

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

### **1. PREAMBLE:**

The Board of Directors of the company has adopted the following Policy and procedure with regard to Related Party Transactions. The policy envisages the procedure governing Related Party Transactions required to be followed by company to ensure compliance with the Law and Regulation. The Audit committee will review the same from time to time and propose the amendment required in the policy to the board of directors.

### **2. MATERIALITY OF RELATED PARTY TRANSACTIONS:**

- a. A transaction, except transaction covered under clause 'b' below, 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, 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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- c. The thresholds mentioned in clauses 'a' and 'b' above shall always be in line with the thresholds prescribed under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") as may be amended from time to time. In case of any difference between the thresholds under this policy and the SEBI LODR, the thresholds under SEBI LODR shall prevail.

### **3. DEALING WITH RELATED PARTY TRANSACTIONS:**

- d. All Related Party Transactions shall be in compliance with the applicable provisions under the Companies Act, 2013 and SEBI LODR as may be amended from time to time.
- e. The Corporate Governance and ESG Committee shall thoroughly review, approve and recommend the related party transactions to the audit Committee / Board of Directors

as per the terms of reference<sup>1</sup> as may be defined by the Board of Directors from time to time.

- f. While reviewing the transactions, the Corporate Governance and ESG Committee and the Audit Committee shall ensure that;
  - The transaction is in the best interest of the Company.
  - The conflict of interest is avoided and the transactions are carried out on arm's length basis. For determination that the transactions are at arm's length basis, the Committees may rely on reports / certificates of the independent subject matter experts; as it may deem necessary.
- g. The Corporate Governance and ESG Committee to review and evaluate the Related Party Transactions as core and non-core transaction based on its relevance to the business of the Company. Omnibus approvals shall be granted for the core transactions and also for specific noncore transactions that are integral to the operations of the Company.
- h. The Audit Committee may waive off any of the requirements under this policy subject to the adherence to Clause 4 (a) above.

#### **4. POLICY REVIEW:**

The policy shall be reviewed periodically as required under SEBI LODR or as and when required keeping in view the changes in the regulatory requirements whichever is earlier.