

POLICY ON RELATED PARTY TRANSACTION

1) THE POLICY

The Audit Committee shall be the appropriate authority to review and approve all Related Party Transactions and thereafter the same is placed before the board for final approval.

The Management identifies the related party transactions which are submitted to the Audit Committee for their approval.

In exceptional cases, where a prior approval could not be taken due to an inadvertent omission, urgency or due to unforeseen circumstances, the management will place before the Audit committee, with reasons for such non approval for ratification by the Audit Committee.

2) CONSIDERATION BY THE AUDIT COMMITTEE IN APPROVING THE PROPOSED TRANSACTIONS

Prior to the approval, the Committee shall, inter-alia, consider the following factors to the extent relevant to the transaction:

- a. Whether the terms of the Related Party Transaction are in the ordinary course of the Company's business and are on an arm's length basis;
- b. The business reasons for the Company to enter into the Related Party Transaction;
- c. Whether the Related Party Transaction includes any potential reputational risks.

In the case of frequent/regular/repetitive related party transactions which are in the normal course of business, the Audit Committee grants standing pre-approval.

3) APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS

All Material Related Party Transactions i.e. if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements shall require approval of the shareholders through special resolution where the Related Parties shall abstain from voting on such resolution.