



**TATA AIG General Insurance Company Limited**

**Related Party Transaction Policy**

**Revision History:**

<b>Revision No.</b>	<b>Effective Date (Approval by Board)</b>	<b>Department</b>	<b>Prepared By</b>
1.9	2 <sup>nd</sup> February 2024	Secretarial Department	Mr. Ashish Sarma/ Mr. Hanoz Chinoy  (Aligned with the requirements of CA, 2013, IRDAI CG Guidelines, 2016 & SEBI LODR, 2015 as applicable to a High Debt Value Listed Entity.)
1.8.1	14 <sup>th</sup> February 2023	Secretarial Department	Mr. Ashish Sarma/ Mr. Hanoz Chinoy  (Annual Review - No changes proposed in the policy)
1.8	3 <sup>rd</sup> February 2022	Secretarial Department	Mr. Ashish Sarma/ Mr. Hanoz Chinoy
1.7	21 <sup>st</sup> January 2021	Secretarial Department	Mr. Ashish Sarma/ Mr. Hanoz Chinoy
1.6	5 <sup>th</sup> February 2020	Secretarial Department	Mr. Kurush Daruwalla
1.5	5 <sup>th</sup> February 2019	Secretarial Department	Mr. Kurush Daruwalla
1.4	10 <sup>th</sup> August 2018	Secretarial Department	Mr. Kurush Daruwalla
1.3	15 <sup>th</sup> February 2018	Secretarial Department	Mr. Kurush Daruwalla
1.2.1	31 <sup>st</sup> January 2017	Secretarial Department	Mr. Kurush Daruwalla
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1.1.1	5 <sup>th</sup> November 2014	Secretarial Department	Mr. Kurush Daruwalla
1.1	6 <sup>th</sup> August 2014	Secretarial Department	Mr. Kurush Daruwalla

## **TATA AIG GENERAL INSURANCE COMPANY LIMITED**

### **RELATED PARTY TRANSACTION POLICY**

#### **I BACKGROUND:**

This related party transaction policy ( "Policy") of Tata AIG General Insurance Company Limited ( "Company") is framed considering the requirements for approval of related party transactions ( "RPTs") as prescribed under the Companies Act, 2013 ( "CA 2013") read with the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ( "SEBI LODR"). The Company has formulated this Policy and guidelines for the identification of related parties and the proper conduct and documentation of all RPTs.

Regulation 23(1) of the SEBI LODR requires a company to formulate a policy on the materiality of RPTs and dealing with RPTs. Regulation 23(2) of the SEBI LODR also requires defining material modifications of RPTs and disclosing it as part of the RPT policy.

Further, the Insurance Regulatory and Development Authority of India ( "IRDAI"), pursuant to the Guidelines for Corporate Governance for Insurers in India dated 18<sup>th</sup> May 2016 ( "CG Guidelines"), mandates all insurance companies to formulate a policy for dealing with RPTs.

This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee of the Company. The Audit Committee would review and amend this Policy, as and when required, subject to the approval of the Board. In addition to the above, this Policy shall be reviewed by the Audit Committee and the Board of Directors at least once a year.

#### **II OBJECTIVE OF THE POLICY:**

- a The objective of this Policy is to set out:
  - i the manner of dealing with the transactions between the Company and its related parties; and
  - ii the materiality thresholds for RPTs, based on CA 2013, SEBI LODR and any other statute as may be applicable to the Company.

#### **III DEFINITIONS**

- a In this Policy, the following words and expressions shall have the following meanings:
  - i **Applicable Law**

Applicable Law means the laws of India relevant and applicable to Company, including CA 2013, Companies (Meetings of Board and its Powers) Rules, 2014 ( "MBP Rules"), SEBI LODR and CG Guidelines, as amended from time to time.
  - ii **Arm's Length (Explanation to Section 188(1) of CA 2013)**

Transaction at Arm's Length means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no conflict of interest.

The term Arm's Length basis is coterminous with this term and shall be construed accordingly.

