

RELATED PARTY TRANSACTIONS POLICY

Document Version [3.00] and approved by Board of Directors on [19/04/2022]
By Secretarial

Effective From: 01/04/2022

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MASTEK LIMITED
CIN: L74140GJ1982PLC005215
RELATED PARTY TRANSACTION POLICY

1. BACKGROUND

Mastek Limited (“**the Company**”), has reviewed/ revised this policy on Related Party Transactions (“**Policy**”) in line with the requirements prescribed under Section 188 of the Companies Act, 2013 (“**the Act**”) read with the Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“**SEBI Listing Regulations**”) as amended.

The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations. This Policy shall supplement the Company’s other policies in force that may be applicable to, or involve transactions with related parties.

Accordingly, The Board of Directors of the Company has reviewed, revised and adopted the following policy and standard operating procedures based on recommendations of the Audit Committee to regulate transactions between the Company and Related Parties with effect from April 01, 2022.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out:

- a. the materiality thresholds for related party transactions and subsequent material modifications, and;
- b. the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. SCOPE AND PURPOSE

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its Stakeholders.

Provisions of this policy are designed to govern the transparency of the approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. Further, the Board may consider amending this policy from time to time as may be required on recommendation from the Audit Committee.

The Audit Committee shall review, approve and ratify Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

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4. DEFINITIONS

- **“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.
- **“Audit Committee”** or **“Committee”** means the Committee of Board of Directors of the Company constituted in accordance with the requirements prescribed under SEBI Listing Regulations and the Act.
- **“Board”** means Board of Directors of the Company.
- **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and under the provisions of the Act (as amended from time to time).
- **“Key Managerial Personnel”** or **“KMP”** means the Key Managerial Personnel of the Company as defined under the Act (as amended from time to time), and includes:
 - a. Chief Executive Officer or the Managing Executive Director or the Manager;
 - b. Whole-Time Director;
 - c. Chief Financial Officer;
 - d. Company Secretary;
 - e. 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
 - f. such other officer as may be prescribed under the Act/SEBI Listing Regulations.
- **“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, "significant influence" means control of at least 20% of total voting power, or control of or participation in business decisions under an agreement.

Explanation - For the purpose of this clause, "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.

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An Associate as per IND AS 28:

An associate is an entity over which the investor has significant influence.

- (i) **“Material Related Party Transaction”**, means a transaction to be entered into with and, or, between Related Parties, individually or taken together with previous transactions during a financial year, exceeding the threshold of Rs. 1000 Crores or 10% of the annual consolidated turnover of the Company (10% of Standalone Turnover of the Company w.e.f April 1, 2023) as per its last audited financial statements, whichever is lower, in case of any other transaction(s).

or as may be amended by the SEBI/Authority from time to time.

- **“Material Modifications”** means a modification to the Related Party Transaction which substantially changes the nature / tenure of the transaction as considered by the Audit Committee while approving the transaction at the first instance. (i.e. say +/- 20% variation in the Previously approved value and /or substantial change in the credit terms).
- **“Policy”** means Related Party Transaction Policy.
- **“Related Party”** means Related Party as defined under the Act, SEBI Listing Regulations and/ or under the applicable accounting standards, or as may be amended by the SEBI/Authority from time to time.
Section 2 (76) of the Act defines “related party”, with reference to a Company, means—
 - (i) a director or his relative;
 - (ii) key managerial personnel 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 and manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
 - (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 that 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) a holding, subsidiary or an associate company of such company;

(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;";

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;

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For the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a Director [other than an independent director] or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

And pursuant to Regulation 2(1)(zb) of SEBI Listing Regulations any person or entity forming a part of the promoter or promoter group of the Company or any person or any entity holding equity shares of 20% (10% effective from April 1, 2023) or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

- **“Relative”** means relative as defined under the Act, SEBI Listing Regulation, and/ or under the applicable accounting standards, or as may be amended by the SEBI/Authority from time to time.

