

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions

▪ **Preamble**

This policy is formed as a part of Corporate Governance Framework as per requirement of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI (LODR) Regulations, 2015') as amended from time to time and also in terms of Section 188 of the Companies Act, 2013 and the rules made thereunder.

▪ **Purpose**

- 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.
- To seek necessary approvals of the Audit Committee/Board/shareholders as may be necessary, after providing necessary information to them in the prescribed manner.
- To outline the procedures for identification, review, approval, disclosure and reporting of such transactions.

▪ **Important Definitions**

- **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 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.
- **Material Modifications** means any modification to an existing related party transaction, approved by the Audit Committee/ Board of Directors / Shareholders, as the case may be, which will change the complete nature of the transaction and in case of monetary thresholds which is in excess of 10% of the originally approved transaction amount.

▪ **Manner of dealing with related party transactions**

All Related Party Transactions and subsequent material modifications shall require prior approval the Audit Committee and referred for approval in accordance with this Policy.

➤ **Audit Committee**

- ❖ Transactions with Related Parties and subsequent material modifications shall require prior approval of the Audit committee unless such transaction is exempted from such approval pursuant to provisions of the Act and SEBI Regulations.
- ❖ Only those members of the audit Committee, who are independent directors, shall approve related party transactions.
- ❖ The Audit Committee may grant omnibus approval for Related Party Transactions subject to compliance with SEBI Regulations.

➤ **Board of Directors**

If the Audit Committee determines that a Related Party Transaction should be brought before the Board or it is mandatory under the Act for the Board to approve such Transaction, then the Board shall consider and approve such Related Party Transaction.

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➤ Shareholders

All the Material Related Party Transaction and subsequent material modifications, unless such transaction is exempt from such approval pursuant to the provisions of the Act and SEBI Regulations, shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not.

Transactions other than Material Related Party Transactions which are not in the ordinary course of business or at Arm's Length basis shall require the approval of shareholders if required under the Act.

▪ Exemptions

The following shall not be a related party transaction:

- the issue of specified securities on a preferential basis, subject to compliance of the requirements under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding
 - ❖ payment of dividend;
 - ❖ subdivision or consolidation of securities;
 - ❖ issuance of securities by way of a rights issue or a bonus issue; and
 - ❖ buy-back of securities.

▪ Review and Amendment

This Policy shall be reviewed by the Board of Directors at least once every three years and amended accordingly.

▪ Applicability

This amended Policy shall come into effect from April 01, 2023.

This Policy was amended by the Board of Directors of the Company in its meeting held on May 24, 2023.