In case of insurance cover is given by the insurance company to its group companies (including Related Parties), the price/ premium quoted by the company under the IRDAI File & Use and Use & File Guidelines would be considered at Arm's Length.

iii **Associate Company (Section 2(6) of CA 2013)**

Associate Company in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: For the purpose of this clause:

- (a) 'significant influence' means control of at least 20% of total voting power, or control of or participation in business decisions under an agreement; and
- (b) 'joint venture' means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

iv **Audit Committee (Section 177 of CA 2013)**

Audit Committee means the audit committee of the Company.

v **Board of Directors or Board (Section 2(10) of CA 2013)**

Board of Directors or Board means the collective body of the directors of the Company.

vi **Company**

Company means Tata AIG General Insurance Company Limited.

vii **Director**

Director means director on the Board of the Company.

viii **Holding Company (Section 2(46) of CA 2013)**

Holding Company in relation to one or more other companies, means a company of which such companies are subsidiary companies.

**Explanation:** For the purpose of this clause, the expression "company" includes any body corporate

ix **KMP (Section 2(51) of CA 2013)**

KMP is key managerial personnel in relation to a company 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) such other officer, not more than one level below the directors who is in whole-time employment, designated as KMP by the Board; and
- (f) such other officer as may be prescribed.

x **Material Related Party Transaction or Material RPT (Provisos to Regulation 23(1) of SEBI LODR)**

Material Related Party Transaction or Material RPT in relation to a company means:

- (a) a transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.
- (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% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

xi **Material Modification (Second proviso to Regulation 23(2) of SEBI LODR)**

Material Modification means and include any modification(s) to the RPTs having variance of 10% of the existing limit approved by the Audit Committee.

In the instance where modification to the RPT is not capable of quantitative thresholds, determination of whether the modification to RPT constitutes Material Modification would be subject to case to case factual analysis by the Audit Committee.

xii **Ordinary Course of Business**

Ordinary Course of Business includes but is not limited to a term for activities that are necessary, normal, and incidental to the Company's business. These are common practices and customs of commercial transactions. Ordinary Course of Business also covers the usual transactions, customs and practices related to the business.

The following factors are indicative of a transaction being in the Ordinary Course of Business:

- (a) the transaction is in the normal course of business or entered into pursuant to the main objects or objects incidental or ancillary to main objects as envisaged in the Memorandum of Association and Articles of Association of the Company, as amended from time to time or otherwise unremarkable for the business;

- (b) the transaction is frequent/ regular and a source of regular income or business for the Company and is as per historical practice with a pattern of frequency;
- (c) 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;
- (d) is common commercial practice;
- (e) the transaction is permitted by the regulators or any other Law for the time being in force;
- (f) transactions that are part of the standard industry practice, even though the Company may not have done it in the past; and
- (g) meets any other parameters/ criteria as decided by the Board/ Audit Committee.

Further, as per CG Guidelines, the following transactions as listed below for an insurance company; though not exhaustive shall fall within the ambit of Ordinary Course of Business:

- (a) Sale of Insurance products and settlement of claims;
- (b) Appointment of brokers/ agents and payment of brokerage/ commission;
- (c) Appointment of counsels, consultants, auditors in the normal course of business etc.;
- (d) Reinsurance arrangements/ co-insurance;
- (e) Undertaking of banking and investment transactions;
- (f) Payment of royalty, dividend etc;
- (g) Incurring expenses towards infrastructure sharing;
- (h) Incurring expenses towards use of trademarks;
- (i) Reimbursement of expenses; and
- (j) Arrangement with vendors for procurement of goods and services including but not limited to:
  - Telecommunication services;
  - Mail, messaging and internet services;
  - Purchase and annual maintenance services of air conditioners/ office equipments for branch office(s);
  - Procuring electronic goods and office equipments;

- Purchasing of air tickets, car hires and arranging tours;
- Purchase of software, software development, maintenance and manpower services;
- Advertisements and infrastructure;
- Call centre; and
- Claims assistance.

xiii **Relative (Section 2(77) of CA 2013)**

Relative with reference to any person means any one who is related to another if:

- (a) they are members of a Hindu Undivided Family;
- (b) they are husband and wife; or
- (c) one person is related to the other in such manner as may be prescribed.

