



NEEPCO HR MANUAL  
RELATED PARTY TRANSACTION  
POLICY

UPDATED AS ON: 10/11/2025  
PAGE NO. 1 of 19

# **NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED- RPT POLICY, 2025**

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

Approved on	22.12.2022
Revised(R1) on	10.11.2025

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## 1. Applicability and Effective date

The Company had formulated a Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions, which was effective from 22.12.2022. The Policy is being revised with effect from 10.11.2025 unless specified otherwise.

This Policy is formulated to regulate the related party transactions based on the applicable laws, rules and regulations, as amended from time to time.

## 2. Purpose

This policy is framed as per requirement of Regulation 62K of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time [SEBI (LODR) Regulations, 2015] and intended to ensure the proper approval and reporting of the related party transactions. Further, Regulation 62K of the aforesaid regulations, requires the Audit Committee to define material modification and disclose it as a part of the policy.

This Policy shall supplement Company's other policies & practices/ delegation of authorities / manual of authorities etc. which require approval of the contracts or arrangement in specified manner and by specified authority. If there exists more than one set of requirements due to application of multiple laws and regulations, the endeavor must be based on the compliance principle, which would meet the higher governance standards.

## 3. Definitions

- i. **"Arm's Length Transaction"** shall be as defined in explanation (b) to Section 188 (1) of the Companies Act, 2013, means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- ii. **"Associate Company"** shall be as defined in Section 2(6) of the Companies Act, 2013.
- iii. **"Board"** means the Board of Directors of North Eastern Electric Power Corporation Limited (NEEPCO).
- iv. **"Companies Act, 2013"** or **"the Act"** means the Companies Act, 2013 as amended from time to time.
- v. **"Key Managerial Personnel"** shall be as defined in Section 2(51) of the Companies Act, 2013.
- vi. **"Material Modifications"** means any modification to the existing Related Party Transaction which has the effect of increasing or decreasing the value of original contract by 35% or more.
- vii. **"Material Related Party Transaction"** shall be a transaction with a related party as specified under SEBI (LODR) Regulations 2015 and as amended from time to time. Accordingly, 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 a financial year, exceeds Rs. 1,000 Crore or 10% of the annual consolidated

turnover of the company as per the last audited financial statements of the company, whichever is lower.

Notwithstanding the above, a transaction involving payments made to related party with respect to brand usage or royalty shall be considered material, if the transactions to be entered into individually or taken together with the previous transactions during a financial year exceeds 5% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

viii. **“Office or Place of Profit”** shall be as defined in explanation (a) to Section 188 of the Companies Act, 2013. Accordingly, the expression “office or place of profit” means any office or place—

- 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.
- 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.

ix. **“Ordinary Course of Business”** includes but not limited to a term for activities that are necessary, normal, and incidental to the business. These are common practices and customs of commercial transactions. In law, the ordinary course of business covers the usual transactions, customs and practices of a certain business and of a certain firm. Indicative factors for determining term ordinary course of business:

- a) is normal or otherwise remarkable for your particular business (i.e. features in your system, processes, advertising, staff training, etc.)
- b) is frequent and regular
- c) involves significant amounts of money
- d) is a source of income for your business
- e) involves significant allocation of resources
- f) is involved in a service or product that is offered to customers

x. **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013, or under the applicable accounting standards or under Regulation 2(1) (zb) of SEBI (LODR) Regulations 2015 as amended from time to time. As per the above provisions, the illustrative list of Related Parties of NEEPCO is given below:

Sl. No	Related Party	Remarks, if any,
1.	Any Director, KMP or their relative	
2.	A firm, in which a director, manager or his relative is a partner	
3.	A Private Company in which a director or manager or his relative is a member or director	
4.	A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital	
5.	Anybody 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 (except on professional basis)	Not applicable to the advice, directions or instructions given in a professional capacity
6.	Any person on whose advice, directions or instructions a director or manager is accustomed to act.	
7.	A holding, subsidiary or an associate company.	
8.	A subsidiary of a holding company to which it is also a subsidiary	
9.	An investing company or the venturer of the company  Note: 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	
10.	Any person or entity forming a part of the promoter or promoter group	
11.	Any person or any entity, holding equity shares of 10% or more.	% Shareholding needs to be at any time, during the immediately preceding financial year