Section 2 (77) of the Act defines "relative", with reference to any person, means anyone who is related to another, if—

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

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely: -

- (1) Father (Provided that the term “Father” includes step-father)
- (2) Mother (Provided that the term “Mother” includes the step-mother)
- (3) Son (Provided that the term “Son” includes the step-son)
- (4) Son’s wife
- (5) Daughter.
- (6) Daughter’s husband.
- (7) Brother (Provided that the term “Brother” includes the step-brother)
- (8) Sister (Provided that the term “Sister” includes the step-sister)
- (9) Domestic Partner of Director
- (10) Children of Domestic Partners
- (11) Dependents of Domestic Partners

“Related Party Transactions” have the meaning as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations or as envisaged in Section 188(1) of the Act. Clause 2(1)(zc) of SEBI Listing Regulations defines a related party transaction as 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; and
- b. 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, effective April 1, 2023.

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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 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.

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: Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange.

- “**Ordinary Course of Business**” means a transaction which is:-
 - i. Carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
 - ii. Historical practice with a pattern of frequency; or
 - iii. Common commercial practice; or
 - iv. Meets any other parameters/criteria as decided by Board/Audit Committee.

Any term not defined herein shall have the same meaning ascribed to it, as defined under the Act and the Rules framed thereunder, the SEBI Listing Regulations and any other law. Also, in case of any subsequent changes in the provisions of the Act, SEBI Listing Regulations or any other regulations which may make any of the provisions in the Policy inconsistent with such regulations, then the provisions of such Act, Regulations/Rules shall prevail over this Policy.

5. MATERIALITY THRESHOLD

A transaction with Related Party shall be considered as Material Related Party Transaction if the value of the transaction individually or taken together with previous transaction during a financial year **exceeds Rupees 1000 Crores or 10% of the annual consolidated turnover of the Company** (w.e.f April 1, 2023, 10% of the annual standalone turnover) as per the last audited financial statements, whichever is lower (or as may be amended by the SEBI/Authority from time to time).

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In compliance with Section 188 of the Act and the SEBI Listing Regulations, any proposal for a Material Related Party Transaction or Material Modifications of Related Party Transactions will first require prior clearance from the Audit Committee, Board and prior approval of the Shareholders of the Company by way of Resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, any transaction entered by the Company with a Related Party, which falls within items of Omnibus Approval of Audit Committee under the Act and is in the ordinary course of business and at arm's length basis, which is within the threshold limit will require prior clearance from the Audit Committee and Board.

6. POLICY - MANNER OF DEALING WITH THE RELATED PARTY TRANSACTIONS

The fourth proviso to Section 188 of the Act provides that any transaction(s) entered into by the Company in the **ordinary course of business** and the said **transaction(s) being at arm's length basis** which is within the threshold limit will not require approval of the Board or approval of Shareholders of the Company by Resolution.

This Related Party Transactions Policy envisages the following steps to be put into place for Related Party Transactions between the Company and Related Parties, which are in the best interests of the Company and its shareholders:

- I. IDENTIFICATION OF POTENTIAL RELATED PARTIES AND RELATED PARTY TRANSACTIONS
- II. REVIEW/CRITERIA FOR APPROVAL
- III. DOCUMENTATION

I. IDENTIFICATION OF POTENTIAL RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The following process shall be followed to ensure all related parties are identified in order to obtain the requisite approvals for any transactions with such related parties.

- Every Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any Company or Companies or bodies corporate, firms, or other association of individuals, including his **shareholding**.
- Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into –
 - with a body corporate in which a director (singly or along with other directors) holds more than 2% shareholding or is a promoter/manager/Chief executive officer of that body corporate, or
 - with a firm or entity in which such director is a partner, owner or member,
 shall disclose the nature of his concern or interest at the Board meeting in which such contract or arrangement is discussed.

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- Every Director shall furnish declaration to the Company in relation to their relatives, their relatives' partnership in firms, interest/shareholding/directorships in all the entities incl. Trust and Foreign Companies, if any.
- Every KMP shall furnish prescribed annual declaration to the Company regarding dependents, relatives and entities in which they hold more than 2% shareholding.
- The Company shall have a database of Related Parties containing the names of individuals and Companies, identified on the basis of the definition set forth in Definition Clause above, along with their personal/company details including any revisions therein.
- The Related Party Transactions should be placed at the quarterly meeting to the Audit Committee and/or the Board for their review/approval.
- Functional departmental heads shall submit to the Group Chief Financial Officer and/or Company Secretary the details of any proposed transaction or Material Modifications with details/draft contract/ draft agreement or other supporting documents justifying that the transactions are on arms' length basis in an ordinary course of business at prevailing market rate.
- Based on the justification, Company Secretary will appropriately take it up for necessary prior approval from the Audit Committee / Board of Directors at its next meeting and convey back the decision to the originator. The suggested list of records and supporting documents is detailed separately in this policy. The Board will take into account, the recommendations of the Audit Committee, whether the said Transaction is in the interest of the Company and its stakeholders and there is no actual or potential conflict of interests between the Related Parties.
- For the purpose of implementing the provisions under this Policy, the Board and the Audit Committee of Directors of the Company shall receive timely, full and sufficient information about the Transactions covered under this Policy.

