

## **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS**

### **I. INTRODUCTION**

The Securities and Exchange Board of India (“SEBI”) vide its notification dated September 02, 2015 issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”). These regulations came into force from December 01, 2015. Regulation 23 (1) of SEBI LODR Regulations states that all the Listed Companies shall frame a policy on materiality of the related party transactions and dealing with the same. Company has in light of the above requirements framed a Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

The Board of the Directors of the Company have, in consultation with recommendation provided by Audit Committee, in their meeting held on 9/11/2023 reviewed, modified and adopted this policy to align the same with SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018.

This policy is made in alignment with Company’s Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

### **II. OBJECTIVE AND APPLICABILITY**

This policy is designed to govern the transparency of approval process and disclosure requirements to ensure fairness in conduct of related party transactions. The objective of this policy is to set out:

- Materiality thresholds for related party transactions; and
- Manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of Listing Regulations and any other laws and regulations as may be applicable to the Company, from time to time.

This Policy shall be applicable to all the Related Party Transactions entered into by the Company except the following transactions relating to:

- Loans/advances given/taken to/from a related party
- Guarantee given/taken or security provided/sought in connection with a loan to a related party/Company
- Investment(s) made in related party

- Transfer/assignment of obligation under an existing contract/arrangement with a related party to some other person or related party.
- Amendment/Cancellation of an existing contract/arrangement with a related party

### III. DEFINITIONS

In this policy, unless repugnant to the meaning or context thereof, the following expressions, whenever used in this policy, shall have the meaning assigned to them below:

- i) "Act" means the Companies Act, 2013 and rules made there under, as amended from time to time.
- ii) "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.
- iii) "Audit Committee" means the Committee of the Board formed under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- iv) "Control" means control as defined under section 2 (27) of the Act which 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.
- v) "Directors" shall mean Directors on Board of B&B Realty Limited;
- vi) "Company" shall mean B&B Realty Limited (formerly known as Sterlite Projects Limited);
- vii) "Key Managerial Personnel" ("KMP") includes
  - Chief Executive Officer or the Managing Director or the Manager
  - Whole-time Director
  - Company Secretary
  - Chief Financial Officer
  - Such other officer as may be prescribed.
- viii) "**Material Related Party Transaction**" means any transaction /transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10 % of the Annual Consolidated Turnover of the Company as per the latest audited financial statements.

- ix) **“Office or place of profit”** means any office or place—
- 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
  - 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.
- x) **“Ordinary course of business”** means a transaction which is—
- 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
  - Historical practice with a pattern of frequency
  - Common commercial practice; or
  - Meets any other parameters/criteria as decided by the Board/Audit committee
- xi) **“Related Party”**, with reference to a Company means—
- a) Director or his relative b) KMP or his relative c) Firm in which director, manager or relative is a partner d) Private company in which a director or manager is a member or director e) public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital f) anybody 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 g) any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity; h) any company which is—  
☐ a holding, subsidiary or an associate company of such company; or  
☐ a subsidiary of a holding company to which it is also a subsidiary; **“Related Party”**, with reference to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 means: - **“Related party”** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards: