

POLICY ON RELATED PARTY TRANSACTION (RPT)
“THE SANDUR MANGANESE & IRON ORES LIMITED”

1.0 PREAMBLE

- 1.1** The Sandur Manganese & Iron Ores Limited (the “Company” or “SMIORE”) recognizes that related party transactions can present potential or actual conflict of interest. Engaging in such transactions may raise concerns at the potential effect of the relationship on the financial position and further poses a question as to whether such transactions were undertaken in the best interest of the Company and its stakeholders.
- 1.2** The Company first formulated the Policy on Related Party Transaction as per the requirement of Clause 49 of the Listing Agreement (as amended by SEBI Circulars dated 17 April 2014 and 15 September 2014).
- 1.3** The present Policy on Related Party Transactions has been revised to align the same with the present provisions of Regulation 23 and other applicable provisions, if any, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”), Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Meetings of Board and its Powers) Rules, 2014 and Indian Accounting Standard (Ind AS) – 24 as amended from time to time.

The Policy includes materiality thresholds for related party transactions.

2.0 APPLICABILITY

- 2.1** This amended Policy shall be effective from 28 June, 2021 for regulating transactions between the Company and its Related Parties based on the applicable laws and regulations.

3.0 DEFINITIONS*

*(*Refer Annexure 1 of Appendix for elaborate definitions under respective legislations)*

- 3.1** “Act” means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.
- 3.2** “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.
- 3.3** “Associate Company” or “Associate” means an associate company as defined under Section 2(6) of the Companies Act, 2013 or under the applicable accounting standards.
- 3.4** “Audit Committee” or “Committee” means the Committee of the Board formed under Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015.
- 3.5** “Board” or “Board of Directors” of the Company means the collective body of the directors of the company.
- 3.6** “Body Corporate” or Corporation includes a Company incorporated outside India as per sub-section (11) of Section 2 of the Act but does not include— i. a co-operative Society registered under any law relating to Co-operative Societies; and ii. any other Body Corporate (not being a Company as defined in this Act), which the Central Government may, by notification, specify in this behalf;

3.7 “Close members of the family of a person” are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity including:

- a) that person’s children, spouse or domestic partner, brother, sister, father & mother;
- b) children of that person’s spouse or domestic partner; and
- c) dependents of that person or that person’s spouse or domestic partner

3.8 “Control” shall mean control as defined under Section 2(27) of the Companies Act, 2013 or Listing Regulations or Applicable Accounting Standards

3.9 “Compliance Officer” means Company Secretary of the Company.

3.10 “Holding Company shall mean a Holding Company as defined under Section 2(46) of the Companies Act, 2013.

3.11 “Key Managerial Personnel” shall mean key managerial personnel as defined under Section 2(51) the Companies Act, 2013 or under applicable accounting standards.

3.12 “Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10 (ten) percent of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company as defined under Regulation 23 of the Listing Regulations and the contracts or arrangements given under Companies Act, 2013.

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 Five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

3.13 “Materiality Threshold” means limits for Related Party Transactions beyond which the Shareholders' approval will be required as specified in Act and rules thereof and amendments thereto.

3.14 “Office or place of profit” means any office or place –

- (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

3.15 “Related Party” means a related party as defined under Section 2(76) of the Companies Act, 2013, under applicable accounting standards and Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- 3.16 “Related Party Transactions”** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged. A “transaction” with a related party shall be construed to include single transaction or a group of transactions in a contract, as defined under Regulation 2(1)(zc) of the Regulations and as envisaged in Section 188(1) of the Act.
- 3.17 “Relative”** with reference to any person, means anyone who is related to another in the following manner:
- a) they are members of a Hindu Undivided Family;
 - b) Husband/wife
 - c) Father (includes step-father)
 - d) Mother (includes the step-mother)
 - e) Son (includes the step-son)
 - f) Son’s wife
 - g) Daughter
 - h) Daughter’s husband
 - i) Brother (includes the step-brother)
 - j) Sister (includes the step-sister)
- 3.18 “Significant Transaction or Arrangements** means any Individual Transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, for the immediately preceding financial year
- 3.19 “Subsidiary Company” or “Subsidiary”** means a subsidiary company as defined under Section 2(87) of the Companies Act, 2013.
- 3.20** Any other term not defined herein and words and expressions used in this Policy shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards or any other applicable law or regulation. “

