

smartlink

Smartlink Holdings Limited

Related Party Transaction Policy

1.1. Applicability

- 1.1.1. The Board of Directors (the **“Board”**) of Smartlink Holdings Limited (the **“Company”** or **“SHL”**), has adopted the following policy and procedure with relation to Related Party Transactions (**“Policy”**). This Policy envisages the procedures governing Related Party Transactions required to be followed by the Company to ensure compliance with the applicable laws and regulations.
- 1.1.2. This Policy will be applicable to the Company. This Policy is to regulate transactions between the Company and its Related Parties; transactions between the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; transactions between the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, based on the applicable laws and regulations applicable on the Company. Audit Committee shall determine the procedure to be followed in order to comply with the policy.
- 1.1.3. The Policy shall be effective from 10th February, 2025. The Board of Directors of the Company, shall review and amend policy periodically and may amend the policy from time to time to align with the regulatory amendments under Companies Act, 2013 (the **“Act”**) / SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**).
- 1.1.4. This Policy will be applicable to the Company with effect from 01st October, 2014 to regulate transactions between the Company and its Related Parties based on the applicable Laws and regulations. The first amendment to this Policy was carried out by the Board of Directors at its meeting held on 01st February, 2019 to be effective from 1st April, 2019.
- 1.1.5. The second amendment to this Policy was carried out by the Board of Directors at its meeting held on 11th May, 2022 to be effective from 11th May, 2022.

1.2. Purpose

- 1.2.1. This Policy is framed as per the requirement of Section 188 of the Companies Act, 2013 (the **“Act”**) and in terms of the Regulations 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI Listing Regulations”**) including any modification(s) / amendment(s) / re-enactment(s) thereof and is intended to ensure the proper approval, reporting and disclosure of the related party transactions. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.
- 1.2.2. The Company is required to disclose each year in the Financial Statements transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties. The policy also seeks to ensure that related party transactions are appropriately reported to the regulatory authorities and are also in compliance with other regulatory requirements like the Income Tax Act, 1961, the applicable Accounting Standards, etc.

2. Definitions

- 2.1.1. **“Act”** here means The Companies act 2013 read with the relevant rules published by Ministry of Corporate Affairs from time to time through official gazette
- 2.1.2. **“Annual Turnover”** and **“Annual Consolidated Turnover”** means turnover of the Company as reflected in the Audited Financial Statements of the preceding Financial Year on standalone and consolidated basis respectively;
- 2.1.3. **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest;
- 2.1.4. **“Arm’s Length Price”** means a price which is applied or proposed to be applied in a transaction between two unrelated persons;
- 2.1.5. **“Associate”** means an enterprise in which the Company has a significant influence, but which is not a subsidiary company of the Company having such influence and includes a joint venture and the term “Associate Company” shall be interpreted accordingly.
- 2.1.6. **“Audit Committee” or “Committee”** means Committee of Board of Directors of the Company constituted under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Listing agreement) and the Companies Act, 2013;
- 2.1.7. **“Board”** means Board of Directors of the Company;
- 2.1.8. **“Chief Executive Officer”** means an officer of the Company, who has been designated as such by it;
- 2.1.9. **“Chief Financial Officer”** means a person appointed as the Chief Financial Officer of the Company;
- 2.1.10. **“Company Secretary”** means a person who is appointed by the Company to perform the functions of the company secretary under the Companies Act, 2013;
- 2.1.11. **“Influential Person”** means an individual who has control or joint control or significant influence over the entity in reference;
- 2.1.12. **“Key Managerial Personnel”** means -
- (a) the Chief Executive Officer or the Managing Director or the Manager;
 - (b) the Company Secretary;
 - (c) the Whole-Time Director;
 - (d) the Chief Financial Officer;
 - (e) Compliance Officer as per SEBI Listing Regulations wherever applicable;
 - (f) 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;
 - (g) such other officer as may be prescribed.

2.1.13. **“Manager”** means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a Company, and includes a Director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not;

2.1.14. **“Material Modification”** includes the modifications to the approved Related Party Transactions as under:

- Change by way of increase or decrease in the value of transaction exceeding 20 percentage of original transaction;
- Change in terms & Conditions of the transactions, notional monetary value of which exceeds 20 percentage of the value of original value of transaction or amount set by the board, whichever is higher;
- Change that results in transaction to become a non-arm’s length transaction.