Rule 4 of the Companies (Specification of Definition Details) Rules 2014 states that a person shall be deemed to be the relative of another, if he or she is related to another in the following manner namely:

- (a) Father (including step father);
- (b) Mother (including step mother);
- (c) Son (including step son);
- (d) Son's wife;
- (e) Daughter;
- (f) Daughter's husband;
- (g) Brother (including step brother); or
- (h) Sister (including step sister).

xiv **Related Party (Regulation 2(1)(zb) of the SEBI LODR and Section 2(76) of CA 2013)**

Related Party with reference to a company shall be construed as defined under Section 2(76) of CA 2013<sup>1</sup> or under the applicable accounting standards.

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<sup>1</sup> Related Party with reference to a company, as defined under CA 2013 means:

- i. a director or his relative;
- ii. a KMP or his relative;
- iii. a firm in which a director, manager or his relative is a partner;
- iv. a private company in which a director or manager or his relative is a member or director;
- v. a public company in which a director or manager is a director and holds alongwith his relatives, more than two percent of its paid up share capital;

Additionally, the following shall be deemed to be a related party:

- (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 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 CA 2013, at any time, during the immediate preceding financial year.

xv **RPT (Regulation 2(1)(zc) of SEBI LODR and Section 188 of CA 2013)**

RPT means a transaction involving a transfer of resources, services or obligations between: (a) 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, or (b) 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; regardless of whether a price is charged and a 'transaction' with a related party shall be construed to include a single transaction or a group of transactions in a contract.

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- vi. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions, or instructions of a director or manager;
  - vii. any person on whose advice, directions or instructions a director or manager is accustomed to act; provided nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity
  - viii. any body corporate which is –
    - a holding, subsidiary or associate company of such company; or
    - a subsidiary of a holding company to which it is also a subsidiary;
    - an investing company or the venturer of the company.Explanation: For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.
  - ix. Such other person as may be prescribed.

As per MCA notification dated 17th July, 2014 the Companies (Specification of Directors Details) Rules, 2014: A Director (other than Independent Director) or KMP of the Holding Company or his relative with reference to a Company shall be deemed to be a Related Party.

In clauses (vi) and (vii) above, there is a criterion of "accustomed to act" for identification of related parties and while the CA, 2013 does not mention a guidance on this criterion, the following general propositions would be considered:

- a general conduct indicating that one is in the habit of carrying out the instructions or directions of the third person concerned, which may involve non-exercise of own discretion or judgment by the concerned person (or Board of Directors) and acting in accordance with the directions or instructions of the third person.
- holding of more than fifty percent voting power or control over the composition of majority of Board of Directors by any body corporate or individual, directly or indirectly. In such cases the Board of the former company can be deemed to be accustomed to act in accordance with the directions or instructions of the latter.



xvi      **The following shall not be treated as RPTs:**

- (a)      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; and
- (b)      the following corporate actions by the Company 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.

xvii     **Shareholders**

Shareholders means shareholders of the Company.

xviii    **Subsidiary Company or Subsidiary (Section 2(87) of CA 2013)**

Subsidiary Company or subsidiary in relation to any other company (that is to say the holding company), means a company in which the holding company:

- (a)      controls the composition of the Board of Directors; or
- (b)      exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies.

**Provided** that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

**Explanation:** For the purposes of this clause:

- (a)      a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in (a) or (b) above is of another subsidiary company of the holding company;
- (b)      the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors.
- (c)      the expression "company" includes any body corporate; and
- (d)      "layer" in relation to a holding company means its subsidiary or subsidiaries.

xix      **Turnover**

The Company's turnover will be considered as the "Total Income" i.e. Gross Premium Income and Other Income.

- b Any other term not defined herein shall have the same meaning as defined in CA 2013 and the LODR.
- c It may be noted that the definitions in this Policy are meant solely for the purposes of compliance with RPT requirements under CA 2013, SEBI LODR and CG Guidelines. The above terms may have different connotations for other purposes like disclosures in the financial statements etc., which are governed by applicable regulations, accounting standards, regulatory guidelines etc which are not applicable in the context of RPT envisaged under this Policy.