II. REVIEW/CRITERIA FOR APPROVAL

Process for Review and Approval of Related Party Transactions

a) AUDIT COMMITTEE

1. All Related Party Transactions and subsequent Material Modifications where the Company is a party need to be pre-approved by the Audit Committee.
2. All Related Party Transactions where the Company is not a party and 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 (w.e.f April 1, 2023, 10% of the annual standalone turnover, as per the last audited financial statements) needs to be pre-approved by the Audit Committee.
3. Only those members of the Audit Committee who are independent directors shall approve Related Party Transactions.
4. Following disclosures are to be made to the Audit Committee in case of specified securities in respect of a given Related Party Transaction:
 - 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;

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- iii. Tenure of the proposed transaction (particular tenure shall be specified);
 - iv. Value of the proposed transaction;
 - 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 an 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. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary,
 - details of the source of funds in connection with the proposed transaction;
 - where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure
 - applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPT.
 - vii. Justification as to why the transaction is in the interest of the Company;
 - viii. A copy of a valuation / external third-party report, if relied upon by the Company;
 - ix. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT;
 - x. Any other relevant information.
5. Audit Committee may grant omnibus approval in respect of Related Party Transactions to which the Company is a party and which are **repetitive** in nature. It shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
6. The Omnibus approval shall specify
- (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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.

Where the Related Party Transactions proposed to be entered into by the Company cannot be foreseen and the above details are not available, Audit Committee may grant omnibus approval (i.e., containing one or more approval including many items) for related party transactions proposed to be entered into by the Company subject to their value not exceeding Rs. 1 Crore (Rupees One Crore) per transaction.

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Audit Committee omnibus approval shall be subject to the following conditions:

7. The Finance Department in consultation with the concerned department proposing to obtain omnibus approval, shall provide justification for such approval along with the following details:
 - (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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 details as the Audit Committee may deem fit;
8. Audit Committee reviews, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
9. Omnibus approvals approved by Audit Committee are valid for a period not exceeding one year and shall be applicable only to the current financial year. Any expected/actual overruns can be approved/ratified during the quarterly reviews by the Audit Committee.
10. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
11. No Audit Committee approvals are required:
 - i. for transactions entered into between a holding company and its wholly owned subsidiary or with step down subsidiary, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - ii. for transactions entered into between two wholly-owned subsidiaries or with step down subsidiaries of the listed company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - iii. for a Related Party Transaction to which a listed subsidiary is a party but the Company is not a party if regulation 23 and sub-regulation (2) of regulation 15 of the SEBI Listing Regulations are applicable to such listed subsidiary. For Related Party Transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.
12. If any additional Related Party Transactions are proposed to be entered into subsequent to the Committee's first meeting in the financial year, the management shall present such transactions to the Committee for its approval. The Following details would be required to be presented for the approval of the Related Party Transaction:
 - (i) the name of the related party and nature of the relationship;
 - (ii) the nature, duration of the contract and particulars of the contract or arrangement;
 - (iii) the material terms of the contract or arrangement including the value, if any;

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- (iv) any advance paid or received for the contract or arrangement if any;
- (v) the manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of the contract;
- (vi) 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 relevant or important for the Board to take a decision on the proposed transaction.