4.0 OBJECTIVE OF POLICY

The Objective of this policy is to:

- 4.1** Regulate transactions between the Company vis-à-vis its related parties with a view to ensure that such transactions are executed on an arm’s length basis and in a transparent and fair manner as per the Act and Rules made there under and the **SEBI (LODR) Regulations, 2015** as amended from time to time.
- 4.2** Seek necessary approvals from the Audit Committee/Board/Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner.
- 4.3** Outline the procedures for identification, review, disclosure, and reporting of such transactions.

5.0 IDENTIFICATION OF RELATED PARTIES AND POTENTIAL RPTs

5.1 Disclosure by Directors under Section 184 of the Companies Act, 2013:

- Declarations shall be procured from each Director in relation to his/ her interest(s) in other company / companies, firm(s), body corporate(s), association of individuals in accordance with Section 184 of the Companies Act, 2013.
- Each Director shall be responsible for providing notice to the Board, disclosing his/her concern or interest along with the shareholding, at the first meeting of the Board every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change.
- In addition, any concern/interest in a contract or arrangement or proposed contract/arrangement entered or proposed to be entered into, shall be disclosed at the meeting of the Board in which the contract or arrangement is discussed and such Director shall not participate in such meeting.
- Any Director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contractor arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he/she becomes so concerned or interested.

Further, the aforesaid declaration shall be obtained from newly appointed Directors within thirty days from the date of appointment.

5.2 Disclosure by Directors and KMPs of list of relatives/close members of family:

- Declarations shall be obtained from each Director and KMPs enlisting the names of the relatives/close members of family at the beginning of each financial year.
- Further, the aforesaid declaration shall be obtained from newly appointed Directors and KMPs within thirty days from the date of appointment.

5.3 Additional Disclosures

- Any additional information may further be sought as the Audit Committee /Board may warrant/request.

5.4 Corporate Level Assessment:

- The Company Secretary in consultation with the Chief Financial Officer shall review the structure of the Company to identify holding, subsidiary, associates, fellow subsidiaries, group companies, joint ventures in accordance with Section 2(76)(viii) of the Companies Act, 2013.

5.5 Database of Related Parties:

- The Company Secretary and Chief Financial Officer shall be responsible for preparing a list of Related Parties and devising a mechanism to maintain a consolidated list of related parties applicable to the Company based on the disclosures received from Directors and KMPs and review of corporate structure.
- The Database will act as a single source of identifying related parties of the Company. Accordingly, the duo shall also devise a way to enable all Departments connected with purchase/sale to access the same.

- The concerned officials of the Department shall responsibly carry out a check against the database before entering into any transaction with a person/entity.

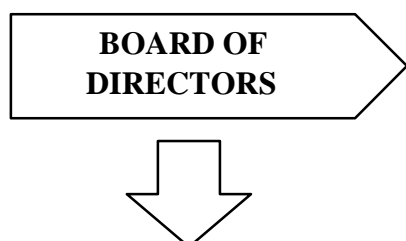
5.6 Reporting:

- In case a transaction is proposed to be entered into with a person/entity identified as a related party, the same shall be brought to the attention of the Company Secretary, before execution of the same.
- Each of our Directors, Key Managerial Personnel are instructed to voluntarily inform the Company Secretary by giving a written notice about any potential RPTs which may arise.
- Any such potential RPTs that are brought to the attention of the Company Secretary shall be analysed in consultation with Chief Financial officer to determine whether the transaction does, in fact, constitute a RPT requiring compliance with the procedures provided herein.

6.0 **APPROVAL PROCESS FOR RELATED PARTY TRANSACTIONS (RPT):**



- All RPTs.
- Audit Committee may grant omnibus approval¹ subject to condition specified in Regulation 23 of SEBI (LODR) Regulation, 2015.