12.	<p>A person or a close member of that person's family if that person:</p> <ul style="list-style-type: none"> <li>(i) has control or joint control of NEEPCO;</li> <li>(ii) has significant influence over NEEPCO; or</li> <li>(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.</li> </ul>	
13.	<ul style="list-style-type: none"> <li>(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)</li> <li>(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).</li> <li>(iii) Both entities are joint ventures of the same third party.</li> <li>(iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.</li> <li>(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.</li> <li>(vi) The entity is controlled or jointly controlled by a person identified in 12 (i).</li> <li>(vii) A person identified in 12 (i)&amp; (ii) 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).</li> </ul>	

	<p>(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.</p> <p>(ix) 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:</p> <p>(x) that person's children, spouse or domestic partner, brother, sister, father and mother, children of that person's spouse or domestic partner; and dependents of that person or that person's spouse or domestic partner.</p>	
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xi. **"Related Party Transaction"** shall be as per Regulation 2(1)(zc) of SEBI (LODR) Regulations, 2015. Accordingly, a related party transaction is a transaction involving transfer of resources, services, or obligations between

- a. listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- b. listed entity 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 listed entity or any of its subsidiaries, 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. 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 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.
- c. retail purchases from any listed entity or its subsidiary by its directors or its

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employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:

- xii. **“Relative”** shall be as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014
- xiii. **“SEBI (LODR) REGULATIONS, 2015” or “Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amended from time to time.
- xiv. **“Subsidiary Company”** shall be as defined in Section 2(87) of the Companies Act, 2013.

#### 4. Approval and Review of Related Party Transaction

All Related Party Transactions and subsequent material modifications shall be subject to the prior approval of the Audit Committee. All other modifications shall also require approval of the Audit Committee. Further, only those members of the audit committee, who are independent directors, shall approve related party transactions under Regulation 62K of SEBI (LODR) Regulations 2015.

RPT to which subsidiary of NEEPCO is a party but NEEPCO is not a party, shall require prior approval of the audit committee of NEEPCO if the value of such transaction individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual standalone turnover of the subsidiary as per the last audited financial statement of the subsidiary company.

Prior approval of the audit committee of NEEPCO shall not be required for a RPT to which its listed subsidiary is a party, but NEEPCO is not a party, if regulation 23 and 15(2) of SEBI (LODR) Regulations 2015 are applicable to such listed subsidiary.

The following are responsible for placing an agenda before the Audit Committee and/or Board of Directors of all Related Party Transaction(s) requiring approvals (including omnibus approval) in accordance with this policy:

- **For Deputation of Employee to JVs/ Subsidiaries:**

Corporate HR Department through Director (Personnel) of NEEPCO shall place consolidated agenda for approval.

- **For further investment/ loan/ guarantee in JVs/ Subsidiaries:**

Corporate Planning Department and/or Business Development Department through Chief Technical Officer (CTO) of NEEPCO shall place consolidated agenda for approval.

- **For Other Matters:**

The Head of the Project (HoP) at project and Head of the Concerned Departments at Corporate Office & other Administrative offices shall be responsible for placing an agenda



of all Related Party Transaction(s) requiring approvals (including omnibus approval or ratification) in accordance with this policy before the Audit Committee through Director (Finance). After recommendation of Director (Finance) and obtaining approval of the Chairman & Managing Director, the agenda shall be forwarded to the Company Secretary for placing before the Audit Committee.

The above Heads shall also be responsible to place the agenda for review of the Audit Committee on a quarterly basis with the details of RPTs entered into by the Company pursuant to each of the omnibus approval obtained under Point 4.1.2 of this Policy. After the approval of the Audit Committee and Board, Company Secretary shall place the agenda to the shareholders for approval, wherever required.

#### **4.1 Approval of the Audit Committee-Mechanism**

##### **4.1.1 Details to be provided to Audit Committee**

The following details/information shall be provided to the Audit Committee for entering into Related Party Transaction(s):

- a. Type, material terms and particulars of the proposed transaction, contract, or arrangement.
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise).
- c. Nature and Tenure of the proposed transaction (particular tenure shall be specified).
- d. Value, maximum amount and any advance paid or received of the proposed transaction, contract, or arrangement.
- e. Manner of determining the pricing (indicative base price / current contracted price and the formula for variation in the price, if any) and other commercial terms, both included as part of contract and not considered as part of the contract.
- f. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided).
- g. If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary:
  - (i) details of the source of funds in connection with the proposed transaction.
  - (ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances, or investments,
    - nature of indebtedness
    - cost of funds; and

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- tenure.
- (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
- (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- h. Justification as to why the RPT is in the interest of the listed entity.
- i. A copy of the valuation or other external party report, if any such report has been relied upon.
- j. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis.
- k. 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
- l. Any other information that may be relevant.