2.1.15. **Material Related Party Transaction”** means a transaction with a related party if –

- (a) the transaction(s) to be entered into with a person individually or taken together with previous transactions during a financial year, (other than its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval) exceeds rupees one thousand crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower; or
- (b) transaction to be entered into with an entity (other than its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval) involving payments with respect to brand usage or royalty to be entered into individually or taken together with previous transactions during a financial year, exceeding 5% of the annual consolidated turnover as per the last audited financial statements or
- (c) the transaction(s) to be entered into, other than transactions entered into by the Company in its ordinary course of business if the same are on an arm’s length basis, is in relation to-
 - (a) sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of the annual turnover of the Company or
 - (b) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10% or more of net worth of the Company; or
 - (c) leasing of property of any kind amounting to 10% or more of the annual turnover of the Company; or
 - (d) availing or rendering of any services, directly or through appointment of agent, amounting to 10% or more of the annual turnover of the Company, or
 - (e) appointment to any office or place of profit in the Company, its Company or associate Company at a monthly remuneration exceeding two and half lakh rupees; or
 - (f) remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding 1% of the net worth.

- 2.1.16. **“Net worth”** means net worth of the Company computed in accordance with Section 2(57) of the Companies Act, 2013 based on the Audited Financial Statements of the preceding Financial Year;
- 2.1.17. **“Ordinary Course of business”** for the purpose of this Policy, shall include those transactions which are entered in accordance with the business objectives of the Company as included in the objects clause of the memorandum of association of the Company and necessary for Company’s operations and includes but not limited to activities that are normal or incidental and / or facilitative activities of the business of the Company. The satisfaction of any of the following tests shall determine whether a transaction is in the ‘ordinary course of business of the Company:
- (i) the activity in question should be in furtherance of the business objectives of the Company and there should be a proximity of the activity in question with the normal business activities of the Company;
 - (ii) there is a historical practice to carry out such activities;
 - (iii) the activity is a common commercial practice;
 - (iv) there is a pattern of frequency to conduct such activities over a period of time;
 - (v) the transaction is not an exceptional or extra ordinary activity;
 - (vi) the income, if any, earned from such activity / transaction is assessed as business income in the Company’s books of accounts and hence is a business activity;
 - (vii) it meets any other parameters / criteria as decided by the Audit Committee and / or Board of Directors of the Company.
- 2.1.18. **“Policy”** means Related Party Transaction Policy;
- 2.1.19. **“Related Party”** shall have the meaning ascribed to it under the Companies Act, 2013, SEBI Listing Regulations and applicable Indian Accounting Standards as per Section 133 of the Companies Act 2013 including all amendments and modifications thereof from time to time.
- 2.1.20. **Related Party Transaction”** shall have the meaning ascribed to it under the SEBI Listing Regulations and applicable Indian Accounting Standards as per Section 133 of the Companies Act 2013 including all amendments and modifications thereof from time to time.
- 2.1.21. **Relative”** means relative as defined under the Companies Act, 2013 and includes anyone who is related to another in any of the following manner –
- (a) they are members of a Hindu Undivided Family;
 - (b) they are husband and wife;
 - (c) father (including step-father);
 - (d) mother (including step-mother);
 - (e) son (including step-son);
 - (f) son’s wife;
 - (g) daughter;
 - (h) daughter’s husband;
 - (i) brother (including step-brother); and
 - (j) sister (including step-sister).

2.1.22. **“RPT Process”** means detailed procedure approved and amended from time to time by the Audit Committee in order to ensure compliance with the policy.

2.1.23. **“Specified Related Party Transaction”** means transaction with a Related Party if –

- (a) the transaction(s) to be entered into with a person individually or taken together with previous transactions during a financial year, (other than its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval) exceeds rupees one thousand crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower; or
- (b) the transaction(s) to be entered into, other than transactions entered into by the Company in its ordinary course of business and the same are on an arm’s length basis, is in relation to—
 - (a) sale, purchase or supply of any goods or materials;
 - (b) selling or otherwise disposing of, or buying, property of any kind;
 - (c) leasing of property of any kind;
 - (d) availing or rendering of any services;
 - (e) appointment of any agent for purchase or sale of goods, materials, services or property;
 - (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - (g) underwriting the subscription of any sec securities or derivatives thereof, of the company;

2.1.2. **“SEBI Regulations”** means the SEBI Listing Regulations, SEBI ICDR Regulations, and other applicable SEBI Regulations read with master circulars issued by SEBI from time to time.

