



Reliance Infrastructure Limited

Policy for Related Party Transactions

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1. Introduction

This Policy had been framed by the Company pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), which was effective from December 1, 2015. This Policy has been modified to comply with the requirements of amendments to Listing Regulations. The Revised Policy shall apply to the transactions entered into with a Related Party on or after July 1, 2019.

2. Definitions

- (a) **“Act”** means the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof;
- (b) **“Board”** means the Board of Directors of the Company;
- (c) **“Related Party”** with reference to the Company, means an entity where:
 - i. Such entity is a related party as defined under Section 2(76) of the Act; or
 - ii. Such entity is a related party as defined under Regulation 2(zb) of the Listing Regulations.
- (d) **“Related Party Transaction”** means a transaction between the Company and a Related Party which transaction is of the nature specified in sub-clauses (a) to (g) of Section 188(1) of the Act or is a related party transaction as defined under Regulation 2(zc) read with Regulation 23 of the Listing Regulations.

3. Transactions between Company & Related Parties & Materiality Threshold

Transactions between the Company and Related Parties shall be entered into in the manner that is compliant with the applicable provisions of the Act and Regulation 23 of the Listing Regulations, as amended, from time to time.

A transaction with the Related Party shall be treated as “material” if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year with such Related Party exceeds Rs. 1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company, whichever is lower.

Notwithstanding the above, with effect from July 01, 2019 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, exceed 5% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

4. Processes for dealing with Related Party Transactions

a. All related party transaction(s) / Agreement(s) and subsequent material modifications shall require prior approval of Audit Committee (provided that only those members who are independent directors shall approve the transactions) or the Board or the shareholders of the Company, as the case may be, as required under and subject to the Act and the Listing Regulations or any other applicable law.

‘Material modification’ has been defined by the Audit Committee to mean any modification in a related party transaction resulting in change in the contract /transaction value by 50% or more of the respective contract / transaction.

b. All Related Party transaction(s) / Agreement(s) shall be tested / justified for determination of whether the transaction(s) is in the ordinary course of business and on an arm’s length basis including the applicable transfer pricing requirements or other globally accepted practices, duly certified by an independent chartered Accountant or any external agency of repute.

5. Amendments/Modifications

The Policy shall be reviewed by the Board / Audit Committee annually and shall be amended / modified as and when deemed appropriate.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the Listing Regulations or such applicable law, then the provisions of the Companies Act, 2013 or the Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such change.