;

2. Qualitative Criteria (Material Modification):

Any modification which the Chief Financial Officer of the Company, jointly with the Chairperson of the Audit Committee, determine to have a material effect.

All Related Party Transactions of a subsidiary(ies) and subsequent material modifications, to which the Company is not a party shall require prior approval of Audit Committee, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary or the threshold for material related party transactions of the Company whichever is lower.

The Company shall consider the guidelines of Industry Standard, being issued from time to time for the minimum information to be placed before the Committee

PRIOR APPROVAL OF THE AUDIT COMMITTEE SHALL NOT BE REQUIRED FOR:

i. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of the Listing Regulations are applicable to such listed subsidiary.

ii. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.

iii. remuneration and sitting fees paid by the Company or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23 of the LODR.

Members of the Audit Committee, who are independent directors, shall alone approve Related Party Transactions.

The members of the audit committee, who are independent directors, may ratify Related Party Transactions 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 conditions as mentioned in Sub regulation 2(f) of Regulation 3 of the Listing Regulations.

The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavourable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee in terms of the Industry Standards.

Omnibus Approval:

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company or its subsidiary, the Committee may grant standing pre –approval / omnibus approval. While granting the approval for related party transactions proposed to be entered into by the Company or its subsidiary, the Audit Committee will satisfy itself of the need for the omnibus approval and that same is in the interest of the Company or its subsidiary.

<u>The omnibus approval shall specify the following:</u>

- ✓ Name(s) of the related party, nature of the transaction, period of the transaction
- ✓ Maximum amount of the transactions that can be entered into
- ✓ Indicative base price / current contracted price and formula for variation in price, if any
- ✓ Such other conditions as the Audit Committee may deem fit.
- ✓ Any other information as may be required to be furnished as per applicable laws

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors will require a prior approval of the Committee. Omnibus approval shall not be made for transactions relating to disposing of the undertaking of the Company.

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 Rs.1 crore per transaction. The details of such transaction will be reported at the next meeting of the Audit Committee for ratification.

The omnibus approval shall be valid for a period of one (1) financial year and shall require fresh approval after expiry of such financial year.

In determining whether to approve a Related Party Transaction, the Audit Committee shall consider (among other aspects it deems relevant), if there are clearly demonstrable reasons from the Company's business point of view, to enter into a transaction with a Related Party.

Audit Committee shall review, on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

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.

The Audit Committee for the purpose of the omnibus approval shall take into account the Criteria specified by the Board under Rule 6A of the Companies (Meetings of Board & Its Powers) Rules, 2014 and Industry Standard (IS) vide SEBI circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14.02.2025.

	Particulars	Criteria
a)	maximum value of the transactions, in aggregate, can be allowed under the omnibus route in a ye	Rs. 200 crores
b)	The maximum value per transaction which can be all	Rs. 100 crores
c)	extent and manner of disclosures to be made to the Committee at the time of seeking omnibus approval	(a) name of the related parties; (b) nature and duration of the transaction; (c) maximum amount of transaction that ca entered into; (d) the indicative base price or current contracted and the formula for variation in the price, if an (e) any other information relevant or important f Audit Committee to take a decision on proposed transaction; and (f) minimum information about the RPTs as pe provisions of the Industry Standards vide circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/20 dated 14.02.2025.
d)	review, at such intervals as the Audit Committee deem fit, related party transaction entered into b company pursuant to each of the omnibus approval	Quarterly
e)	Transactions which cannot be subject to the omnibu approval by the Audit Committee.	Omnibus approval shall not be made for transa in respect of selling or disposing of the undertak the company.

7.2 Approval of the Board of Directors:

(A) The following related party transactions shall be placed before the Board of Directors for approval, after the approval of the Audit Committee:

(i) Related party transactions referred by the Audit Committee;
(ii) Related party transactions **not** on arm's length basis, and/or;
(iii) Related party transactions **not** in the ordinary course of business.
(iv) Related party transactions that are mandated under any law to be approved by Board.

(B) The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

(i) the name of the related party and nature of relationship;
(ii) the nature, duration of the contract and particulars of the contract or arrangement;
(iii) the material terms of the contract or arrangement including the value, if any;
(iv) any advance paid or received for the contract or arrangement, if any;
(v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;

(vi) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and

(vii) any other information relevant or important for the Board to take a decision on the proposed transaction in line with the applicable legal requirements.

(C) Any Director interested in any contract or arrangement with a related party shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

7.3 Approval of the Shareholders:

(A) Any related party transaction which is not in the ordinary course of business and/or not on arm's length basis, and crosses prescribed threshold limit for as per Companies Act, 2013 and all Material Related Party transactions which is define in the policy will require prior approval of the Shareholders

(B) The explanatory statement to be annexed to the notice of a general meeting convened shall contain the following particulars namely:

(i) Name of the related party
(ii) Name of the director or key managerial personnel who is related, if any;
(iii) Nature of relationship;
(iv) Nature, material terms, monetary value and particulars of the contract or arrangement;
(v) Detailed Minimum information as per Industry Standard (IS) vide SEBI circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/18 dated 14.02.2025
(vi) Any other information relevant or important for the members to take a decision on the proposed resolution.

