

Related Party Transactions Policy Of Amrit India Limited

Action	Entity	Signature
Created by	Secretarial Team	
Approved by	Risk Management Committee and Board of Directors	
Version	1.0	Original Policy approved by Board

Index

Sr. No	Particulars	Page No
I	Background	3
II	Definitions	3
III	Procedure	5
1	Disclosure by Directors/Key Managerial Personnel (KMP)	5
2	Identification of Transactions with Related Parties	5
3	Approval of Audit Committee	6
4	Approval of Board of Directors	7
5	Approval of the shareholders	7
6	Related Party Transactions which are not approved under this Policy	7-8
IV	Review of Policy	8

I. BACKGROUND:

The Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 (the Act) introduced specific provisions relating to Related Party Transactions (RPTs). Further, in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”), every high value debt listed company is required to formulate a policy on materiality of related party transactions including clear threshold limits on dealing with related party transactions. This policy is to regulate transactions between the Company and its Related Parties based on terms of applicable laws and regulations to the Company.

II. DEFINITIONS:

1. “Key Managerial Person” in relation to a Company, means:

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;
- (v) 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; and
- (vi) such other officer as may be prescribed;

2. “Related Party” shall have the same meaning assigned to it under the Act and SEBI Regulations, as amended from time to time.

3. “Related party Transaction” means a transaction involving a transfer of resources, services or obligations between: (i) a 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 (ii) a 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, with effect from April 1, 2023; 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.

Provided that the following shall not be a related party transaction:

- (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;
- (b) the following corporate actions by the listed entity 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 by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

4. **“Material Related Party Transactions”** A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, 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

5. **“Subsequent Material Modifications”** means any modification, either individually or taken together with any previous modifications, made in the nature, value / exposure, or other terms and conditions of any existing Related Party Transactions having variance of (+)/(-) 25% or more in value of the already approved original transaction or such modification as may be decided by the Audit Committee.

Any other term not defined herein shall have the same meaning as defined in the Act, SEBI Regulations or any other applicable law or regulation as applicable to the Company.

III. PROCEDURE:

1. Disclosure by Directors/Key Managerial Personnel (KMP):

The Company to obtain the information on half-yearly basis from Directors/Key Managerial Person as required under the Act and SEBI Regulations to enable the Company to maintain a list of related parties. The list of Related Parties shall be updated based on the disclosures received from the Directors/Key Managerial Persons (and their relatives) of the Company.

Director, Key Managerial Personnel and other persons or entities identified by the Company Secretary, shall submit updated disclosures as and when there is a change in already submitted disclosures.

2. Identification of Transactions with Related Parties:

The Company Secretary will circulate the list of Related Parties to the concerned department which may include head of Business Units, Head of Functional Departments etc. to identify any proposed transaction with a related party.

3. Approval of Audit Committee:

Prior approval of the Audit Committee shall be required for all the Related Party Transactions and any subsequent modification(s) to the Related Party Transactions earlier approved by the Audit Committee, unless exempted under the Act and SEBI Regulations.

To review a Related Party Transaction which requires approval of the Audit Committee, the Audit Committee will be provided with all relevant material information including the information as required under the Act, SEBI Regulations and various circulars issued by SEBI from time to time to assist it in deciding whether or not to approve the transaction. Further in accordance with the SEBI Regulations only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions.

In case of any transactions with related parties, other than transactions referred to in Section 188 of the Act and where Audit Committee does not approve the transactions it shall make its recommendations to the Board.

Omnibus Approval by Audit Committee:

Audit committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and proposed to be entered into by the Company subject to the following conditions, namely:

- (a) The Audit Committee subject to the approval by the Board of Directors shall lay down the criteria for granting the omnibus approval on related party transactions including the maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year and the maximum value per transaction which can be allowed.
- (b) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
- (c) The omnibus approval shall specify the details including the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into, the indicative base price/current contracted price and the formula for variation in the price if any and such other conditions as the Audit Committee may deem fit. Provided, where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 Crore per transaction.
- (d) Omnibus approval not to be provided for major / strategic nature transactions including selling or disposing of the undertaking of the Company.
- (e) Audit Committee while specifying the criteria for granting omnibus approval shall also consider the repetitiveness of the transaction (in past or in future) and justification for the need of omnibus approval.
- (f) Such omnibus approvals shall be valid for a period not exceeding 1 financial year and shall require fresh approvals after the expiry of 1 financial year.
- (g) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given.

4. Approval of Board of Directors:

Transactions with related parties falling under the purview of Section 188 of the Act read with the rules framed thereunder and are neither in ordinary course of business nor at arm's length basis shall require prior approval of the Board of Directors of the Company.

All Material Related Party Transactions and subsequent Material Modifications to the Material Related Party Transactions in terms of SEBI Regulations shall require prior approval of the Board of Directors.

Where any Director/member of the Audit Committee, whether directly or indirectly, is concerned or interested in a related party transaction in terms of the provisions of Section 184 of the Act, such Director / member of the Audit Committee, shall disclose the nature of his concern or interest and shall not be present at the meeting during discussions on such transactions.

5. Approval of the Shareholders:

All Material Related Party Transactions pursuant to SEBI Regulations and subsequent Material Modifications to such related party transactions, (unless exempted under SEBI Regulations), earlier approved by the shareholders of the Company shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

All related party transactions (other than transactions between the Company and its wholly-owned subsidiary(ies)) in terms of Section 188 of the Act which are not in the ordinary course of business and/or are not at 'arm's length' and which cross the threshold limits prescribed under the Act shall also require approval of shareholders of the Company through a resolution and no member of the Company shall vote on such resolution which may be entered into by the Company, if such member is a related party.

6. Related Party Transactions which are not approved under this Policy:

Subject to the provisions of the Act and SEBI Regulations, in the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with 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 / Board under this Policy, and shall take any such action it deems appropriate.

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 which are not statutory.

IV. Review of Policy

This Policy shall be reviewed by the board of directors as and when required but at least once every 3 years and updated accordingly.

In case any amendments, clarifications, circulars and guidelines as issued by the regulatory body(ies)/authority(ies) and such amendments, clarifications, circulars and guidelines are not consistent with the requirements specified under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail and accordingly this Policy shall stand amended effective from the date as laid down under such amendments, clarifications, circulars and guidelines.