2.1.3. **“Transaction”** with a Related Party shall be construed to include any contract or arrangement or transaction, whether single or as a group of transaction and for the purpose of applying thresholds laid down in this Policy it shall include previous transaction(s) during the financial year with the said Related Party;

2.1.4. **“Whole-Time Director”** includes a director in the whole-time employment of the Company.

2.2. Interpretation

2.2.1. Whether a person or entity exercises “significant influence” over the other entity would need to be determined after taking into consideration totality of all the relevant consideration and therefore quantitative thresholds cannot be prescribed. Significant influence may be exercised in several ways, for example, by representation on the Board of Directors, participation in the policy making process, material inter-company transactions, interchange of managerial personnel, or dependence on technical information. Significant influence may be gained by share ownership, statute or agreement. As regards share ownership, if a person or entity holds, directly or indirectly through intermediaries, 20 per cent or more of the voting power of the enterprise, it is presumed that the investing party does have significant influence. However, a person or entity having less than 20 per

cent voting power may also be in a position to exercise significant influence and therefore it should be evaluated after considering all other relevant factors.

- 2.2.2. Any term not defined in the Policy shall have the same meaning assigned to it under the Act or SEBI Listing Regulations or SEBI Guidelines or relevant Accounting Standard and preference should be given to the meaning assigned to such term under the Act as compared to other source of interpretation.
- 2.2.3. The Policy has been framed to maintain highest standard of corporate governance and therefore interpretation of any matter in this Policy should be consistent with the objectives for introducing such requirements in the Act or the SEBI Listing Regulations (erstwhile Listing Agreement).

3. Related Party Transaction Policy

3.1. Policy

- 3.1.1. All Related Party Transactions and subsequent modifications thereof must be reported to the Audit Committee and referred for prior approval by the Committee in accordance with this Policy. Where any Director is considered interested in any transaction with Related Party, such Director shall not be present at the meeting during discussions and voting on the subject matter of the resolution relating to such transaction. However, the Audit Committee may grant omnibus approval for the Related Party Transactions proposed to be entered into by the Company in accordance with **Para 3.5** of this Policy.
- 3.1.2. Only those members of Audit Committee who are Independent Directors shall approve Related Party Transactions. Upon approval by the Audit Committee, Specified Related Party Transactions must be referred to the Board for prior approval in accordance with this Policy.
- 3.1.3. Upon approval by the Audit Committee / Board, all Material Related Party Transactions and any subsequent Material Modifications shall require prior approval of the shareholders through requisite resolution in accordance with this Policy. No member of the Company shall vote on such resolution, to approve any transaction which may be entered into by the Company, if such member is a Related Party, irrespective of whether the member is a party to the particular transaction or not.
- 3.1.4. Any Related Party shall not be eligible for appointment as an Auditor (including Internal Auditor, Cost Auditor, Secretarial Auditor, etc.) of the Company.
- 3.1.5. In case where the Act or SEBI Listing Regulations or SEBI Guidelines or any other statutory requirement is more stringent (i.e., contains additional approvals or restrictions or disclosures or intimations) in relation to any transaction, then the requirements contained in the respective statute shall also be required to be complied and observed in addition with compliance of this Policy.

3.2. Identification of Related Parties

- 3.2.1. Every Director, Key Managerial Personnel and Influential Person is responsible to declare any person or entity that would be regarded as Related Party for the Company in accordance with this Policy on account of his being Director or Key Managerial Personnel of the Company. Such

declaration shall include disclosure of his (and his relative's) concern or interest in any Company or Companies or bodies corporate, firms or such other association of individuals which shall include the shareholding, directorship, membership, partnership, etc.