#### **IV DETAILS REQUIRED FOR ASCERTAINING RELATED PARTY**

- a The following details shall be taken into consideration while ascertaining related party:
  - i Declaration/ disclosure of interest by all the Directors and KMPs' in Form MBP-1;
  - ii Declaration of Relatives by all Directors and KMPs;
  - iii Declaration about a firm in which a Director/ manager or Director's/ manager's Relative is a partner;
  - iv Declaration about a private Company in which a Director or manager or his Relative is a member or director;
  - v Declaration regarding a public company in which a Director or manager is a Director and holds along with the relatives more than 2% of the paid-up share capital;
  - vi Notices from Directors of any change in particulars of Directorship or in other positions during the year;
  - vii Declaration by Holding Company regarding its Directors/ KMPs' and their Relatives;
  - viii Details of any body corporate, whose Board, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager of the Company;
  - ix Details of any person on whose advice, directions or instructions a director or manager is accustomed to act:
 

Provided that nothing in item no. viii and ix shall apply to the advice, directions or instructions given in a professional capacity; and
  - x Details of anybody corporate which is:
    - (a) a holding, subsidiary or an associate company of such company; or
    - (b) a subsidiary of a holding company to which it is also a subsidiary; or
    - (c) an investing company or the venturer of the company.

## **V METHODOLOGY OF DETERMINATION OF ARMS' LENGTH PRICING**

- a For the purpose of compliance with Arms' Length pricing principle both for indigenous and also for foreign transactions, an effective approach is a comparison with pricing of transactions with independent parties, which may involve comparison of the terms:
- i with those of an identical or similar transaction with one or more unrelated parties; or
  - ii with known market terms for identical or similar transactions.
- b Further, different types of transactions may require other methods of assessing Arm's Length principle which may involve transfer pricing methods prescribed under the Income Tax Act, 1961. In terms of the Transfer Pricing Regulations, a report in Form no. 3CEB is obtained from a firm of Chartered Accountants under Section 92E of the Income Tax Act, 1961 and filed every financial year before 30<sup>th</sup> November evidencing that the transactions with associate enterprises are at Arm's Length.
- c In the instance where there is no price comparable with third party vendor(s) or situation leads to a single eligible vendor, reliance would be placed on negotiated rates to demonstrate Arms' Length pricing.

## **VI MATRIX FOR APPROVAL OF RPTs**

- a The compliances under CA 2013 and SEBI LODR have to be construed harmoniously, however, in the instance of variance between CA 2013 and LODR, the stricter regime shall prevail over the other. A snapshot of approval matrix for a RPT under CA 2013 and SEBI LODR is as below.

<b>Approving authority</b>	<b>CA 2013</b>	<b>SEBI LODR</b>
Approval of Audit Committee	<i>Requirement:</i>  Yes (required for: (a) all RPTs, and (b) any subsequent modifications)  <i>Relevant provision:</i> Section 177(4)(iv) of CA 2013  <i>Restrictions:</i> NA	<i>Requirement:</i>  Yes (required for: (a) all RPTs, (b) Material Modifications,  <i>Relevant provision:</i> Regulation 23(2) of SEBI LODR  <i>Restrictions:</i> Only independent directors who are part of the audit committee shall vote on this resolution for approval.
Approval of Board	<i>Requirement:</i>  (a) transactions listed in 188(1) of CA 2013; and  (b) transaction is either not in the Ordinary Course of Business, or is not at Arm's Length basis, or	NA

Approving authority	CA 2013	SEBI LODR
	<p>both.</p> <p>Transactions listed in Section 188(1) of CA 2013 are as follows:</p> <ul style="list-style-type: none"> <li>(a) sale, purchase or supply of any goods or materials;</li> <li>(b) selling or otherwise disposing of, or buying, property of any kind;</li> <li>(c) leasing of property of any kind;</li> <li>(d) availing or rendering of any services;</li> <li>(e) appointment of any agent for purchase or sale of goods, materials, services or property;</li> <li>(f) such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and</li> <li>(g) underwriting the subscription of any securities or derivatives thereof, of the Company.</li> </ul> <p><i>Relevant provision:</i> Section 188(1)(d) of CA 2013 read with Rule 15(2) of MBP Rules.</p> <p><i>Restrictions:</i> Where any Director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.</p>	
Approval of Shareholders	<p><i>Requirement:</i></p> <ul style="list-style-type: none"> <li>(a) transactions which fall within the ambit of Rule 15 of MBP Rules; and</li> </ul>	<p><i>Requirement:</i></p> <p>For Material RPTs or Material Modifications.</p>

