

## JHS SVENDGAARD LABORATORIES LIMITED

CIN: L24230HP2004PLC027558

Regd. Office: Trilokpur Road, Kher (Kala-Amb), Tehsil-Nahan, Distt. Sirmour, Himachal Pradesh-173030

Corporate Office: B-1/F-23, Mohan Co-operative Industrial Area, Mathura Road, New Delhi – 110 044

E-Mail: cs@svendgaard.com, Website: www.svendgaard.com

Tel: 011-26900411/412, Fax: 011-26900434

### **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS**

#### **Title**

This Policy shall be called 'Policy on materiality of and dealing with Related Party Transactions' pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

#### **Objective**

As a part of the business activity, the Company deals with entities which are related parties. The Company recognizes that Related Party Transactions (as defined below) may have potential or actual conflicts of interest and may raise questions whether such transactions are consistent with the Company's and its shareholders' best interests and in compliance to the provisions of the Companies Act, 2013 and Rules made thereunder ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

This policy is framed to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

The Board of Directors (the "Board") of JHS Svendgaard Laboratories Limited (the Company) has adopted the following policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold(s) and the manner of dealing with Related Party Transactions ("Policy") in compliance with the requirements of the Act and the Listing Regulations, as amended from time to time. The Audit Committee will review and may amend this policy from time to time.

#### **DEFINITIONS:**

- **"Accounting Standards"** shall mean those accounting standards that are prescribed by the Government of India under Section 133 of the Act.
- **"Act"** shall mean the Companies Act, and the Rules made thereunder, as in force, from time to time and includes all amendments thereto and all notifications, circulars, clarifications issued thereunder.
- **"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. A change in price of goods consumed or sold brought about by play of market forces affecting across the industry globally shall not be construed as affecting the arm's length nature of a transaction.
- **"Audit Committee" or "Committee"** means the audit committee constituted by the Board of Directors in

accordance with applicable law, including the Listing Regulations and the Act as amended from time to time.

- **“Board”** means the Board of Directors of JHS Svendgaard Laboratories Limited.
- **“Company”** means JHS Svendgaard Laboratories Limited.
- **“Material Related Party Transaction”** means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the LODR, which is presently 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. However, 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.

Threshold (II) ₹ (III). Note: Consolidated Turnover for the purpose of the abovementioned table shall be taken as audited consolidated turnover as on immediately preceding financial year.

Consolidated Turnover of Listed Entity	Threshold (I)
Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
More than ₹20,000 Crore to up to ₹40,000 Crore	2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower

Note: Consolidated Turnover for the purpose of the abovementioned table shall be taken as audited consolidated turnover as on immediately preceding financial year.

All material Related Party Transactions and subsequent Material Modifications thereto and Transactions with a Related Party covered under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 exceeding the limits provided under the Companies Act, 2013 shall require prior approval of the Shareholders of the Company.

- **“Industry Standards”** shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by SEBI vide its various circulars issued from time to time.
- **“Material Modification”** means any change in the approved terms which has a financial implication of 25% or more of the contract or Rs 50 crores, whichever is lower.
  - ✚ Any modification in significant terms and conditions of the contract with a related party such as price, alteration to the credit period, changes in scope of deliverables under a contract etc.
  - ✚ Any other modifications, which as per the directions of Audit Committee may deemed to be material on case-to-case basis.
- **“Policy”** means this Policy, as amended from time to time.
- **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Act or under applicable

accounting standards the Act

- Provided that :
  - a) any person or entity forming a part of the promoter or promoter group of the listed entity or
  - b) any person or any entity, holding equity shares :
    - i)

ii) of ten per cent or more, in the listed entity either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party;

- **“Related Party Transactions”** means a transaction that fulfils any of the following criteria:
  - (a) which would constitute a related party transaction as defined under the Act; or
  - (b) which would constitute a related party transaction as defined under LODR; or
  - (c) any other transaction which is required to be disclosed as a related party transaction in the financial statements of the Company by virtue of the provisions of the accounting standards applicable to the CompanyHowever, despite the exemption provided under SEBI LODR as mentioned herein under, the following transaction(s) under clause (a) to (e) shall continue to be a RPT pursuant to the Companies Act, 2013:
  - a) 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;
  - b) following corporate actions which are uniformly applicable/ offered to all shareholders in proportion to their shareholding:
    - (i) payment of dividend;
    - (ii) subdivision or consolidation of securities;
    - (iii) issuance of securities by way of a rights issue or a bonus issue; and
    - (iv) buy-back of securities.
  - c) acceptance of fixed deposits (including the payment of interest thereon) at the terms uniformly applicable/ offered to all shareholders/ public, subject to necessary disclosures in the format as specified by SEBI;
  - d) acceptance of current account deposits and saving account deposits by Bank in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time; Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
  - e) retail purchases from the Company or its subsidiary by the directors or key managerial personnel of the Company or its subsidiary, and relatives of such directors or key managerial personnel without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors, key managerial personnel and relatives of directors or key managerial personnel.
- **“Threshold”** shall mean the threshold provided for each related party transaction under Section 188 of the Companies Act, 2013 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.
- **“Relative”** means a relative as defined under Section 2(77) of the Act and Regulation 2(1)(zd) of the Listing Regulations.
- **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 or any other applicable law or regulation.

