

TULIVE DEVELOPERS LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. **PREAMBLE:** Related party transactions (“RPT”), as defined below, can present potential or actual conflicts of interest and may raise question about whether such transactions are consistent with the interest of the Company as well as its stakeholders. Therefore, this Policy regarding RPT has been adopted by the Company's Board of Directors, on recommendation of the Audit Committee in their respective meetings. This Policy is applicable to the Company and is to regulate transactions between the Company and its related parties based on the applicable laws and regulations.
2. **PURPOSE:** This Policy is framed as per requirement of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and intended to ensure proper approval and reporting of transactions between the Company and its related parties.
3. **LEGAL PROVISIONS:** RPT is governed by the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of Companies (Meetings of Board and Its Powers) Rules, 2014, Accounting Standard 18 and Regulation 23 of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Whereas Section 188 of the Companies Act, 2013 and Listing Obligations deal with disclosure and approval requirements, AS 18 deals with disclosure of RPT in the financial statements.
4. **DEFINITIONS:**
 - i. “**Audit Committee**” means Committee of Board of Directors of the Company constituted under the provisions of Section 177 of the Companies Act, 2013 and Regulations 18 of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - ii. “**Board**” means the Board of Directors of the Company.
 - iii. “**Key Managerial Personnel**” means Key Managerial Personnel as defined under the Companies Act and includes:
 - (i) Managing Director, or Chief Executive Officer or manager and in their absence, a Whole-time Director;
 - (ii) Company Secretary; and
 - (iii) Chief Financial Officer.
 - iv. “**Material Related Party Transaction**” means a transaction with a related party if the transaction/s to be entered into individually or taken together with previous transactions

during a financial year, exceeds ten percent of the annual turnover of the Company as per the last audited Financial Statements of the Company.

v. **“Policy”** means related party Transaction Policy.

vi. **“Related Party”** means related party as defined in sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

related party under Companies Act, 2013 is as follows

“related party”, with reference to a company, means—

(i) a director or his relative;

(ii) a key managerial personnel or his relative;

(iii) a firm, in which a director, manager or his relative is a partner;

(iv) a private company in which a director or manager is a member or director;

(v) a 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;

(vi) any body 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;

(vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

(viii) any company which is—

(a) a holding, subsidiary or an associate company of such company; or

(b) a subsidiary of a holding company to which it is also a subsidiary;

(ix) such other person as may be prescribed;

vii. **Accounting Standards 18** defines “related party” as under:

“Parties are considered to be related if at any time, during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/ or operating decisions.”

“Control” has been defined in AS 18 as under: “a) ownership, directly or indirectly, of more than one half of the voting power of an enterprise, or b) control of the composition of the Board of Directors in case of company or of the composition of the corresponding governing body in case of any other enterprise, or c) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/ or operating policies of the enterprise.”

viii. "Relative" means relative as defined under the Companies Act, 2013, and includes any one who is related to another, if:

- i) they are members of a HUF;
- ii) they are husband and wife;
- iii) father including step father;
- iv) mother including the step mother;
- v) son including step son;
- vi) son's wife;
- vii) daughter;
- viii) daughter's husband;
- ix) brother including step brother;
- x) sister including step sister.

ix. "Related Party Transaction" as per the Companies Act, 2013 means 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;

5. APPROVALS: As per Section 188 of the Companies Act, 2013 read with the relevant Rules and SEBI (Listing Obligations and Disclosure Requirements), all RPT, will require prior approval of the Audit Committee. The RPTs which are in the ordinary course of business and on arms length basis, shall not require the approval of the Board of Directors.

Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely-

- (a) The Audit committee may state the criteria for granting the omnibus approval in relation to the policy on related party transaction of the Company and such approval shall be made by the committee only in respect of the transactions which are of repetitive.
- (b) The Audit committee shall also ensure that whether there is a need for such omnibus approval and that such approval is in the interest of the Company.
- (c) Following are the details to be incorporated in the Omnibus approval:

- (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - (ii) the indicative base price / current contracted price and the formula for variation in the price if any; and
 - (iii) Any other conditions laid down by the Audit Committee.
- (d) The Audit Committee may grant omnibus approval for transactions for which the value does not exceed rupees one crore per transaction and the omnibus resolution shall be valid for a period not exceeding one year and a fresh approval has to be given by the Audit Committee after the expiry of the previous approval.
- (e) The Audit Committee shall review the details of the related party transaction entered into by the Company in relation to the omnibus approval on a quarterly basis.

Approval of the shareholders by special resolution is required in case of all material RPT as per SEBI (Listing Obligations And Disclosure Requirements) and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. In case of material RPT, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.”

6.POLICY: The audit committee has advised all concerned Units/ Divisions/ Offices, not to enter into any RPT without prior clearance from the audit committee. A list of 'related parties' was also circulated, which will be kept updated for any change.

7.CRITERIA FOR JUDGING-RPT:Whether the terms of the RPT are fair to the Company and would apply on the same basis if the transaction did not involve a related party. Whether there are any compelling business reasons for the company to enter into the RPT and the nature of alternative transactions,if any. Whether the RPT would impair the independence of an otherwise independent director.Based on the above criteria, the Audit committee will decide whether to approve the RPT or not.

8.DISCLOSURES:The Policy will be disseminated on the Company website and a web-link thereto shall be provided in the Annual Report. Details of material RPT will be disclosed quarterly along with the Compliance Report on Corporate Governance to the Stock Exchange. The Audit Committee will review and amend this Policy as and when required.