Approving authority	CA 2013	SEBI LODR
	<p>(b) transaction is either not in the Ordinary Course of Business, or is not at Arm's Length basis, or both.</p> <p>Transactions listed in Rule 15 of MBP Rules are as follows:</p> <p>(a) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company, as mentioned in clause (a) and clause (e) respectively of Section 188(1) of CA 2013;</p> <p>(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, as mentioned in clause (b) and clause (e) respectively of Section 188(1) of CA 2013;</p> <p>(c) leasing of property any kind amounting to 10% or more of the turnover of the Company, as mentioned in clause (c) of Section 188(1) of CA 2013; and</p> <p>(d) availing or rendering of any services, directly or through appointment of agent, amounting to 10% or more of the turnover of the Company as mentioned in clause (d) and clause (e) respectively of Section 188(1) of CA 2013.</p> <p><i>Relevant provision:</i> First and second proviso to Section 188 of CA 2013 read with Rule 15(3) of MBP Rules.</p> <p><i>Restrictions:</i> A member which is a related party shall not vote.</p>	<p>Material RPT is:</p> <p>(a) <i>general rule:</i> transaction which exceeds lower of INR 1000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower; and</p> <p>(b) <i>special rule exception case:</i> in case of brand usage or royalty transaction, 5% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.</p> <p><i>Relevant provision:</i> Regulation 23(4) read with proviso to Regulation 23(1) and Regulation 23(1A) of SEBI LODR</p> <p><i>Restrictions:</i> No related party shall vote to approve.</p>

b Omnibus approval

- i The Audit Committee may grant omnibus approval through the omnibus framework for RPTs which are repetitive in nature and subject to certain criteria/ conditions as required under Rule 6A of MBP Rules and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company.
- ii Such omnibus approval shall be valid for one financial year. A transaction with an existing related party vendor for availing new services/ products or availing of similar or existing services/ products from new vendors being related parties which are not covered under the omnibus approval would require a prior standalone approval of the Audit Committee.
- iii **Any proposal seeking omnibus approval shall specify:**
  - (a) the name(s) of the related party;
  - (b) the nature, period and maximum amount of transaction that can be entered into;
  - (c) indicative base price/ current contracted price and formula for variation in price, if any; and
  - (d) any other detail(s) as may be specified by the Audit Committee as may deem fit by it or stipulated by the Company from time to time.
- iv **Transaction(s) of following nature will not be subject to the omnibus approval of the Audit Committee:**
  - (a) Transactions which are not at Arm's Length or not in the Ordinary Course of Business;
  - (b) Transactions which are not repetitive in nature;
  - (c) Transactions exceeding materiality thresholds as laid down in this Policy;
  - (d) Financial Transactions e.g., loan to related parties, Inter Corporate Deposits, subscriptions to Bond, Debenture or Preference shares issued by the related parties, Corporate Guarantee given/ received from related parties; and
  - (e) Any other transaction the Audit Committee may deem not fit for omnibus approval.
- v A RPT for which the Audit Committee has granted omnibus approval shall continue to be placed before the shareholders if it is a Material RPT.

