



PRESTIGE ESTATES PROJECTS LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

REGISTERED OFFICE:

**Prestige Falcon Tower, No. 19,
Brunton Road, Bangalore-560025,
Karnataka, India**

CIN: L07010KA1997PLC022322

PREFACE:

Prestige Estates Projects Limited (the “Company”) recognizes that Related Party Transaction (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests. Accordingly, as part of the Company's philosophy of adhering to ethical standards, transparency and accountability in conduct of its business and adhering to governance framework, the Board of Directors (the “Board”) of the Company, has approved and adopted this Related Party Transaction Policy (“Policy”) as per the requirements of Section the Companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

1. OBJECTIVE:

This policy sets definition of materiality of related party transactions, definition of material modification in related party transactions and dealing with related party transactions.

2. DEFINITIONS:

“**Act**” means the Companies Act, 2013 and the rules made thereunder.

“**Audit Committee**” means Committee of the Board of Directors of the Company constituted under the provisions of the Act and SEBI Listing Regulations.

“**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.

“**Board of Directors**” or “**Board**” means the collective body of the directors of the Company.

“**Company**” means Prestige Estates Projects Limited

“**Material related party transaction**”

- a. Contracts / arrangements with a related party shall be considered as material related party contracts / arrangements if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceed rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial

statement or such sum or limit as may be prescribed under the SEBI Listing Regulations.

- b. A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

“Material Modifications”

Material modifications in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by 10% or rupees fifty crore, whichever is higher.

“Ordinary Course of Business” means a transaction which is:

- a. Carried out in normal course of business envisaged in accordance with the Memorandum of Association of the Company.
- b. Historical practice of the Company
- c. Common commercial practice in the Industry
- d. Any transactions done with a Related Party on a similar basis as of with a third party.
- e. Such other practices or parameters which meet the criteria decided by the Board/Audit Committee from time to time.

“Related Party” means:

A related party is a party as defined in section 2(76) of the Companies Act, 2013 read with rules thereunder and clause (zb) of Regulation 2 Listing Regulations, applicable IND-AS including modifications or amendments made thereto.

“Related party transaction” means:

“Related Party Transaction” means related party transaction as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”).

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

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") or any other applicable law or regulation.

3. POLICY ON RELATED PARTY TRANSACTIONS:

All the prospective contracts/arrangements with related parties shall be disclosed to the Chief Financial Officer and Company Secretary of the Company in advance.

All related party transactions (before being entered into) must be reported to the Audit Committee and Board of Directors for its approval in accordance with this Policy.

4. APPROVAL OF RELATED PARTY TRANSACTIONS:

The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria / conditions as mentioned under the Act and the SEBI Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company.

The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and Material modifications thereof, entered into by the Company pursuant to the omnibus approval. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee shall also pre-approve Related Party Transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value of such transaction crosses the thresholds as prescribed under the SEBI Listing Regulations.

All Related Party Transaction(s) of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee, the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the SEBI Listing Regulations.

All Related Party Transaction(s) of the Subsidiaries exceeding the threshold of material related party transactions as specified in Regulation 23 of the SEBI Listing Regulations and subsequent material modifications thereto, shall require prior approval of the Audit Committee, Board of Directors and the shareholders of the Company.

5. AMENDMENT

Any subsequent amendment / modification in the SEBI 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

6. DISCLOSURE:

The Company shall disclose, in the Board's report, transactions with Related Parties prescribed in Section 188 (1) of the Companies Act, 2013 which are not in ordinary course of business and/or are not at arm's length basis along with the justification for entering into such contracts/ arrangements.

7. REVIEW:

The aforesaid policy shall be reviewed atleast once in every three years and updated accordingly.

8. AMENDMENT:

The Board may as it deems fit amend the policy from time to time. In any case, if there is a contradiction between the policy and the law in force, then the Law shall supersede the policy.

Note: the Board has adopted the amended Related Party Transaction Policy at the Board meeting held on July 31, 2024.