- 3.2.2. The Chief Financial Officer (“CFO”) and in his absence, the Company Secretary (“CS”) and in case the Company is not having CFO and CS, the Chairman of the Board or the Director of the unlisted subsidiary companies shall be responsible to provide list of Related Parties of respective subsidiaries to the Company Secretary of the Company and any update thereof shall be intimated on quarterly basis or more frequently if need arise (i.e., immediate basis in case of upcoming proposed transaction, etc.).
- 3.2.3. Company Secretary shall identify other persons or entities that would be regarded as Related Parties on account of their relationship as mentioned in Para 2.1.19 and 2.1.21 on a quarterly basis based on the information available with him or after making enquiries as may be necessary.
- 3.2.4. Company Secretary shall prepare a comprehensive List of Related Parties based on the information received from Director, Key Managerial Personnel, Influential Person, unlisted subsidiaries and other persons or entities identified by him. Such list shall be updated on a quarterly basis, or more frequently if need arise, and circulated to all the persons having authorities to carry out any transactions so that the Policy can be adhered to.
- 3.2.5. Company Secretary shall also share such comprehensive List of Related Parties to the unlisted subsidiaries on quarterly basis to enable the unlisted subsidiary to track the Related Party Transactions.

3.3. Identification of Potential Related Party Transactions

- 3.3.1. Every officer of the Company entrusted with the authority to enter into any transaction shall be responsible for providing notice to the Board or Audit Committee, through Secretarial Department of any potential Related Party Transaction involving the Company. Board / Audit Committee, through Secretarial Department, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- 3.3.2. The Board of Directors of the unlisted subsidiary companies shall be responsible for providing notice to the Board or Audit Committee of the Company, through Secretarial Department of any potential Related Party Transaction involving the respective subsidiary. Board / Audit Committee of the Company, through Secretarial Department, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- 3.3.3. It is strongly preferred to receive notice of any potential Related Party Transaction well in advance so that the Audit Committee / Board has adequate time to obtain and review information about the proposed transaction.

3.4. Review and Approval of Related Party Transactions

- 3.4.1. All Related Party Transactions and subsequent modifications thereof will be referred to the Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction shall not be present at the meeting during discussions and voting on

the subject matter of the resolution relating to such transaction. Further, only those members of Audit Committee who are Independent Directors shall approve Related Party Transactions.

Provided further that:

- a) a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company only if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover, as per the last audited financial statements of the Company;
- b) 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 listed entity as per the last audited financial statements of the listed entity.
- c) with effect from 1st April, 2023, a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the respective subsidiary;

- 3.4.2. Prior approval of the Audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of Regulation 15 of SEBI Listing Regulations are applicable to such listed subsidiary of the Company.

Explanation: For Related Party Transactions of unlisted subsidiaries of a listed subsidiary of the Company as referred to in 3.4.2. above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

- 3.4.3. However, in case where the Audit Committee has granted Omnibus Approval for the Related Party Transactions proposed to be entered into by the Company in accordance with Para 3.5 of this Policy, prior approval of Audit Committee for each such transaction shall not be required.

- 3.4.4. To review a Related Party Transaction(s), 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(s):

- i. Whether the terms of the Related Party Transaction are fair and on arms' length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- ii. 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;
- iii. Whether the Related Party Transaction would affect the independence of an Independent Director;
- iv. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- v. Whether the Audit Committee or the Board, through Secretarial Department, 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

- vi. 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.
 - vii. Such other information as may be required to be reviewed under SEBI Master Circular dated 11th November, 2024 or any other circulars as may be issued from time to time.
- 3.4.5. In case 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 also the same shall be referred to the Board for approval and the process set forth in Para 3.6 shall apply to such transaction as well.
- 3.4.6. Audit Committee shall determine the RPT Process, which shall include the procedure to be followed and details to be submitted by various officers in order to enable the Company to comply with this Policy.

3.5. Omnibus Approval by Audit Committee

- 3.5.1. Audit Committee may grant omnibus approval in respect of Related Party Transactions which are repetitive in nature. Audit Committee shall lay down the criteria for granting the Omnibus Approval in accordance with this policy.
- 3.5.2. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- 3.5.3. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:
- a. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - b. the maximum value per transaction which can be allowed;
 - c. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - d. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
 - e. transactions which cannot be subject to the omnibus approval by the Audit Committee.
- 3.5.4. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
- i. repetitiveness of the transactions (in past or in future);

ii. justification for the need of omnibus approval.

3.5.5. Such Omnibus Approval shall specify –

- (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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;

3.5.6. In case, 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 Rupees 1 crore per transaction.

3.5.7. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

3.5.8. Audit Committee shall review on a quarterly basis the details of Related Party Transactions 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 (1) year and shall require fresh approvals after the expiry of one year.