7.4 Deemed Approval

The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under separate approvals/procedures from relevant competent authority or committee shall be deemed to be approved under this Policy. Such transactions are enumerated below:

a) Any benefits, interest arising to Related Party solely from the ownership of Company shares at par with other holders, for example, dividends, rights issues, stock split or bonus shares, subdivision or consolidation of securities, and buy-back of securities.

b) Contribution with respect to Corporate Social Responsibility to eligible entity pursuant to approval of Board or the Corporate Social Responsibility Committee.

c) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

8. EXEMPTION FROM OBTAINING APPROVAL FOR RELATED PARTY TRANSACTION UNDER THE LISTING REGULATIONS

As per the provisions of the Act and the sub-regulation (5) of Regulation 23 of the Listing Regulations, following transactions are exempted from obtaining prior approval.

- transactions entered into between the 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.
- 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.
- transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand

9. REPORTING OF RELATED PARTY TRANSACTIONS

- The Company shall disclose, in the Board"s report, transactions prescribed in Section188(1) of the Act with related parties, which are not in ordinary course of business or not at arm"s length basis along with the justification for entering into such transaction.

- The Company shall place all the information, as specified in Industry Standards read with the provisions of the Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs.

- The Company shall place all the information, as specified in Industry Standards read with the provisions of the Listing Regulations, Companies Act, 2013 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.

- The Company shall submit enhanced disclosure of information related to RPTs to be provided to the stock exchanges every six months on the date of publication of its standalone and consolidated financial results, also publish the same on its website.

- All newly appointed Directors and Officials must disclose their interests in companies, firms, or associations of individuals at their first Board meeting and thereafter annually, as required under Section 184 of the Companies Act. Further, every Director, Official, or KMP shall, within 30 days of appointment or cessation, disclose their concern or interest (including shareholding) in any company, body corporate, firm, or individual, along with any contracts or arrangements where they have direct or indirect interest, in accordance with Sections 184 and 189 of the Act.

- Any Director or Official who, individually or jointly, holds more than 2% shareholding in any company or body corporate, or holds more than 20% of voting power, or is a promoter, manager, or Chief Operating Officer in such entity, shall promptly disclose any proposed contract or arrangement with such entity to the Company.

  Additionally, any Director, Official, or KMP shall immediately notify the Company of any material interest that they or their relatives have, had, or may have in any Related Party Transaction, including details and the aggregate amount.

- Disclosures in relation to related party transactions shall be made in the financial statements of the Company. [Section 188(2) of the Act and IND AS 24].

This Policy will be uploaded on the website of the Company at www.surajestate.com and a web-link to the Policy shall be provided in the Annual Report of the Company.

10. ARM'S LENGTH

Any transaction viz. sale/ purchase of products, goods, or availing/ rendering of services in the normal course of business would be levied upon applying appropriate methods viz. Comparable uncontrolled price (CUP), Resale price method (RPM), Cost plus method (CPM), Profit split method (PSM), Transactional net margin method (TNMM). Or such other methods as may be adequate under applicable laws.

Contracts/ arrangements with Company's subsidiaries and group companies would result in Related Party Transactions. Generally, such contracts/ arrangements would be in the Ordinary Course of Business. Once such contracts/ arrangements are approved by the Audit Committee, transactions arising out of same would not be subject to evaluation when they are executed. The Chief Financial Officer of the Company is authorized to continuously monitor the process contained herein.

11. PROCEDURE

Chief Financial Officer of the Company will refer the Related Party Transactions to the Audit Committee for such approval and material Related Party Transactions to the Board for its approval. Material RPTs after approval of the Board shall be taken up for approval of shareholders at a general meeting.

Chief Financial Officer of the Company will bring the deviations, to the Audit Committee/ Board for ratification.

12. DECISION REGARDING TRANSACTIONS IN ORDINARY COURSE OF BUSINESS AND AT ARM'S LENGTH

The Audit Committee or the Board shall after considering the materials placed before them judge if the transaction is in the ordinary course of business and meets the arm's length requirements.

13. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a 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 such Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit 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 as it deems appropriate.

In case the Company is not able to take prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

14. POLICY REVIEW

This Policy shall be reviewed by the Audit Committee as and when deem fit, in order to align with the ongoing regulatory and business requirements. The policy as reviewed by the Audit Committee shall be placed before the Board for its approval.

15. GENERAL

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

- In the event of any conflict between the provisions of the Listing Regulation / Companies Act, 2013, or in case of any omission of any of the provisions of the Listing Regulation / Companies Act, 2013, the provisions of the Listing Regulation / Companies Act, 2013, as amended shall prevail or be applicable, as the case may be.

- Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation to the extent applicable to the Company.