13. If any material information with respect to such transactions change subsequent to the Committee’s review and approval of such transactions, the management shall provide the Committee with updated information at a subsequent meeting and will get the changes approved afresh by the Committee.
14. The Audit Committee shall also review the statement of significant Related Party transactions submitted by management as per its terms of reference.
15. Any member of the Committee/KMP who has a potential interest in any Related Party Transaction shall not remain present at the meeting when such Related Party Transaction is considered.
16. To review a Related Party Transaction, the Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions.
17. The Audit Committee shall recommend the Related Party Transactions for approval of the Board of Directors / Shareholders as per terms of this policy.

b) APPROVAL OF THE BOARD AND THE SHAREHOLDERS

1. The Board shall approve such Related Party Transactions as are required to be approved under the Act and/or SEBI Listing Regulations and/or transactions referred to it by the Audit Committee.
2. The following kinds of transactions with related parties shall be placed before the Board for its approval:
 - a) 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 at arm’s length basis and decides to refer the same to the Board for approval.
 - b) Transactions which are in the ordinary course of business and at arm’s length basis, but which in Audit Committee’s view require Board approval.
 - c) Material Related Party Transactions as well as Related Party Transactions requiring shareholders’ approval under Section 188 of the Companies Act, 2013 and Rules made thereunder, which are intended to be placed before the shareholders for approval.
3. Board’s approval is also required for the following related party transactions that are not at arm’s length or not in the ordinary course of business and pertains 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;

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- 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 securities or derivatives thereof, of the company.
4. If any director is interested in any Related Party Transaction, he/she shall not participate during the discussion on the subject matter, nor at the time of voting on the resolution relating to such Related Party Transaction.
 5. No member who is a related party can vote on such a resolution.
 6. Further, all such Related Party Transactions exceeding the threshold limits prescribed in the Act (All Material Related Party Transaction and Material Modifications) shall also require prior approval of the Shareholders of the Company and Related Party/ies shall abstain from voting on such resolution.

In case the shareholders decide not to approve a Related Party Transaction, the Board/Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation/recession/suitable modifications of the transaction to make it acceptable to shareholders for re consideration /approval.

7. The shareholders needs to be provided with the following information in the explanatory statement to the notice sent seeking their approval:
 - a. A summary of the information provided by the management of the listed company to the audit committee as specified separately;
 - b. Justification for why the proposed transaction is in the interest of the listed company;
 - c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details required to be provided to audit committee on similar subject matter; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
 - d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
 - e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
 - f. Any other information that may be relevant.
8. 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. For Related Party Transactions of unlisted subsidiaries of the Company as the prior approval of the shareholders of the listed subsidiary shall suffice.
9. No prior approval of the shareholders is required:
 - i. for transactions entered into between a holding company and its wholly owned subsidiary and /or with Step down subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

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- ii. transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

The said regulations are explained below by way of a table.

| Particulars | Approving Authority |
|--|---|
| All RPTs entered into by the Company, irrespective of value | Audit Committee |
| All RPTs not in the ordinary course of business or not at arm's length basis, if the value is less than the lower of 10% of Annual Consolidated Turnover (w.e.f. April 1, 2023 on Standalone Turnover of the Company) | Audit Committee and Board |
| All RPTs where the Company is not a party and if the value of the transaction is more than 10% of Annual Consolidated Turnover , whichever is lower. W.e.f. April 1,2023 – The limit will be not more than 10% of the Standalone financials of the respective Subsidiary and not consolidated financials.(unless amended/ extended by the SEBI in due course) | Audit Committee |
| All Material/ Related Party Transactions and Material Modifications as defined in clause 5 above. | Audit Committee, Board and Shareholders |

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RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee 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 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, if necessary.

Where any contract or arrangement is entered into by a Director or any other employee of the Company with a Related Party, without obtaining the consent of the Board or approval by a resolution in the general meeting, where required and if it is not ratified by the Board or, as the case may be, by the Shareholders at a meeting within three months or such extended time from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a Related Party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it, if any.

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

The Company may proceed against a Director or any other employee who had entered into such contract or arrangement in contravention of this Policy for recovery of any loss sustained by it as a result of such contract or arrangement and shall take any such action, it deems appropriate.

III. DOCUMENTATION

Proper Documentation and disclosures shall be required before execution of the Related Party Transactions.

A. Registers:

- The Company shall keep and maintain a register, electronically, giving separately the particulars of all contracts or arrangements to which this Policy applies and such register is placed/taken note of before the meeting of the Board of Directors.
- The register to be kept under this section shall also be produced at the commencement of every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
- The register shall be preserved permanently and shall be kept in the custody of the Company Secretary /Chief Financial Officer of the Company or any other person authorised by the Board for the purpose.