- RPTs proposed to be entered into, not in the ordinary course of business or not at an arm's length basis, regardless of the materiality threshold specified under the Companies Act, 2013 or SEBI (LODR) Regulations, 2015 or not.
- In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:
 - ✓ Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
 - ✓ 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;
 - ✓ Transactions meeting the materiality thresholds which are intended to be placed before the shareholders for approval.

SHAREHOLDERS

- All material related party transactions shall be placed for the approval of the shareholders of the Company and no related party shall participate and vote to approve such resolutions, whether the entity is a related party to the particular transaction or not.
- All transactions specified under Section 188 of the Act which:
 - a) are not in the ordinary course of business and at arm's length basis; and
 - b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Second Amendment Rules,

The approval of shareholders will not be required for transactions entered into between the holding company and its wholly owned subsidiaries.

¹*Refer Annexure 2- Appendix for details pertaining to Omnibus Approval*

²*Refer – Approval Matrix on next page*

**MATRIX FOR APPROVAL OF RELATED
PARTY TRANSACTIONS**

Statutory Provision	Transaction	Approval of		
		Audit Committee	Board	Shareholders
Section 188(1) of Companies Act, 2013	(a)* sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to			
	≥ 10% of turnover	✓	✓	✓
	<10% of turnover	✓	✓	X
	(b)* selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting To			
	≥ 10% of Networth	✓	✓	✓
	<10% of Networth	✓	✓	X
	(c)* leasing of property of any kind amounting to			
	≥ 10% of Turnover	✓	✓	✓
	<10% of Turnover	✓	✓	X
	(d)* availing or rendering of any services, directly or through appointment of agent, amounting to			
	≥ 10% of turnover	✓	✓	✓
	<10% of turnover	✓	✓	X
	(e)* appointment of any agent for purchase or sale of goods, materials, services or property			
	≥ 10% of turnover	✓	✓	✓
	<10% of turnover	✓	✓	X
	(f)* such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration of			
	> ₹2.50 lakh	✓	✓	✓
	≤ to ₹2.50 lakh	✓	✓	X
	(g)* underwriting the subscription of any securities/derivatives thereof, of the company with a remuneration of			
	> 1% of networth	✓	✓	✓
	≤ 1% of networth	✓	✓	X
SEBI (LODR) Regulation	transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a transaction with related party shall be construed to include a single transaction or a group of transactions in a contract amounting to			
	> 10% of annual consolidate turnover	✓	✓	✓
	≤ 10% of annual consolidated turnover	✓	✓**	X

* No approval of Board or shareholders is required for transaction referred in (a) to (g) above, if those are entered in the ordinary course of business and at arm's length price.

** Board Approval is required only if the transaction falls under the purview of Section 188 of the Companies Act, 2013.

Notes:

1. Turnover/Net worth shall be computed on the basis of the audited financial statement of the preceding financial year.
2. Approval under SEBI (LODR) Regulations need not be taken for the RPTs entered between the Holding Company and its Wholly Owned Subsidiary whose accounts are consolidated with the Holding Company.

7.0 MANAGEMENT'S RESPONSIBILITY

- 7.1** Management shall furnish requisite information, as may be stipulated under the provisions of Companies Act, 2013, Listing Regulations and applicable Accounting Standards, to the Audit Committee and the Board of Directors, enabling them to duly accord approval for RPTs.
- 7.2** The management shall mandatorily place before the Audit Committee statement of significant transactions with related party for review.
- 7.3** The management shall provide the Audit Committee the details of related party transactions entered into by the company pursuant to each of the omnibus approval given for being reviewed on a quarterly basis.

8.0 EXEMPTIONS

- 8.1** In case of transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before its shareholders at the general meeting for approval, the Company shall be exempted from the following requirements:
- Prior approval of the Audit Committee
 - Omnibus approval by the Audit Committee
 - Approval of the shareholders for contracts or arrangements, in the case of the Company having paid up share capital of not less than such amount, or transactions not exceeding such sums, as stipulated in Section 188 of the Companies Act, 2013 or in case of material related party transaction as per SEBI (LODR) Regulations, 2015.