## **MANNER OF DEALING WITH RELATED PARTY TRANSACTION**

### **Identification of Related Parties and the Related Party Transactions:**

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations

Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture shall,

- at the time of appointment;
- periodically – as required by the Company or applicable law
- whenever there is any change in the information already submitted,

provide requisite information about his / her Relatives and all firms, companies, body corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

Every Director, KMP, officers authorized to enter into contracts/ arrangements will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

Besides the above, the Company will also identify other Related Parties as required under the Act and the Listing Regulations.

Any transaction by the Company with a Related Party will be regulated as per this Policy.

### **ASCERTAINING WHETHER RELATED PARTY TRANSACTIONS ARE ON ARM'S LENGTH BASIS**

The Audit Committee, while ascertaining the arm's length nature of contracts / arrangements (or any modification, variation, extension or termination thereof) that may be entered into by the Company with Related Parties shall scrutinize the following:

- (i) the contracts/ arrangements are entered into with Related Parties, are at such prices/ discounts/ premiums and on such terms which are offered to unrelated parties of similar category / profile;
- (ii) the contracts/ arrangements have been commercially negotiated;
- (iii) The existence of relationships between parties to the transaction have not materially affected the transaction and its critical terms governing the transaction; and (iv) Such other criteria as may be prescribed under applicable law.

While considering the arm's length nature of the transaction, the Audit Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party. The Audit Committee shall take into consideration that subsequent events (i.e. events after the initial transactions have commenced) like evolving business strategies / short term commercial decisions to improve / sustain market share, changing market dynamics, local competitive scenario, economic / regulatory conditions affecting the domestic industry, may impact profitability but may not have a bearing on the otherwise arm's length nature of the transaction.

The arm's length shall be determined based on the criteria laid out in the Pricing Policy for transactions with Related Parties approved by the Audit Committee / Board. In case of transactions that are not covered under the said Pricing Policy, the Audit Committee can consider factors stipulated in points a. and b. above in order to determine the optimum arm's length price.

The Audit Committee shall be entitled to rely on professional opinion or representation made by the concerned counter party in this regard.

Further, the Company shall also obtain, if so required by the Audit Committee, a certificate from an external agency duly appointed for the purpose of certifying that all the transactions that have been /are to be entered into with Related Parties, are in accordance with the most appropriate pricing methodology as suggested by the independent external agency and also in the ordinary course of business of the Company.

### ASCERTAINING WHETHER RELATED PARTY TRANSACTIONS ARE IN THE ORDINARY COURSE OF BUSINESS

(a) In order to determine whether a transaction is in the ordinary course of business or not, some of the principles that may be adopted to assess are as follows:

- I. whether the transaction is in line with the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities or is otherwise supported by long standing conduct of the Company;
- II. whether it is permitted by the Memorandum and Articles of Association of the Company;
- III. whether the transaction is such that it is required to be undertaken in order to conduct the routine or usual transactions of the Company;
- IV. whether the transaction is in the nature of reimbursements, received or provided, from or to any Related Party, whether with or without any mark-up towards overheads, is considered to be congenial for collective procurement or use of any facilities, resources, assets or services and subsequent allocation of the costs or revenues thereof to such Related Party in an appropriate manner.
- V. The Company may also consider whether the transaction contemplated under the proposed contract or arrangement is either similar to contracts or arrangements which have been undertaken in the past, or, in the event that such transaction is being undertaken for the first time, whether the Company intends to carry out similar transactions in the future.