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B. Disclosures

- The Company shall make relevant disclosures in its Financial Statements/Board Report/otherwise, relating to the Related Party Transactions of the Company as may be required under the provisions of the Companies Act or Rules framed thereunder and SEBI Listing Regulations or relevant Accounting Standards as notified/amended from time to time.
- Within fifteen days from the date of publication of its standalone and consolidated financial results (and effective from April 1, 2023 on the same date of publication of the standalone and consolidated financial results), disclose and Publish on Website on a six monthly basis, in the prescribed format in terms of the SEBI Regulations.
- Details of all transactions with Related Parties whether material or not shall be disclosed and placed quarterly at Audit Committee and Board meeting.
- This Policy shall be published on the website of the Company and a web-link of the same shall be provided in the Annual Report.
- Any other Disclosure be made, as may be required from time to time.

C. Records relating to Related Party/ suggested supporting documents

a) Rent Agreement

- (i) Copy of draft agreement.
- (ii) Quotation from a property dealer/ advisor in the area in which the property is located or a nearby area.
- (iii) If quoted prices are substantially lower / higher than existing, to seek second quotation.

b) Purchase/ sale of property

- (i) Valuation reports from independent valuers to ascertain Fair Market Value.
- (ii) Quotations from independent property dealers/brokers.
- (iii) Draft copy of agreement to sell/Draft of proposed sale deed.
- (iv) Brief terms and conditions and justification of such transaction.

c) Purchase/sale of material, goods etc.

- (i) Copy of agreements/Purchase Orders/correspondence exchanged/ letters of exchange / bills/ invoices etc.
- (ii) Invoices/ bills of similar transactions on same date or nearby date with un-related parties from the seller.
- (iii) Quotation from un-related service provider.

d) Availing/ Rendering Services

- (i) Copy of Agreement/ MOU/ Correspondence etc.
- (ii) Supporting documents justifying the transaction on arms' length basis.

e) Loans/ Advances given or taken

- (i) Compliance of Section 185, 186 and other applicable provisions of the Companies Act, 2013.
- (ii) Agreements.
- (iii) Statutory approvals wherever required.
- (iv) Rate of Interest and justification for the same in view of nearest prevailing G-SEC rate for the term of the Loans/Advances (wherever applicable).

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f) Subscription to shares/debentures/securities

Valuation Report or documents justifying that subscription is done/received at a rate on which placement has been made/shall be made to an un-related party.

g) Guarantee/ Securities

- (i) Compliance of Section 185, 186 and other applicable provisions of the Companies Act, 2013 and rules there under.
- (ii) Agreements/Deed.
- (iii) Other documents justifying the same.

h) Other transactions

Agreements or other supporting documents along with proper justification of the transaction being on arm's length basis in the ordinary course of business at a prevailing market rate.

The Board of Directors and/or Audit Committee reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act 2013, including the Rules promulgated thereunder and SEBI Listing Regulations and must be approved by the Audit Committee and recommended to the Board of Directors for its approval.

7. POLICY REVIEW

The Board/Audit Committee may review the Policy from time to time. The Policy is required to be reviewed and updated by the Board of Directors at least once every 3 years. Material Changes to the Policy will need the approval from the Audit Committee and approval from the Board of Directors.

8. DISSEMINATION OF POLICY

As per the provisions of the SEBI Listing Regulations, the Policy shall be disclosed on the website of the Company.

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AMENDMENT HISTORY

| Version No. | Date | Amendment History | Remarks |
|-------------|------------|---|--|
| 1.00 | 24/07/2014 | Original Issue | Approved in Board Meeting dated 24/07/2014 |
| 2.00 | 16/04/2019 | Policy Modified as required due to changes in the SEBI Listing Regulations. | Approved in the Board Meeting dated 16/04/2019 |
| 3.00 | 01/04/2022 | Policy Modified as required due to changes in the SEBI Listing Regulations; <ul style="list-style-type: none"> • Clause No. 4 - “Material Related Party” Transaction added under Definition • Clause No. 4 - “Material Modifications” added under Definition • Clause No. 4 - “Related Party” Definition is modified • Clause No. 4 - “Related Party Transactions” Definition is modified • Clause No. 4 - Limits under Material Threshold are amended • Clause 6(I) - Identification of potential Related Parties and Related Party Transactions is amended • Clause 6(II)a – Review / Criteria for approval is amended • Clause 6(II)b – Approval of the Board and the Shareholders amended | Approved in the Board Meeting dated 19/04/2022 |

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