

M/s Unitech Limited

Related Party Transactions Policy

(Updated on 13.02.2025)

[Pursuant to the provisions contained in sections 177 and 188 of the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. Background

The Hon'ble Supreme Court, vide its order dated 18.12.20219, directed the Union Government to appoint an independent Board of Directors for M/s Unitech Limited. In compliance thereto, the Central Government proposed the constitution of a new Board of Directors, which was approved by the Hon'ble Supreme Court vide its order dated 20.01.2020. Accordingly, the erstwhile Management of M/s Unitech Limited was superseded and a new Board of Directors was appointed to take over the Management of M/s Unitech Limited and its affiliates, under the chairmanship of Sh. Y.S. Malik, IAS (Retd.), formerly the Secretary to Government of India.

2. Introduction

This policy on Related Party Transactions ("**Policy**") has been framed by M/s Unitech Limited ("**Company**") in compliance of the provisions contained in sections 177 and 188 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**").

The Company duly recognizes that Related Party Transactions can present a risk of actual or apparent conflict of interest of the Directors and/ or Senior Management personnel vis-à-vis the interest of the Company and, therefore, is committed to uphold the highest ethical and legal standards while fulfilling its responsibilities. The Policy is designed to ensure that all the transactions between the Company and its Related Parties are conducted with integrity, fairness and transparency while safeguarding the interests of all stakeholders.

This Policy is designed to regulate all transactions between the Company and its Related Parties based on the applicable laws and regulations governing the Company. The Board, on the recommendations of the Audit and Risk Management Committee, is mandated to review and update the policy atleast once in three years, if so required.

The Company has adopted the following structure for dealing with the transactions with Related Parties:

- (i) Identification and Monitoring of Related Parties;
- (ii) Identification of potential Related Party Transactions;
- (iii) Approval of Related Party Transactions or ratification thereof, if required; and
- (iv) Disclosure of Related Party Transactions in terms of Ind AS, the Companies Act, 2013, the SEBI LODR Regulations and any other applicable law for the time being in force.

3. Purpose and Objective

The primary objective of this Policy is to ensure due compliance by the Company of all statutory provisions contained in the Companies Act, 2013 and rules made thereunder, the SEBI LODR Regulations, as amended from time to time, applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), in the course of its business transactions undertaken by the Company.

This Policy is intended to ensure proper review/ approval/ ratification of Related Party Transactions between the Company and any of its Related Parties by the Audit and Risk Management Committee/ Board of Directors/ Shareholders, as the case may be, and disclosure thereof to the Stock Exchanges, in the prescribed format.

4. Definitions

Definitions of some of the key terms used in this Policy are given as under:

- (i) “**Company**” means M/s Unitech Limited.
- (ii) “**Director**” means a person appointed to the Board of the Company.
- (iii) “**Act**” means the Companies Act, 2013, and the rules made thereunder, as amended from time to time.
- (iv) “**Policy**” means this Policy on Related Party Transactions.
- (v) “**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.
- (vi) “**Associate Company**” in relation to another Company, means a Company in which that other Company has significant influence, but which is not a subsidiary of the Company exercising such influence, and includes a joint venture Company.

Explanation - For the purpose of this clause:

- (i) the expression “significant influence” means the power to control at least twenty percent of the total voting power, or the ability to control or participate in business decisions under an agreement.
- (ii) the expression “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
- (vii) “**Audit Committee**” or “**Committee**” means the Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013 and the SEBI LODR Regulations.
- (viii) “**Control**” shall include 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.
- (ix) “**Related Party**” is defined under section 2(76) of the Companies Act, 2013 and regulation 2(zb) of the SEBI LODR Regulations.
- (x) “**Related Party Transaction**” has the meaning assigned to it under the Act and SEBI LODR Regulations.
- (xi) “**Stock Exchange**” means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.
- (xii) “**Subsidiary Company**” or “**Subsidiary**” means a company as defined under section 2(87) of the Act.
- (xiii) “**Key Managerial Personnel (KMP)**”, in relation to a Company, means-
 - (i) the Chief Executive Officer or the Managing Director or the manager;
 - (ii) the Company Secretary;
 - (iii) the whole-time Director;
 - (iv) the Chief Financial Officer;

- (v) such other officer, not more than one level below the Directors, who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
- (vi) such other officer as may be prescribed under the Act.
- (xiv) “**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 Rs. One Thousand Crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements, 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.
- (xv) “**Material Modification**” means any modifications to the Related Party Transactions which were approved by the Audit and Risk Management Committee, Board and Shareholders (in case of a material related party transaction):
 - (i) where the variation exceeds 20% of the originally approved transaction, in case of any monetary modification; or
 - (ii) which, in the opinion of the Audit and Risk Management Committee, significantly alters the nature or commercial terms of the transaction.
- (xvi) “**Relative**” is defined under section 2 (77) of the Act.

