



Related Party Transaction Policy

Object of the Policy:

The Related Party Transaction may have potential or actual conflicts of interest may be against the best interest of the company and its shareholders. Therefore, such transaction has to be in the best interest of Company.

Considering such issue, related party transaction policy is formed and to approve the related party transaction which are in best interest of the Company & shareholders.

Definitions:

“Audit Committee” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

“Board” means Board of Directors of the Company

“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.

“Ordinary Course of Business” means a transaction which is

1. Carried out in the normal course of business in line with object clauses of the Memorandum of Association or
2. A past practice with or without a pattern of frequency or
3. A common commercial practice or
4. As per any other parameters/criteria as decided by the Board or Audit Committee

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Company Secretary; and

(iii) Chief Financial Officer

“**Material Related Party Transaction**” means a transaction with a related party 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.

A related party “**transaction**” shall have meaning ascribed to it in the Act and or Listing Agreement.

Identification of Potential Related Party Transactions:

Each Director and Key Managerial Personnel are responsible to give notice of all the potential related party transaction to the Board and to Audit Committee and any other information as required by the Board and to Audit Committee.

Procedure for the approval of related Party Transaction:

•**Approval by audit Committee:** All the related party transactions are required advance approval of Audit Committee.

•**Omnibus approval:** If Audit Committee thinks fit and find it required than it can provide omnibus approval, such omnibus approval shall specify:

- (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
- (ii) the indicative base price / current contracted price and the formula for variation in the price if any, and
- (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need of related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transaction subject to their value not exceeding rupees one crore per transaction.

- The audit committee shall review at least on a quarterly basis, the details of related party transaction entered only by the listed entity pursuant to each of the omnibus approvals 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.

Board of Directors approval:

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm’s length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time require Board approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down Clause 5 of the Policy, which are intended to be placed before the shareholders for approval.

Shareholders approval:

All material related party transactions shall require approval of shareholders through 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.

Audit committee approval, omnibus approval, shareholders approval not required for:

- transactions entered into between to government companies.
- Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Misc.

Audit committee while taking into consideration any case of related party transaction, committee shall consider each and every fact and circumstances of the case.