

RELATED PARTY TRANSACTION POLICY

Introduction

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

Definitions

“Board” means board of directors of the company;

“Committee” means Audit Committee of the Board

“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
- iv. Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- v. Such other officer as may be prescribed.

“Related Party” means related party as defined under sub section (76) of Section 2 of the Companies Act, 2013 or under the applicable accounting standards

“Related Party Transactions” under Regulations, means any transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged. A transaction with a related party shall be construed to include single transaction or a group of transactions in a contract.

Without prejudice to the generality of the above, related Party Transactions under the Act, shall include:

- i. Sale, purchase or supply of any goods or materials;
- ii. Selling or otherwise disposing of, or buying property of any kind;

- iii. Leasing of property of any kind;
- iv. Availing or rendering of any services;
- v. Appointment of any agent for purchase or sale of goods, materials, services or property;
- vi. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- vii. Underwriting the subscription of any securities or derivatives thereof, of the Company.

“Relative” shall have the same meaning as assigned under section 2(77) of the Act, and the Rules framed thereunder.

POLICIES AND PROCEDURES:

All transactions with Related Parties shall be in the ordinary course of business and at arm's length and shall be subject to the prior approval of the Audit Committee if required by Committee. If any transaction with Related Party(s) is not in the ordinary course of business and/or not at arm's length, then:

- a. All such transactions will require prior approval of the Audit Committee;
- b. Will require prior approval of the Board; and
- c. Will require prior approval of the shareholders of the Company by resolution if they exceed the threshold limits mentioned u/s 188 of the Act read with Rules.

Further, any material transaction proposed to be entered into with a related party shall also be approved by the Board of Directors of the Company if required after they have been approved by the Audit Committee

Identification of Related Parties and Related Party Transactions

Each Director and Key Managerial Personnel shall notify to the Audit Committee through the Company Secretary, of any potential Related Party Transaction involving them or their Relatives, including any additional information about the transaction that the Company Secretary may reasonably request.

Whenever any potential contract or arrangement is proposed to be entered into by the Company with any related party; any employee in knowledge of the transaction shall give notice to the Audit Committee through the Company Secretary.

The Company would prefer to receive such notice of any potential Related Party Transaction well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction.

The Company Secretary and Chief financial Officers shall determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. Thereafter, with the approval of the Chairman/ Chief Executive Officer/ Chief Financial

Officer, it shall be placed before the Audit Committee for its approval in terms of the Act, and the Regulations.

Review and Approval of Related Party Transactions

Related party transactions will be referred to the Committee for review and approval. Any member of the Committee who has a potential interest in any related party transaction will recuse him or herself and abstain from discussion and voting on the approval of the related party transaction.

To review a related party transaction, the Committee will be provided with all relevant material information of the related party transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the company and to the related party, and any other relevant matters. In determining whether to approve a related party transaction, the Committee will consider the following factors, among others, to the extent relevant to the related party transaction:

- a. Whether the terms of the related party transaction are fair and are on arm's length basis to the company and would apply on the same basis if the transaction did not involve a related party;
- b. Whether there are any compelling business reasons for the company to enter into the related party transaction and the nature of alternative transactions, if any;
- c. Whether the related party transaction would affect the independence of an independent director;
- d. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- e. Whether the company was notified about the related party transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the company; and
- f. Whether the related party transaction would present an improper conflict of interest for any director or key managerial personnel of the company, taking into account the size of the transaction, the overall financial position of the director, executive officer or other related party, the direct or indirect nature of the director's, key managerial personnel's or other related party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the board/committee deems relevant.

If the committee determines that a related party transaction should be brought before the board, or if the board in any case elects to review any such matter or it is mandatory under any law for board to approve the related party transaction, then the considerations set forth

above shall apply to the board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

OMNIBUS APPROVAL

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

(a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.

(b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

(c) 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.

(d) 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.

(e) Audit Committee shall review, at least on a half yearly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

(f) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

Notwithstanding the foregoing, the following related party transactions shall not require approval of the Committee or Board or Shareholders:

- i. Any transaction that involves the providing of compensation to a director or key managerial personnel in connection with his or her duties to the company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any transaction in which the related party's interest arises solely from ownership of securities issued by the company and all holders of such securities receive the same benefits pro rata as the related party.

Threshold Limits

S.No	Transaction Category	Thresholds
	Sale, purchase or supply of any goods or materials	Exceeding 10% of the turnover of the company or INR 50 crores, whichever is lower*
	Selling or otherwise disposing of or buying, property of any kind	Exceeding 10% of the turnover of the company or INR 50 crores, whichever is lower*
	Leasing of property of any kind	Exceeding 10% of the net worth or 10% of turnover of the company or INR 50 crores, whichever is lower*
	Availing or rendering of any services directly or through appointment of agents	Exceeding 10% of the turnover of the company or INR 25 crore, whichever is lower*
	Appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration	Exceeding INR 2.5 lakh
	Remuneration for underwriting the subscription of any securities or derivatives thereof of the company	Exceeding 1% of the net worth

*Applies to transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

Related Party Transactions not approved under this Policy

In the event the company becomes aware of a related party transaction with a related party that has not been approved under this policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the company, including ratification, revision or termination of the related party transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Committee under this policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a related party transaction that has been commenced without approval, the Committee may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a related party transaction, the committee has authority to modify or waive any procedural requirements of this policy.

Amendment to the Policy

This policy shall be reviewed by the Audit Committee and the Board of Directors. However, the policy can also be reviewed and/ or necessary changes may be brought up before the above indicated period in the policy in case of any changes required due to legislative or regulatory requirements or for any other reason as may be felt appropriate by the Board. Any changes or modification on the policy would be approved by the Board of Directors.