**VII ROLE OF AUDIT COMMITTEE**

- a The Company shall provide, and the Audit Committee shall review the following information while assessing and reviewing the proposal pertaining to RPTs:
  - i Type, material terms and particulars of the proposed transaction;

- ii Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
  - iii Tenure of the proposed transaction (particular tenure shall be specified);
  - iv Value of the proposed transaction/ commercial consideration;
  - v 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 RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
  - vi Justification as to why the RPT is in the interest of the Company;
  - vii A copy of the valuation or other external party report, if any such report has been relied upon;
  - viii Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis; and
  - ix Any other information that may be relevant.
- b Upon such consideration, the Audit Committee may approve the RPT or may require such modifications to transaction terms as it deems appropriate under the prevailing circumstances.
  - c The Audit Committee may requisition for benchmarking information that may have a bearing on the Arm's Length basis analysis, such as market analysis, research report, industry trends, business strategies, financial forecasts, etc., third party comparables, valuation reports, price publications including stock exchange and commodity market quotations, management assessment of pricing terms and business justification for the proposed transaction, comparative analysis, if any, of other such transaction entered into by the Company.
  - d The Audit Committee shall satisfy itself whether the RPT would present a conflict of interest for any Director or KMPs of the Company, taking into account the size of the transaction, the overall financial position of the Director, KMP or other Related Party, the direct or indirect nature of the Director's, KMPs or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Audit Committee deems relevant.
  - e The Audit Committee shall review the status of RPTs (covered under omnibus framework or standalone approvals) on a quarterly basis.

## **VIII ROLE OF BOARD**

- a The Board shall exercise oversight over the RPT Framework and this Policy and accord necessary approvals as may be required pursuant to the provisions of Section 188 of the CA 2013, rules framed thereunder and as required under SEBI enactments.
- b Each Director and KMP of the Company will provide a notice to the Board to take on record potential RPT involving their respective Relative, including any additional information about the transaction that the Board may reasonably request. The notice of any potential RPT should be communicated to the Board in advance so that it has

adequate time to obtain and review necessary information about the proposed transaction.

- c Any Director or KMP who has a potential conflict of interest in any RPT shall not participate in any discussion or approval of a RPT and shall not be counted in determining the presence of quorum of the meeting when such transaction is considered.
- d The Board shall approve the RPTs in respect of which the Audit Committee is unable to determine whether or not they are in the Ordinary Course of Business and/ or at Arm's Length basis and transactions which are in the Ordinary Course of Business and at Arm's Length basis, but which in the Audit Committee's view requires a Board approval.
- e Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- f All transactions proposed to be entered into by the Company with parties/ entities being related parties pursuant to the provisions of the Joint Venture Agreement entered into by the shareholders of the Company may be approved by the Board and no Audit Committee approval would be required in such cases unless such parties/ entities qualify to be related parties under Section 2(76) of the CA 2013/ SEBI LODR.

## **IX ROLE OF SHAREHOLDERS**

- a The shareholders shall accord approvals to RPTs which cross the thresholds as provided under Rule 15 of the MBP Rules (Read with Section 188 of the CA 2013) and shall review the following information:
  - i A summary of the information provided by the management of the Company to the Audit Committee and the Board (as specified in this Policy);
  - ii Justification for why the proposed transaction is in the interest of the Company;
  - iii Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details provided to the Audit Committee and the Board (specified in paragraph (a)(vi) of Section VII of this Policy);
  - iv 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;
  - v Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis; and
  - vi Any other information that may be relevant.
- b While assessing and reviewing RPTs placed before the Shareholders for its prior approval, the Shareholders shall consider all such other requirements as would have been considered by the Audit Committee/ Board as mentioned aforesaid.



**X DISCLOSURE AND REPORTING REQUIREMENTS**

- a This Policy shall be uploaded on the website of the Company and a web link thereto shall also be provided in the Annual Report of the Company.
- b Reporting regarding RPT will be made in accordance with and in the manner and format prescribed under the Applicable Law including under SEBI LODR.

**XI REVIEW OF THIS POLICY**

This Policy shall be reviewed / approved by the Audit Committee and Board on a yearly basis or as and when warranted.

**XII DISSEMINATION OF THIS POLICY**

This Policy shall be communicated to all operational employees and other concerned persons of the Company.

**XIII LIMITATION AND AMENDMENT**

In the event of any conflict between the provisions of this Policy and Applicable Law, the Applicable Law shall prevail over this Policy.

Any subsequent amendment/ modification in Applicable Law in this regard shall automatically apply to this Policy.