

## **POLICY ON RELATED PARTY TRANSACTION**

[Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations')]

### **1. INTRODUCTION**

The Company is governed by the Companies Act, 2013 and the rules framed thereunder, as amended from time to time ("the Act"), and regulations framed by the Securities and Exchange Board of India ("the SEBI") and by others laws, regulations etc.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("the Listing Regulations") has mandated every listed company to formulate a policy on materiality of Related Party Transactions and on dealing with Related Party Transactions ("Policy").

Therefore, this policy regarding the review and approval of Related Party Transactions has been adopted by the Company's Board of Directors.

### **2. APPLICABILITY AND EFFECTIVE DATE**

This Policy shall come into effect from 1<sup>st</sup> April, 2014 to regulate transactions between the Company and its Related Parties based to the applicable laws and regulations and subject of review by the Board of Directors from time to time as require by laws.

### **3. PURPOSE:**

It is intended to ensure that the proper approvals are obtained and proper reporting is made of transactions between the Company and its Related Parties. The Company is required to disclose the RPTs in the Financial Statements every year. The policies of the Company concerning transactions with the Related Parties are also required to be disclosed in the Annual Report.

### **4. DEFINITIONS**

- (A) **"Related Party Transaction(s)"** where the Company is a party to the transaction(s)/ contract(s)/ arrangement(s) with a related party.
- (B) **"Related Party Transaction(s) of the Company"** Related Party Transaction(s) where the Company is a party to the transaction(s)/contract(s)/ arrangement(s) with a related party.
- (C) **"Arm's Length basis"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determination of Arm's Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

- (D) **“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.
- (E) **“Material Related Party Transaction”** means a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, **whichever is lower**.

*Further a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed **5% (five percent)** of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.*

- (F) **“Material modification”** means any subsequent change to an existing Related Party Transaction, having variance of 20% of the existing limit or Rs.10 crores **whichever is lower**.

*All other terms and references used but not defined herein shall have the same meaning as is assigned to them under the Act, the Listing Regulations and rules, regulations, notifications, and circulars issued thereunder.*

## 5. POLICY

The Policy is intended to ensure timely identification of an RPT, its salient terms and conditions, detail the approval process, outline the disclosure and reporting requirements thereof and to ensure transparency in the conduct of RPT's, so that there is no conflict of interest.

The Company shall identify the related parties and the transactions with the related parties, as required by applicable laws, for approval by the Audit Committee, by the Board and by the shareholders, as may be applicable.

- (a) All Related Party Transaction(s) shall be entered on arms' length basis except in some circumstances, where permitted by law, Related Party Transaction(s) of the Company may deviate from the principle of arm's length, after obtaining approval from Audit Committee and the Board of Directors, as the case may be.
- (b) All Related Party Transaction(s) of the Company shall be in compliance with the provisions of the Act, the Listing Regulations and the applicable Accounting Standards, as amended from time to time.
- (c) All Related Party Transaction(s) of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

- (d) The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/ conditions as mentioned under the Act and the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company.
- (e) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- (f) The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and Material modifications thereof, entered into by the Company pursuant to the omnibus approval given. The Committee may at its discretion in certain procedural aspects concerning review of a Related Party Transaction may be modified or waived off.
- (g) A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for consideration, and ratification, if appropriate.

## **6. REPORTING AND DISCLOSURE OF RELATED PARTY TRANSACTIONS**

- (a) The details of all transactions with Related Parties shall be submitted in the prescribed format to the stock exchanges and requisite disclosures shall be made in other public documents/certificates as legally required, in the manner and as per the timelines set out in the Listing Regulations and the same shall be published on the Company's website.
- (b) Every contract or arrangement, which is required to be approved by the Audit Committee, or the Board or the shareholders under this Policy shall be placed before them in prescribed format with requisite details.
- (c) All transactions with Related Parties shall be disclosed in the Board's report to the shareholders along with the details justification for entering into such contract or arrangement in prescribed format.

## **7. AMENDMENTS IN LAW**

Any subsequent amendment/modification in the listing regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

In the event of any conflict between this Policy and the Act, the SEBI Listing Regulations, 2015 or other applicable laws, the provisions of such laws shall prevail.

*3<sup>rd</sup> amendment at the Board Meeting held on 10.02.2025*

*2<sup>nd</sup> amendment at the Board meeting held on 12.02.2022*

*1<sup>st</sup> amendment at the Board Meeting held on 29.05.2019*

*Adopted on 1<sup>st</sup> April, 2014*