

## POLICY ON RELATED PARTY TRANSACTIONS

### Preamble

This Policy on Related Party Transactions (“Policy”) has been formulated pursuant to the provisions of Section 188 of the Companies Act, 2013 read with applicable rules thereto, Regulations, Circulars, Clarifications and Notifications (hereinafter referred to as “Law”) and Clause 49 of the Listing Agreement as applicable and amended from time to time.

### Objective

The objective of this Policy is to provide a basis for ascertaining materiality of related party transactions and dealing with them.

### Definitions

“Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

“Related Party Transaction” means a contract or arrangement with a related party as provided under Law or Clause 49 of the Listing Agreement, as amended from time to time.

### Procedure to deal with Related Party Transactions

1. All Related Party Transactions shall require prior approval of the Audit Committee including any amendments or modifications.
2. The Audit Committee may grant omnibus approval for Related Party Transactions and such approval shall be in applicable to transactions which are repetitive in nature.
3. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
4. Such omnibus approval shall specify (i) the name/s of the Related Party, nature, period & 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.

5. The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval.
6. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
7. Approval of the Board of Directors shall be required for entering into Related Party Transactions which are not in the ordinary course of business or not at arm's length basis.
8. Approval of the shareholders shall be required for entering into Related Party Transactions which are either not in the ordinary course of business or not at arm's length and exceeding the limits prescribed under the Law.
9. All Material Related Party Transactions shall require the approval of the shareholders and the related parties shall abstain from voting on such resolutions.

#### **Activities which are to be considered in the ordinary course of business**

1. Purchase and sale of raw material, stores & spares, capital goods & finished goods
2. Rent & interest
3. Repair & Maintenance
4. Royalty
5. Technical & consultancy fee

#### **Disclosure**

Adequate disclosures pertaining to this Policy shall be made in the Annual Report as a part of Board's Report and on the website of the Company as required.

## Amendments

1. The Committee and /or the Board may review and amend this Policy as and when it deems necessary.
2. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification, circular(s) etc.

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