### APPROVAL OF RELATED PARTY TRANSACTIONS:

#### **Audit Committee Approval: -**

1. All Related Party Transactions and subsequent Modification(s) shall be subject to the prior approval of the Audit Committee of the Company.
2. Only those Members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

**RPTs of above ₹1 crore**, where subsidiary is a party but the Company is not a party and the transaction amount exceeds the threshold of:

- i. 10% of the annual standalone turnover of the subsidiary as per last audited financial statements of the subsidiary; or
- ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.

If such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

- i. 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or ii. the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations:
- ii. Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

Prior approval of the Audit Committee shall not be required for:

- i. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to sch listed subsidiary.
- ii. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
- iii. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.  
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 regulation 23.
- iv. All relevant facts pertaining to a Related Party Transaction shall be placed with the Audit Committee, including but not limited to:
  - the name of the Related Party and nature of relationship including nature of its concern or interest (financial or otherwise);
  - the nature, duration, type, tenure, value, material terms and particulars of the proposed transaction;
  - the percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a transaction involving a subsidiary, if any, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
  - if the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary: (i) details of the source of funds in connection with the proposed transaction; (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: (a) nature of indebtedness; (b) cost of funds; and (c) tenure; (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction;
  - justification as to why the proposed Related Party Transaction is in the interest of the listed entity;
  - a copy of valuation report, competitive quotes or other external party report, if any such report has been relied upon;
  - percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction on a voluntary basis;
  - any advance paid or received for the contract or arrangement, if any;
  - the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
  - whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
  - any other information prescribed under applicable law or otherwise relevant or important for the Audit Committee to take a decision on the proposed transaction including the Industry Standards in relation to the minimum information issued by SEBI from time to time.
- v. The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavourable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee in terms of the Industry Standards.
- vi. The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- vii. In case the Company has entered into a Related Party Transaction or subsequently modified the Transaction without the requisite approval of the Audit Committee or Board or the shareholders of the Company, in that

event, the Company may get such Related Party Transactions ratified by the Audit Committee and / or Board and / or the shareholders (as the case may be) if the same is permitted under applicable law and/or render such Related Party Transaction voidable at the option of the Audit Committee, Board or the shareholders (as the case may be). No member of the Audit Committee/ Board shall participate in the review or approval of any Related Party Transaction in which such member is interested.

viii. 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:

- (i) 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;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) 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;
- (v) any other condition as specified by the audit committee:

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."

Further:

- In case of transaction, other than transactions referred to in Section 188 of the Act, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board.
- In case any transaction involving any amount not exceeding one crore rupees is entered into by a Director or Officer of the Company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the Related Party to any Director or is authorized by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it.

Where the Company and/or any of its subsidiaries enters into a contract / transactions with a Related Party, which stipulates details of every transaction like nature of the transaction, period of transaction, contract price or methodology of price determination, maximum amount of transaction , credit terms etc., prior approval once given by the Audit Committee of the Company would suffice and Audit Committee would only note the transactions that are entered into pursuant to such master agreement and will not require any additional approval of the Audit Committee unless the Company proposes to enter into Modification of the referred contract/transaction with a Related Party or the concerned subsidiary proposes to enter into Material Modification of the referred contract/transaction with a Related Party.

#### **Omnibus Approval by the Audit Committee**

- 1) In case of certain frequent/ repetitive/ regular transactions with Related Parties which are in the ordinary course of business of the Company (including transactions for support services / sharing of services with fellow subsidiaries / associate companies), the Audit Committee may grant an omnibus approval in accordance with the applicable laws and in line with this policy for such Related Party Transactions proposed to be entered into by the Company or its subsidiary.
- 2) The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a

year should not exceed 10% of the annual consolidated turnover of the Company as per its latest audited financial statements.

- 3) Provided that where the need for Related Party Transaction cannot be foreseen and the necessary details thereof are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding INR 1 crore per transaction per Related Party. Such transactions shall also be reported to the Audit Committee on a quarterly basis for its review and noting.
- 4) Any omnibus approval granted will be valid for a period not exceeding one year and fresh approval will be required upon expiry of the said period.
- 5) The Audit Committee shall grant the omnibus approval in line with the Policy on Related Party Transactions and based on following additional information:
  - (i) the information as specified under paragraph 4(A)(d) above, as applicable;
  - (ii) maximum amount of transactions that can be entered into;
  - (iii) the indicative base price or current contracted price and the formula for variation in the price, if any;
  - (iv) the maximum transaction value;
  - (v) repetitiveness of the transaction (in past or in future);
  - (vi) justification for the need of omnibus approval; and
  - (vii) such other conditions as the Audit Committee may deem fit.
- 6) Transactions of the following nature are not subjected to the omnibus approval mechanism:
  - (i) transactions which are not in ordinary course of business or not at arm's length;
  - (ii) transactions which are not in the interest of the Company;
  - (iii) transactions in respect of selling or disposal of any undertaking of the Company;
  - (iv) any other transaction which the Audit Committee may not deem fit for omnibus approval; and
  - (v) such other transactions specified under applicable law from time to time.
- 7) The Audit Committee shall review on a quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary covered under the omnibus approvals.