9.0 RPTs NOT APPROVED UNDER THIS POLICY

- 9.01** In the event the Company becomes aware of a transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. On review, the Committee shall consider and evaluate all options available to the Company including ratification, revision or termination of the Related Party transaction or take any such action as it deems appropriate.
- 9.02** Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months 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 and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.
- 9.03** It shall be open to the company to proceed against a director or any other employee who had entered into such contract or arrangement, in contravention of the provisions of this Section 188 of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Accounting Standards for recovery of any loss sustained by it as result of such contract or arrangement.

10.0 DISCLOSURES* AND REPORTING

- 10.1 Appropriate disclosures as required under the Act and the Listing Regulations will be made in the Annual Return, Board's Report and to the Stock Exchanges. The Policy shall also be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.)
- 10.2 The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

**Refer Annexure 3 for detailed disclosures.*

11.0 AMENDMENTS

- 11.1 In the event of any conflict between the provisions of this Policy and any of the statutory provisions of the Companies Act, 2013 or SEBI (LODR) Regulations, 2015, applicable Accounting Standards or any other statutory enactments and the rules, the provisions of such Act or Regulations or statutory enactments and the rules shall prevail over this Policy. Any subsequent amendment / modification in the applicable laws in this regard shall automatically apply to this Policy.
- 11.2 The Audit Committee shall periodically review the Policy and may recommend suitable amendments, from time to time subject to applicable rules and regulations in this regard, for approval of the Board.

Appendix

1 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 purposes of this clause, “significant influence” means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;- For the purposes 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

Ind AS 28:

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

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

2 “Subsidiary Company”

Section 2(87) of the 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:

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total share capital 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 sub-clause (i) or sub-clause (ii) 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 body-corporate;

3 Holding Company

Section 2(46) of the CA, 2013:

“Holding company”, in relation to one or more other companies, means a company of which such companies are subsidiary companies;

4 “Control”

Regulation 2(1)(e) of SEBI (SAST) Regulations:

“control” includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or

indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:

Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position;

Section 2(27) of the Companies Act, 2013:

“control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;

Ind AS 110:

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

- a) power over the investee
- b) exposure, or rights, to variable returns from its involvement with the investee; and
- c) the ability to use its power over the investee to affect the amount of the investor’s returns.

5 “Key Managerial Personnel”

Section 2(51) of CA, 2013:

“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 key managerial personnel by the Board; and
- f) such other officer as may be prescribed;

Ind AS 24:

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

6 “Related Party”

Section 2(76) of CA, 2013:

“Related Party”, with reference to a company, means -

- a) a director or his relative;
- b) a director (other than an independent director) or key managerial personnel of the holding company or his relative- “Rule 3 of Companies (Specification of Definition Details) Rules, 2014”
- c) key managerial personnel or his relative;
- d) firm, in which a director, manager or his relative is a partner;
- e) private company in which a director or manager or his relative is a member or director;
- f) 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;
- g) a 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;

- h) 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;

- i) any company which is -

1. a holding, subsidiary or an associate company of such company; or
2. a subsidiary of a holding company to which it is also a subsidiary;
3. an investing company or the venturer of the company

Regulation 2(1)(zb) of SEBI (LODR) Regulations 2015:

- A related party means a related party as defined under Section 2(76) of the Act or under the applicable accounting standards.

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall also be deemed to be a related party.”

Ind AS 24:

A *related party* is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the ‘reporting entity’).

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

- (b) An entity is related to a reporting entity if any of the following conditions applies:

- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

7 “Related Party Transaction”

Section 188(1) of the CA, 2013:

- 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;
- 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

Ind AS 24:

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Regulation 2(1)(zc) of SEBI (LODR) Regulations, 2015:

“related party transaction” means a transfer of resources, services or obligations between a listed entity and a related party, 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.

Regulation 23(1) of SEBI (LODR) Regulations, 2015:

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 the financial year, exceed 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Regulation 23(1A) of SEBI (LODR) Regulations, 2015:

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 listed entity as per the last audited financial statements of the listed entity.

