

POLICY FOR DETERMINING RELATED PARTY TRANSACTIONS

PREFACE

This policy is formed as a part of Corporate Governance Framework as per requirement of Reg. 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered by the Company with the Stock exchanges in India and also in terms of Section 188 of the Companies Act, 2013 and the rules made thereunder.

PURPOSE

This policy is intended to regulate transactions between the Company and its Related Parties with a view to ensure that such transactions are executed on an arm's length basis and in a transparent and fair manner. Also to outline the procedures for identification, review, approval, disclosure and reporting of such transactions.

DEFINITIONS

“Related Party” with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement

“Related Party Transaction” (RPT) means –

- specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188;
- any transaction 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.

“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.

“Arm's length transaction (‘ALP’) means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Associate Company” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

“Audit Committee” means a Committee constituted by the Board of Directors of the Company in accordance guidelines of Listing Agreement and Companies Act, 2013

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

- a) Managing Director, or Chief Executive Officer or manager and in their absence, a Whole time director;
- b) Company Secretary; and

c) 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, exceed ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

“Office of place or profit” means any office of place or profit held by any director or any other individual and receives from the company anything by way of remuneration, salary, fees, commission etc.

Transactions covered under Related Party Transactions as per Section 188 of the Companies Act, 2013:

- (a) Sale, purchase or supply of any goods or materials;
- (b) Selling or otherwise disposing of, or buying, property of any kind;
- (c) Leasing of property of any kind;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the Company;

As per Accounting Standards 18:

- (i) transfer of research and development
- (ii) license agreements
- (iii) finance (including loans and equity contributions in cash or kind).
- (iv) Guarantees and collaterals
- (v) Management contracts including for deputation of employees

Approval of Related Party transactions

All Related Party Transactions except with the wholly owned subsidiary require prior approval of the Audit committee.

The Audit committee may grant Omnibus approval for proposed Related Party Transactions which are repetitive in nature. The Audit committee shall review at least on quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given. Audit committee may grant omnibus approval for such transactions subject to their

value not exceeding rupees one crore per transaction. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year validity.

In the event contract /arrangement / transaction is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain prior approval of the Board and its shareholders, as applicable, for such contract / arrangement / transaction.

Where Related Party Transactions require approval of the Board through special resolution; any director who is interested in any contract / arrangement / transaction with a related party, shall not be present at the meeting during discussions on the subject-matter of the resolution relating to such contract / arrangement / transaction.

All material related party transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

DISCLOSURES

Directors and Key Managerial Personnel shall intimate list of relatives by way of a declaration to the Company.

Every director or key managerial personnel shall disclose to the Company the particulars relating to his/her concern or interest in the other associations.

Details of all material transactions with related parties are to be disclosed quarterly along with the compliance report on corporate governance.

All Related Party Transactions shall be disclosed in the Company's quarterly audited financial statements and Annual Report and applicable statutory filings.

The contract or arrangements entered into with the Related Parties shall be disclosed in the Board Report to the shareholders along with the justification for entering into such contract or arrangement.

This Policy shall be disclosed on the Company website and a web link thereto shall be provided in the Annual Report.