

## **RELATED PARTY TRANSACTION POLICY**

### **1. Preamble**

The Board of Directors of the Company based on the recommendations of the Audit Committee has adopted the following policy and procedures with regard to Related Party Transactions to be followed by the Company with regard to the transactions with the related parties. The Audit Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

### **2. Purpose**

This policy is framed as per requirement of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

### **3. 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

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

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

Listing Agreement means the agreement which the Company has entered into the Stock Exchanges, where shares of the Company are listed as may be amended from time to time

Material Related Party Transaction means a transaction with a related party wherein the value of the transaction (s) to be entered into individually or taken together with the previous transactions during the financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Policy means this Related Party Transaction Policy.

Related party means an entity shall be considered as related to the Company if:

1. Such entity is a related party under Section 2(76) of the Companies Act, 2013 ; or
2. Such entity is a related party under applicable accounting Standards.

Related Party Transaction means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

Relative means relative as defined under section 2(77) of the Companies Act, 2013 and the rules made thereunder and the listing agreement.

Words and phrases which are not defined herein shall have the same meaning as defined in the Companies Act, 2013 or Listing Agreement with Stock Exchanges.

#### **4. Identification of Potential Related Party Transaction**

- a. Each director and Key Managerial Personnel in required to give notice of disclosure of interest under section 184 and 189 of the Companies Act, 2013 alongwith the list of relatives of the Company. The Company shall ensure that no transaction is entered into with the related parties without requisite approvals.
- b. Every director and Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such meeting.
- c. Where any director and or Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of Board held after he becomes so concerned or interested.
- d. All Related Party Transactions shall be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

## 5. Approval of Related Party Transaction

### a. Approval of the Audit Committee

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- i. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- ii. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- iii. 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 for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

- iv. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- v. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

### b. Approval of the Board

All the related party transactions shall be approved by the Board of Directors of the Company except the transactions entered into by the Company in the ordinary course of the business at arm's length price and which are not material.

### c. Approval of the Shareholders

All the material related party transactions shall be approved by the Shareholders by a special resolution. All the related parties shall abstain from voting irrespective of whether such related party is a party to such related party transaction.

### d. Related Party Transactions without approval of the Board and / or Shareholders

If any related party transaction is entered into by a Director or Employee of the Company without approval of the Board or the Shareholders of the Company by way of special resolution and if the same is not ratified by the Board or Shareholders, as the case may be, within a period

of three months from the date of entering into such contract or transaction, the said contract or transaction shall be voidable at the option of the Board and it shall be open for the Company to initiate proceedings against the Director or any other Employee who had entered into such contract or transaction for indemnification of any loss sustained by the Company due to such contract or transaction.

The Director or any other employee responsible for the violation of the said violation shall be punishable with imprisonment and the fine as prescribed under the Companies Act, 2013.

## **6. Exceptions**

The following related party transactions shall not require approval of the Audit Committee, Board or Shareholders;

- a. Payment of remuneration to directors or key managerial personnel in connection with their duties to the Company or any subsidiaries or associates and reimbursement of expenses incurred in the ordinary course of business.
- b. Transaction where interest of the related party is merely on account of ownership of shares or securities issued by the Company and the benefit of such transaction is to all holders of such shares or securities.
- c. Transactions with the wholly owned subsidiary companies
- d. Transaction arising out of arrangements and amalgamations under specific provision of the Companies act

## **7. Existing contracts**

Existing related party contracts entered into before 1<sup>st</sup> April 2014, i.e. before coming into force of the Companies Act, 2013 following the provisions of the Companies Act, 1956 would not require fresh approval till the expiry of the original term of such contract.

## **8. Disclosures**

- a. The Company is required to disclose Related Party Transactions in the Company's Board's Report to shareholders of the Company at the Annual General Meeting.

- b. Details of all Material Related Party Transactions shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance, in accordance with the Listing Agreement.
  
- e. The Company is also required to disclose this Policy on its website and also in the Annual Report of the Company.

## **9. Disclosures**

- a. The right to interpret / amend and modify this policy vests in the Board of Directors of the Company as may be recommended by the Audit Committee.
  
- b. This Policy will be communicated to all directors, key managerial personnel, operational employees and other concerned persons of the Company.