3.6. Ratification of Related Party Transactions by the Audit Committee

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- a. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- b. the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation.
- c. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification
- d. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation
- e. any other condition as specified by the audit committee:

3.6.1. Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

3.7. Additional Review and Approval of Specified Related Party Transactions

- 3.7.1. Upon recommendation by the Audit Committee, if the proposed transaction is Specified Related Party Transaction as defined in Para 2.1.23 or a Material Related Party Transaction, the same will be referred to the Board for review and prior approval. Upon submission for the approval by the Board, 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.
- 3.7.2. The Board may seek further information or clarification as may be necessary for them to reach to the conclusion on the matter. Any member of the Board who has a potential interest in any Related Party Transaction shall not be present at the meeting during discussions and voting on the subject matter of the resolution relating to such transaction.

3.8. Additional Review and Approval of Material Related Party Transactions

- 3.8.1. Upon approval by the Board, if the proposed transaction is Material Related Party Transaction as defined in Para 2.1.15 or if there is any subsequent Material Modifications to an approved Related Party Transaction, the same will be placed for prior approval of the shareholders by requisite resolution during the next General Meeting / Postal Ballot.
- 3.8.2. The shareholders shall be provided with the relevant information including those required under the Act, SEBI Listing Regulations read with SEBI Master Circular dated 11th November, 2024 and applicable accounting standards taking into consideration any further amendments and circulars / notifications issued by regulators thereof regarding the proposed Related Party Transaction in Explanatory Statement to be annexed to the notice of General Meeting/ Postal Ballot so as to enable the shareholders to take decision on the same. After discussion in the General Meeting, the shareholders may pass requisite resolution, with such modification as may be necessary or appropriate as they may deem fit.

Provided that prior approval of the shareholders of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Sub-regulation (2) of Regulation 15 of SEBI Listing Regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

- 3.8.3. No member of the Company shall vote on such requisite resolution, to approve any transaction which may be entered into by the Company, if such member is a Related Party, irrespective of whether the member is a party to the particular transaction or not.

3.9. Related Party Transactions not approved under this Policy

- 3.9.1. 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 / Board. The Committee / Board 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 / Board 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.

- 3.9.2. In any case, where the Committee / Board determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee / Board, as appropriate, 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 / Board has authority to modify or waive any procedural requirements of this Policy.

3.10. Exceptions

- 3.10.1. Approvals of Audit Committee / Board of Directors / Shareholders under this Policy shall not be applicable in following cases:

- (a) Transaction entered into by the Company with wholly owned subsidiary, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval, if –
 - (i) the transaction is in the Company's ordinary course of business and the same is on an arm's length basis; or
 - (ii) the transaction pertains to making investment in or granting of loan or issuance of guarantee on behalf of such wholly owned subsidiary.
- (b) Any transaction that involves the providing of compensation to a Director in connection with his or her duties to the Company;
- (c) 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 like payment of dividend; subdivision or consolidation of securities; issuance of securities by ways of bonus or rights issue and buyback of securities;
- (d) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) Transactions involving corporate restructuring such as capital reduction, merger, demerger, hive-off etc. which are approved by the Board and carried out in accordance with the specific provisions of the Act or SEBI Listing Regulations and other applicable provisions;
- (f) Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.
- (g) Contribution towards Corporate Social Responsibility within the overall limits approved by the Board that require approval of the CSR Committee; and
- (h) Any transaction pertaining to appointment and remuneration of Directors and KMPs that require approval of the Nomination and Remuneration Committee of the Board and the Board.

3.11. Disclosure Mechanism

- 3.11.1. The Company shall ensure appropriate disclosures as required under relevant laws like Companies Act, 2013, SEBI Listing Regulations, applicable accounting standards taking into consideration any amendments thereof and circulars / notifications issued by the regulators of aforesaid enactments are made to the Audit Committee, Board, Shareholders and Stock Exchange(s) are made in a timely manner.

3.12. Implementation

- 3.12.1. This amended Policy will be communicated to all concerned employees and other persons of the Company and the same shall be effective from 10th February, 2025.
- 3.12.2. The Related Party Transactions Policy shall be reviewed by the Board of Directors at least once every three years and updated accordingly. In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.
- 3.12.3. Audit Committee shall determine the procedure to be followed in order to comply with the Policy and the same will be communicated to all concerned employees and other persons of the Company.