5. **Applicability**

This Policy shall apply to Unitech Group of Companies.

6. **Structure of dealing with Related Party Transactions**

(A) Identification and Monitoring of Related Parties

The Company shall maintain a list of Related Parties in terms of section 2 (76) of the Companies Act, 2013, and regulation 2 (zb) of the SEBI LODR Regulations.

(B) Identification of potential Related Party Transactions

- (i) The concerned Functional/ Divisional Head(s) shall forward to the Company Secretary and the Chief Financial Officer, the details of any proposed Related Party Transaction or RPT's entered into, along with the draft terms and conditions or other relevant information, certifying that such transactions are at arm's length and are in the ordinary course of business. Upon receipt of the aforesaid information, the Company Secretary or the Chief Financial Officer will submit the information to the Audit and Risk Management Committee for its approval and further action, if required.
- (ii) Any proposed modifications to Related Party Transactions already entered into shall be communicated to the Company Secretary and the Chief Financial Officer by the concerned Functional/ Divisional Head(s), and the modifications will be placed before the Audit and Risk Management Committee for prior approval in accordance with this Policy.
- (iii) The Company Secretary and Chief Financial Officer will be responsible for ensuring that the List of Related Parties is updated regularly (at least annually or whenever there are significant changes), and that it is made available for review by the Audit and Risk Management Committee and Board of Directors.

(C) Approval of Related Party Transactions or ratification thereof

The below matrix gives an insight into the requirement of approval of Related Party Transactions (RPT) by Audit and Risk Management Committee/ Board of Directors/ Shareholders, as the case may be, for Related Party Transactions entered into by the Company or its subsidiary:

Nature of Transaction	Audit and Risk Management Committee		Board of Directors		Shareholders	
	Act	SEBI LODR Regulations	Act	SEBI LODR Regulations	Act	SEBI LODR Regulations
Ordinary course of business and at arm's length basis	All related party transactions shall require the approval of the Audit Committee. However, prior approval will not be required in case of RPT's between the Company and its wholly-owned subsidiaries, other	Prior approval is required.	Exempted	If the RPT or modification thereof is material, then prior approval is required.	Exempted	Prior approval of the shareholders is required, if RPT or modification thereof is material.

Nature of Transaction	Audit and Risk Management Committee		Board of Directors		Shareholders	
	Act	SEBI LODR Regulations	Act	SEBI LODR Regulations	Act	SEBI LODR Regulations
	than those cases which are falling under section 188 (1).					
Not in ordinary course of business or not at arm's length basis	Prior approval is required.	Prior approval is required.	Prior approval is required before entering into any contract or arrangement as specified under section 188 (1).	If the RPT or modification thereof is material, then prior approval is required.	Prior approval of the shareholders is required if the RPT's exceed the limits/thresholds as prescribed in Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014.	Prior approval of the shareholders is required, if RPT or material modification is material.

Restriction on Voting rights of Related Parties

- (i) No Member of the Company shall vote on a resolution to approve any contract or arrangement which may be entered into by the Company, if such a Member is a Related Party as per the Act.
- (ii) As per SEBI LODR Regulations, all material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders through resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Approval of Audit and Risk Management Committee

- (i) All Related Party Transactions and subsequent material modifications shall require the prior approval of the Audit and Risk Management Committee. However, only those Members of the Audit and Risk Management Committee who are Independent Directors shall approve such Related Party Transactions. The approval of the Audit and Risk Management Committee is not required if the Related Party Transactions are 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.

- (ii) A Related Party Transaction (including material modifications) to which a subsidiary of the Company is a party, but the Company is not, shall require the prior approval of the Audit and Risk Management Committee of the Company if the value of such transaction, whether entered into individually or aggregated with previous transactions during the financial year, exceeds ten percent (10%) of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- (iii) The prior approval of the Audit and Risk Management Committee of the Company shall not be required for a Related Party Transaction to which the listed subsidiary, if any, is a party but the Company is not a party, if regulation 23 and regulation 15 (2) of Listing Regulations are applicable to such listed subsidiary.
- (iv) The Members of the Audit and Risk Management 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 and Risk Management Committee, whichever is earlier, subject to conditions specified in regulation 23 of Listing Regulations.
- (v) Where the Audit and Risk Management Committee does not approve the Related Party Transactions, other than those prescribed in clauses (a) to (g) of section 188(1) of the Act, it shall make its recommendations to the Board.
- (vi) The Audit and Risk Management Committee may grant omnibus approval for Related Party Transactions subject to the conditions as laid down in section 177 (4) (iv) of the Act, and regulation 23 (3) of the SEBI LODR Regulations. As per the Act and SEBI LODR Regulations, the Audit and Risk Management Committee may grant omnibus approval for any Related Party Transaction of an unforeseen nature subject to their value not exceeding Rs. One Crore per transaction.
- (vii) Pursuant to regulation 23 (3) of the SEBI LODR Regulations, the threshold limits for Related Party Transactions of a repetitive nature (other than with or between wholly-owned subsidiaries) for granting omnibus approval by the Audit and Risk Management Committee for each financial year is as under:

