



Astral Poly Technik Limited

Policy on Related Party Transactions

Preamble:

- ❖ The Board of Directors (the “Board”) of Astral Poly Technik Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions (including materiality of related party transactions and dealing with related party transactions) as defined below. The Audit Committee will review and shall, from time to time, recommend amendments, if any, in this policy to the Board.

- ❖ This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

Objective:

- ❖ This policy is framed as per requirement of the revised Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges as amended by Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September, 2014 and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

Definitions:

The definitions of some of the key terms used in this Policy are given below:

- ❖ “Act” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

- ❖ “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. For determination of Arm’s Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

- ❖ **“Audit Committee or Committee”** means “Audit Committee” constituted by the Board of Directors of the Company under provisions of Listing Agreement and Companies Act, 2013, from time to time.
- ❖ **“Associate Company”** means any other Company, in which the 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 twenty per cent of total share capital, or business decisions under an agreement.

- ❖ **“Board of Directors” or “Board”** means the Board of Directors of the Company, as constituted from time to time.
- ❖ **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- ❖ **“Key Managerial Personnel”** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.
- ❖ **“Material Related Party Transaction”** means transaction/transactions with the related party 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 of the company.”
- ❖ **“Policy”** means Related Party Transaction Policy.

- ❖ **“Related Party”** means an entity which –
 - i. is a related party under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder (as amended from time to time);
 - ii. is a related party under the applicable accounting standards.

- ❖ **“Related Party Transaction or transaction”** means transaction in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, regardless of whether a price is charged.

Explanation – A “transaction” with a Related Party shall be construed to include single or a group of transactions in a contract.

Identification of Related Parties:

- ❖ Each Director and Key Managerial Personnel (KMP) is responsible for providing notice to the Board regarding persons and entities to be considered as “Related Parties” by virtue of his/her being Director/ KMP in the company. Such Notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

- ❖ The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / KMP in the manner prescribed in the Companies Act, 2013 and the rules thereunder.

Review and Approval of Related Party Transactions:

Approval of Audit Committee

- ❖ Every Related Party Transaction shall require prior approval of the Audit Committee.

Provided that the transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require prior approval of the Audit Committee.

- ❖ The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature subject to compliance of the conditions contained in clause 49 of the Listing Agreement as amended from time to time.
- ❖ The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- ❖ Such 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;

Provided that 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.

- ❖ The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- ❖ Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

- ❖ Any member of the Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.
- ❖ 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.
- ❖ The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders as per terms of this policy.

Approval of Board and Shareholders

- ❖ All Related Party Transactions (other than Material Related Party Transactions) which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.
- ❖ Further, all such related party transactions exceeding threshold limits prescribed in the Rules made under Section 188 of the Act (as amended from time to time) shall also require prior approval of shareholders of the Company by way of Special Resolution and related party/ies involved in the transaction shall abstain from voting on such resolution.
- ❖ All the material Related Party Transactions shall require approval of the Board and shareholders through Special Resolution and all Related Party/ies shall abstain from voting on such resolution.

Provided that the Material Related Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

Transactions not requiring approval of Audit Committee, Board or Shareholders:

- ❖ Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee, Board or Shareholders:
 - i) Any transaction that involves the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
 - ii) Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and where all holders of such securities receive the same benefits pro rata as the Related Party.

Related Party Transactions not approved under this Policy

- ❖ If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction. The Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

Disclosures

- ❖ Every Related Party Transaction with proper justification shall be disclosed in the Directors Report.
- ❖ Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

- ❖ The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report.
- ❖ This Policy will be communicated to all operational employees and other concerned persons of the Company.

Amendment to the Policy

- ❖ The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.
- ❖ In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.