Annexure 2

OMNIBUS APPROVAL

A. As per Rule 6A of The Companies (Meetings of Board and its Powers) Rules, 2014 of Companies Act, 2013

All related party transactions shall require approval of the Audit Committee and the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to the following conditions, namely:

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:-
 - a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - b) the maximum value per transaction which can be allowed;
 - c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
 - e) transactions which cannot be subject to the omnibus approval by the Audit Committee.
2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
 - a) repetitiveness of the transactions (in past or in future);
 - b) justification for the need of omnibus approval.
3. The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.
4. The omnibus approval shall contain or indicate the following: -
 - a) name of the related parties;
 - b) nature and duration of the transaction;
 - c) maximum amount of transaction that can be entered into;
 - d) the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

5. Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
6. Omnibus approval shall not be made for transactions in respect of selling or disposing of any of the undertakings of the company.
7. Any other conditions as the Audit Committee may deem fit.

B. As per SEBI (LODR) Regulations, 2015

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company, subject to compliance of the following conditions as specified in Regulation 23 of the SEBI (LO & DR) Regulations, 2015

The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the Policy and such approval shall be applicable in respect of repetitive transactions

The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company.

The omnibus approval shall provide details of

- a) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into
- b) the indicative base price / current contracted price and the formula for variation in the price if any and
- c) such other conditions as the Audit Committee may deem fit.

In case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs.1 crore per transaction.

Such omnibus approval shall be valid for 1 year thereafter fresh approval will be required.

The Audit Committee shall review at least on a quarterly basis the detailed related party transaction entered into by the listed entity pursuant to each omnibus approvals given.

Annexure 3

DETAILED DISCLOSURES

A. As per Companies Act, 2013

- The Report of the Board shall disclose related party transactions entered into pursuant to Section 188 of the Companies Act, 2013 giving details of contracts or arrangements or transactions not at arm's length and details of material contracts or arrangements or transactions at arm's length basis with related parties in Form AOC-2.
- The Company shall maintain a register of such contracts in MBP-4.
- The Agenda of the Board meeting at which the resolution proposing to enter into contract or arrangement with a related party is moved shall disclose:
 - i. Name of the related party and nature of 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
 - 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 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
 - vii. Any other information relevant or important for the Board to take a decision on the proposed transaction.
- The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars, namely:-
 - i. name of the related party;
 - ii. name of the director or key managerial personnel who is related, if any;
 - iii. nature of relationship;
 - iv. nature, material terms, monetary value and particulars of the contract or arrangement;
 - v. any other information relevant or important for the members to take a decision on the proposed resolution

B. As per SEBI (LODR) Regulations, 2015

- The Company shall formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once in every three years and updated accordingly. Policy on Related Party Transactions and a Policy on materiality of Related Party Transactions shall be uploaded on its website and Annual Report.
- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance as per the format amended from time to time.
- The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting

standards for annual results to the stock exchanges and publish the same on its website

C. As per applicable accounting standards

In accordance with paragraph 18 of Ind AS 24, if an entity has had related party transactions during the period covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. At a minimum, disclosures shall include:

- i. the amount of the transactions;
- ii. the amount of outstanding balances, including commitments, and: their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and details of any guarantees given or received;
- iii. provisions for doubtful debts related to the amount of outstanding balances; and
- iv. the expense recognised during the period in respect of bad or doubtful debts due from related parties.
- v. Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.
- vi. Relationships between a parent and its subsidiaries shall be irrespective of whether there have been transactions between them. An entity shall disclose the name of its parents and, if different, the ultimate controlling party.

The above-mentioned disclosures required by paragraph 18 of Ind AS-24 shall be made separately for each of the following categories:

- i. the parent;
- ii. entities with joint control of, or significant influence over, the entity;
- iii. subsidiaries;
- iv. associates;
- v. joint ventures in which the entity is a joint venturer;
- vi. key management personnel of the entity or its parent; and
- vii. other related parties