

RELATED PARTY TRANSACTION POLICY
FOR
D.S.KULKARNI DEVELOPERS LTD.

1. Preface:

- 1.1 D.S. Kulkarni Developers Ltd. (“**DSKDL**” or “**the Company**”) recognises that certain legal relationships exist and there may be occasions to deal with one or more of them in the day to day business of the Company. Such dealings may be termed as Related Party Transactions within the ambit of law and may have the potential to give rise to conflict of interest on account of existing relationships.
- 1.2 The Company has to ensure that the related party transactions are approved and disclosed in accordance with the prevailing applicable legal procedures and requirements governing affairs of the Company.
- 1.3 This Policy aims at laying down the procedures under which related party transactions must be reviewed, approved or ratified and would be disclosed according to the applicable rules.

2. Applicability:

- 2.1 This Policy shall be applicable to the Company for regulating the transactions with related parties as per applicable laws.

The Policy shall come in force w.e.f. 10th February, 2016.

3. Definitions:

- 3.1 “Act” means the Companies Act, 2013 and the Rules framed there under as applicable from time to time.
- 3.2 “Arm’s Length Basis” means a transaction between two related parties that is conducted as if they were unrelated.
- 3.3 “Associate Company” means a company in which the Company has a significant influence by means of control of at least twenty percent of total share capital or business decisions under an agreement of that other company but which is not a subsidiary of the Company and includes a joint venture company.
- 3.4 “Audit Committee” means audit committee of the Board of Directors of the Company.
- 3.5 “Board of Directors” means Board of Directors of the Company.

- 3.6 “Key Management Personnel” or “KMP” means Key Management Personnel of the Company as defined in Section 2(51) of the Act.
- 3.7 “Material Related Party transaction” means a transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- 3.8 “Related Party” means a person or an entity which is a related party as defined in section 2(76) of the Act or under the applicable accounting standards.
- 3.9 “Relative” means a relative as defined in section 2(77) of the Act and rules prescribed thereunder.
- 3.10 “Related Party Transaction” means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a ‘transaction’ with a related party shall be construed to include a single transaction or a group of transactions in a contract.

4. Identification of Related Parties:

- 4.1 Every Director and or KMP shall disclose to the Board of Directors his concern or interest in any company, body corporate, firm, other association of individuals as per the provisions of section 184 of the Act.
- 4.2 Every Director shall also disclose the names of his relatives to the Company according to the relations as defined under section 2(77) of the Act.
- 4.3 On the basis of such disclosures the Company shall identify related parties.
- 4.4 Every Director shall disclose a change in relationships within 15 days of such change.

5. Identification of Potential Related Party Transactions:

- 5.1 Company Secretary/ Chief Financial Officer (CS/CFO) shall at all times maintain record of Company’s Related Parties containing the names of individuals and Companies, along with their personal/company details including any revisions therein.
- 5.2 The list of Related Parties shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April every year.
- 5.3 CS/CFO shall collate the information, co-ordinate and send the list of Related Parties to the concerned employees which may include CMD, CEO, Departmental Heads, the Finance & Accounts Department and who he

believes might be in the position to conduct or know the possible conduct of Related Party Transactions.

- 5.4 CS shall keep the statutory auditors also informed about the related parties.
- 5.5 Functional departmental head (“**Requisitionist**”) shall submit to the CFO/ Company Secretary the details of the proposed transaction with a related party along with details/draft contract/ draft agreement or other supporting documents specifying whether or not the transaction is at an arms’ length basis in the ordinary course of business and at prevailing market rate.

6. Approval of Related Party transactions:

- 6.1 All related party transactions shall require prior approval of the audit committee.
- 6.2 Based on the note and supporting papers submitted by the Requisitionist, Company Secretary will take up the potential related party transaction for prior approval to the Audit Committee at its next meeting. The Audit Committee may ask for any further information as it may deem fit relating to the desired transaction which shall be provided by the Requisitionist. The CS or CFO shall convey the decision of the Audit Committee to the Requisitionist.
- 6.3 For the purpose of arriving at the decision, the Audit Committee must receive timely, full and sufficient information about the Related Party transaction.
- 6.4 The Audit Committee, if satisfied that the said transaction is in the interest of the Company and stakeholders, shall in-principle approve the related party transaction and recommend to the Board for final approval.
- 6.5 Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company which are repetitive in nature, subject to satisfying themselves regarding the need for such omnibus approval and that such approval is in the interest of the Company.

As per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such an omnibus approval shall specify:

- a) The names of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into
 - b) The indicative base price/ current contracted price and the formula for variation in the price if any, and
 - c) Such other conditions as the audit committee may deem fit.
- 6.6 In the case of Related Party transactions which are frequent and regular in nature and are in the normal course of business of the Company, the Audit Committee may fix up financial or otherwise limits within which the management may carry out such Transactions, subject to Rs. 1 Crore per transaction. Further, it shall periodically review and assess such limits and revise the same as deemed proper.

- 6.7 The Audit Committee shall review at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- 6.8 All Material Related Party transactions shall require prior approval of the shareholders through ordinary resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.
- 6.6 All the other transactions which are not material related party transactions and which are not in the ordinary course of business or at arm's length basis shall also require approval of the shareholders.