Sr. No	Criteria	Amount
1	Maximum value of Related Party Transactions (other than with wholly-owned subsidiaries), in	10% of consolidated turnover of the Company as per last audited financial statements.

Sr. No	Criteria	Amount
	aggregate, which can be allowed under the omnibus approval route in a financial year.	
2	Maximum value per Related Party Transaction (other than with wholly-owned subsidiaries) which can be allowed under the omnibus approval route in a financial year.	5% of consolidated turnover of the Company as per last audited financial statements.

- (viii) The Audit and Risk Management Committee shall review on a quarterly basis, the details of Related Party Transactions entered by the Company or its subsidiary, pursuant to each of the omnibus approval given.
- (ix) Further, any Related Party Transaction entered into by a Director/ Officer of a Company involving an amount not exceeding Rs One Crore which has been undertaken without obtaining the prior approval of the Audit and Risk Management Committee, and which is not ratified within 03 (three) months from date of transaction, shall be voidable at the option of the Audit and Risk Management Committee and if the contract or arrangement is with a Related Party to any Director, or is authorized by any other Director, the Director(s) concerned shall indemnify the Company against any loss incurred by it.

Approval of Board of Directors

- (i) The following contracts or arrangements with Related Parties which are not in the ordinary course of business or are in the ordinary course of business but are not on arm's length basis shall require the prior approval of the Board of Directors, given by a resolution at a meeting of the Board and subject to such conditions as may be prescribed;
- (ii) sale, purchase or supply of any goods or materials;
- (iii) selling or otherwise disposing of, or buying, property of any kind;
- (iv) leasing of property of any kind;
- (v) availing or rendering of any services;
- (vi) appointment of any agent for purchase or sale of goods, materials, services or property;
- (vii) such Related Party's appointment to any office or place of profit in the Company, its subsidiary or Associate Company;

- (viii) underwriting the subscription of any securities or derivatives thereof, of the Company;

Provided that no contract or arrangement, as prescribed in rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2014, shall be entered into except with the prior approval of the shareholders by a resolution.

- (ix) If a Related Party Transaction is material, as defined under regulation 23 of the SEBI LODR Regulations, prior approval of the shareholders is required. A material transaction is one that exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company or Rs. 1,000 Crore, whichever is lower;
- (x) All the material Related Party Transactions and subsequent material modifications thereto shall be considered and approved by the Board before the same are considered by the shareholders for their prior approval except for those transactions which are between the Company and its wholly-owned subsidiary or 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; and
- (xi) Where any contract or arrangement is entered into by a Director or any other employee, without obtaining the consent of the Board or the shareholders (as applicable) and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a Related Party to any Director, or is authorized by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

Approval of Shareholders

- (i) If the Related Party Transactions specified in section 188 of the Act fall under the following limits as tabulated hereinbelow, the prior approval of the shareholders by resolution will be required provided the transaction is not in the ordinary course of business or in the ordinary course of business other than on arm's length basis.

- (ii) Following are the limits specified in rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014:

Sr. No.	Nature of related party transaction	Threshold Limits (in Rs.)
1	Sale, purchase and supply of any goods or materials, directly or through appointment of agent	Amounting to 10% or more of the turnover of the company
2	Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	Amounting to 10% or more of net worth of the company
3	Leasing of property of any kind	Amounting to 10% or more of turnover of the company
4	Availing or rendering of any services, directly or through appointment of agent	Amounting to 10% or more of the turnover of the company
5	Appointment of any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding Rs 2.5 lacs
6	Remuneration for underwriting the subscription of any securities or derivative	Exceeding 1 % of net worth

Explanation: It is hereby clarified that the limits specified in Sr. No. (1) to (4) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

- (iii) Any contract or arrangement set out above, which requires Board approval and exceeds the limits prescribed under section 188 of the Act, shall be placed for shareholders' approval by way of a resolution, except for transactions which are between the Company and its wholly-owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the General Meeting for approval.