#### **Board Approval:**

- 1) As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said section and which are not in the ordinary course of business or not at arm's length basis, shall be placed before the Board for its approval.
- 2) In addition to the above, the following kinds of transactions with Related Parties are also placed before the Board for its approval:
  - Transactions which may be in the ordinary course of business and at arm's length, but which require Board approval in addition to Audit Committee approval as per the policy determined by the Board from time to time (i.e. value, Threshold and/or other parameters);
  - Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or on arm's length and decides to refer the same to the Board for approval;
  - Transactions which are in the ordinary course of business and on arm's length, but which in Audit Committee's view requires Board approval;
  - Transactions requiring shareholders' approval as per Part B of this Policy or meeting the materiality limits laid down in Paragraph 3 of Part A of this Policy which are intended to be placed before the shareholders for approval.
  - Related Party Transactions that are not on arm's length basis, irrespective of whether those are covered under Section 188 of the Act or not, may be placed by the Audit Committee, along with its recommendations, to the Board for appropriate action.

**Shareholders' Approval:**

- 1) All material Related Party Transactions and Material Modifications thereto require the prior approval of the Shareholders of the Company in accordance with this Policy and applicable laws.
- 2) Any transaction with Related Parties under Section 188 of the Act (i.e., which is not on arms' length basis or not in ordinary course of business), and that are above the Threshold specified in the relevant rules framed under Section 188 of the Act, will also require the prior approval of the Shareholders of the Company by way of an ordinary resolution.
- 3) Further, Regulation 23(5)(b) of the LODR and Section 188(1) of the Act provides that the requirement for seeking shareholders' approval shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- 4) The Audit Committee and the Board shall approve all material Related Party Transactions before such transaction is put forth for approval of the Shareholders.
- 5) (e) All the transactions with Related Parties requiring Shareholders' approval under this Policy, shall be placed before the Shareholders for approval. None of the Related Parties of the Company, whether or not such Related Party(ies) is a party to the Related Party Transactions, shall vote to approve material Related Party Transactions, unless permitted under applicable law.
- 6) (f) Notice seeking Shareholders' approval for any Related Party Transaction shall, in addition to the requirements specified under the Act and LODR, include the following information as a part of the explanatory statement:
  - a summary of the information provided by the management of the Company to the Audit Committee/Board as specified in paragraph 4(A)(d) above;
  - justification for why the proposed transaction is in the interest of the Company;
  - where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary the details specified under paragraph 4(A)(d)(iv) above;
  - a statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
  - percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed Related Party Transaction, on a voluntary basis;
  - any other information prescribed under applicable law from time to time or otherwise relevant or important for the Shareholders to take a decision on the proposed transaction including the Industry Standards in relation to the minimum information.

**DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS:**

The Company shall submit to the stock exchange(s) disclosures of Related Party Transactions in the format and timeframe(s) as specified by the SEBI, from time to time and the same will be published on website.

Every Related Party Transaction / contracts or arrangements that are: - i. material or ii. not at arm's length basis and/ or ordinary course of business shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction as per the requirement of the Act.

The various business heads, strategic sourcing department, department heads or any person authorized to enter into any transaction on behalf of the Company shall not undertake any transaction with related party unless they confirm that the transaction has prior approval of the Audit Committee and that the transaction is both in the ordinary course of business and on an Arm's length basis. Any transaction not meeting the required criteria mentioned above should be brought to the notice of the Secretarial Department, Accounts Department and the CFO for seeking the requisite approvals.

AMENDMENTS:

The Audit Committee may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

The Board may also make any amendments to the Policy from time to time, based on the recommendations of the Audit Committee.

Further, the Board will review this Policy from time to time as prescribed under the Act or Listing Regulations.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy.

SCOPE LIMITATION:

In the event of any conflict between the provisions of this Policy and of the Listing Regulations / the Act or any other statutory enactments, rules, the provisions of such Listing Regulations / the Act or statutory enactments, rules shall prevail over this Policy.

DISSEMINATION OF POLICY:

This Policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.