

Policy on Related Party Transactions

Purpose

Regulation 23 of SEBI (Listing Obligation and Disclosure requirement) Regulation, 2015) requires that the company shall formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

Policy

The company has the following policy on materiality of Related Party Transactions:

Material Transactions will be determined as per the following rules:

Sl. No.	Category of Transactions	Material Related Party Transactions - Companies Act 2013	Material Related Party Transactions – Regulation 23 of SEBI (Listing Obligation and Disclosure requirement) Regulations, 2015
1	Sale, purchase or supply of any goods or materials;	Exceeding 10% of turnover or Rs. 20 crore, whichever is lower	If the transaction or transactions exceeds 10% of annual consolidated turnover.
2	Selling or otherwise disposing of, or buying property of any kind;	Exceeding 10% of net worth or Rs. 20 crore, whichever is lower	
3	Leasing of property of any kind;	Exceeding 10% of net worth or 10% of turnover or Rs. 20 crore, whichever is lower	
4	Availing or rendering of any services;	Exceeding 10% of turnover or Rs. 20 crore, whichever is lower	
5	Such Related Party's appointment to any office or place of profit in the company, or associate company	At a monthly remuneration exceeding Rs. 2.5 lakh	
6	Underwriting the subscription of any securities or derivatives thereof, of the company	Exceeding 1% of net worth	

Approval Process

All Related Party Transactions shall require prior approval of the Audit Committee.

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

- 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.
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- 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.

- 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.
- Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- All kinds of transaction specified under section 188 of the Companies Act and which are not in the ordinary course of business and at arm's length basis, will be placed before the Board for its approval before it is implemented.

All material related party transactions shall be entered into only after the approval of the Shareholders of the Company through a special resolution.