Subject to the provisions of regulation 23 (4) of the SEBI Listing Regulations, all material Related Party Transactions and subsequent material modifications thereto shall require prior approval of the shareholders and their approval will be sought by way of a resolution.

(D) Disclosure of Related Party Transactions

- (i) Every Related Party Transaction/ contracts or arrangements that are:
- (a) Material; or

- (b) in the ordinary course of business other than on arm's length basis; and
- (c) not in the ordinary course of business.

shall be referred to in the Board's report to the shareholders along with justification for entering into such transactions as per the requirement of the Act.

- (ii) Details of all material Related Party Transactions shall be disclosed in accordance with regulation 27 of the SEBI LODR Regulations.
- (iii) The Company shall submit to the Stock Exchanges disclosures of Related Party Transactions in the format specified by SEBI from time to time, and publish the same on its website. The Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results.
- (iv) The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

7. Evaluation Process of Related Party Transactions

- (i) To approve a Related Party Transaction, the Audit and Risk Management Committee, Board or Shareholders, as the case may be, shall be provided with all relevant material information relating to such transaction, including the terms and other details as required under the Act and the SEBI LODR Regulations, as applicable.

While approving a Related Party Transaction, the Audit and Risk Management Committee/ Board will consider the following factors, among others, to the extent relevant:

- (a) whether the terms on which Related Party Transaction is proposed are in the ordinary course of business and on arm's length basis with respect to the Company.
- (b) whether the Related Party Transaction would affect the independence of an Independent Director of the Company/ Subsidiary.
- (c) whether the Related Party Transaction includes any potential reputational risk that may arise as a result of or in connection with the proposed transaction; and

- (d) whether the Related Party Transaction would present conflict of interest for any Director or KMP of the Company/ subsidiary.
- (ii) Whenever there is any doubt regarding a transaction(s) with Related Party(ies) and/ or the applicable corporate governance requirements, the Audit and Risk Management Committee or Board shall have the right to seek a legal opinion or clarification on the matter.
- (iii) The Audit and Risk Management Committee shall consider all relevant facts and circumstances regarding a Related Party Transaction placed before it.
- (iv) In the event any Director, KMP or any other employee becomes aware of any Related Party Transaction(s) that has been omitted to be approved by the Audit and Risk Management Committee/ Board/ Shareholders or is in deviation of this Policy, such person shall promptly notify the Company Secretary of the Company, of such transaction, who shall ensure that such transaction is brought to the notice of the Audit and Risk Management Committee or the Board, as applicable, at the earliest.
- (v) The Audit and Risk Management Committee/ Board shall evaluate such transaction(s) and may decide as it considers appropriate, subject to the Act and the SEBI LODR Regulations, the necessary action to be taken, including ratification, revision or termination of the Related Party Transaction.

8. Policy Review

- (i) This Policy has been adopted by the Board of the Company at its meeting held on 13.02.2025 and shall be effective from 13.02.2025 (unless otherwise specified).
- (ii) This Policy is based on the provisions of the Act and the SEBI LODR Regulations, and shall be reviewed by the Board at least once in every 03 (three) years and updated accordingly, in compliance of regulation 23 of SEBI LODR Regulations.
- (iii) Any subsequent amendment/ modification in the Act, SEBI LODR Regulations 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.

9. General

- (i) In case of any doubt regarding any provision of this Policy or on matters not covered herein, a reference shall be made to the Chairperson of the Audit and Risk Management Committee. In all such matters, the interpretation and decision of the Chairperson shall be final. The Company reserves the right to modify, amend, add, or cancel any clause of this Policy, subject to the provisions of applicable law.
- (ii) In the event of any conflict between the provisions of this Policy and the provisions of the Act, the SEBI LODR Regulations, or any other applicable statutory enactments, the provisions of the Act, and SEBI LODR Regulations, or relevant statutory enactments shall prevail over this Policy. In the event of any subsequent amendments or modifications to the SEBI LODR Regulations, the Act or applicable laws, the Policy shall be deemed to be altered or modified to the extent.

10. Amendments to the Policy

The Board of Directors on the recommendations of the Audit and Risk Management Committee is competent to amend this Policy, as and when deemed appropriate. Any or all provisions of this Policy are subject to revision/ amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case any amendment(s), clarification(s), Circular(s) etc. issued by the relevant statutory authorities is found to be inconsistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions contained herein and this Policy shall stand amended or modified accordingly from the effective date as laid down under such amendment(s), clarification(s), Circular(s).

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