

Policy on dealing with Related Party Transactions

Introduction

Dugar Housing Developments Limited over the period developed its expertise in the area of its core competence property development

The Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement, brought significant importance to the transactions with related parties. There is a requirement for getting approval of the members for those transactions which are not at arm's length.

Criteria for Material Related Party Transactions

Criteria for determining materiality of a Related Party Transaction is followed as given in the Listing Agreement. Accordingly, a transaction with a related party shall be considered material if the transaction /transactions 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

Dealing with Related Party Transactions

- The Company would enter into Related Party Transactions with the Related Party, only when they are in the Ordinary Course of Business and at Arm's Length.

- The transactions with the Related Party(ies) will only be entered into after taking into account the costs, quality, terms and conditions of the contract etc.,

- The transaction prices will be determined by market forces and subject to the availability of the products /services in the market or at prices similar to those prices for transactions with unrelated third parties including, where appropriate, preferential rates and discounts accorded for bulk purchases (the same as are accorded to third party bulk purchase);
- The Company shall obtain approval of the Audit Committee for the transactions entered into with the Related parties except with the Wholly Owned Subsidiaries.

- The Company shall obtain the approval of the Board and Shareholders in case the Company enters any Material transactions with the Related Parties except with the Wholly Owned Subsidiaries.