#### 4.1.2 Omnibus Approval and Criteria thereof

The Audit Committee may grant the omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary as applicable subject to the following conditions / criteria:

1. Transactions are **frequent/regular/repetitive** in nature and are in the normal course of business of the Company.
2. The Audit Committee shall satisfy itself the need for such omnibus approval in the best interest of the Company.
3. The maximum aggregate value of all transactions taken together in a financial year with a related party which can be approved under omnibus route in a financial year, shall not exceed one thousand crores.
4. Omnibus approval shall specify:
  - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions 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. One crore per transaction.

5. The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company or its subsidiary as applicable pursuant to each of the omnibus approval given.

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6. The omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of the financial year.
7. The Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

#### **4.1.3 Consideration by the Audit Committee**

While approving, the Audit Committee may, inter-alia, consider the following factors:

- a. all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party.
- b. 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, at the time of entering into the transaction.
- c. business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any.
- d. whether the Related Party Transaction would affect the independence or present a conflict of interest for any Director or KMP of the Company.
- e. any other matter the Audit Committee deems relevant.

Where proposal for any Related Party Transactions is placed but not approved by the Audit Committee, reasons for such should be recorded.

#### **4.1.4 Review by the Audit Committee**

The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis. The onus to place such agenda shall be on the department who has initiated the agenda at the time of original approval.

### **4.2 Approval of the Board and Shareholders –Mechanism**

#### **4.2.1 Under the Companies Act, 2013**

In case of specified Related Party Transaction(s) as per section 188(1) of the Companies Act, 2013 read with applicable Rules under the Companies Act, 2013 as amended and as mentioned in the table below, prior approval of Board and/or Shareholders is required as per the following:

- a. **Prior approval of the Board at a meeting** - Transactions which are not in ordinary course of business or not on arm's length basis.
- b. **Prior approval of the Shareholders, by way of resolution** - Transactions which are not in ordinary course of business or not on arm's length basis and beyond the following threshold limits:

S. No.	Specified RPT(s) u/s 188(1) of the Companies Act, 2013	Threshold limits for approval of Shareholders
a)	sale, purchase or supply of any goods or materials, directly or through appointment of agent,	amounting to ten percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of the Companies Act, 2013.
b)	selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of the Companies Act, 2013.
c)	leasing of property of any kind	amounting to ten percent or more of the turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188 of the Companies Act, 2013.
d)	availing or rendering of any services, directly or through appointment of agent	amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188 of the Companies Act, 2013.
e)	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 exceeding two and a half lakh rupees.
f)	remuneration for underwriting the subscription of any securities or derivatives thereof, of the company	exceeding one percent of the net worth.

**Explanation(s):**

- Limits specified in sub-clauses a) to d) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
- Turnover or net worth shall be computed on the basis of the audited financial statement of the preceding financial year.

**4.2.2 Under SEBI (LODR) REGULATIONS 2015.**

All material related party transactions and subsequent material modifications as defined by the audit committee, shall require prior No-Objection Certificate from the Debenture Trustee and the Debenture Trustee shall in turn obtain No-Objection from the debenture holders who are not related with the Issuer and hold atleast more than fifty per cent. of the debentures in value, on the basis of voting including e-voting.

After obtaining approval of the debenture holders, approval of the shareholders through resolution shall be obtained. However, the same shall be put up to the Board for its approval at its meeting before the approval of shareholders.

**Explanation(s):**

- If the No Objection Certificate has been withheld, the matter shall not be taken forward for shareholders' consideration.
- This No-Objection Certificate from Debenture Trustee and debenture holders shall be obtained in respect of listed debt securities issued on or after April 01, 2025.

Provided that in case of outstanding listed debt securities as on March 31, 2025, No-Objection Certificate from Debenture Trustee and debenture holders shall not be required for existing or prospective material related party transactions:

Provided further that prior approval of the shareholders and No-objection Certificate by Debenture Trustee of a HVDLE, in the manner as specified in sub-regulation (5) of regulation 62K of these regulations shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 62K of these regulations is applicable to such listed subsidiary.

- For material related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders and No-objection Letter from Debenture Trustee of the listed subsidiary, in the manner as specified in sub-regulation (5) of regulation 62K of these regulations, shall be obtained.
- Provided that the requirements specified under regulation 62K (6) shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

#### 4.2.3 Voting

No related party shall vote on such resolutions irrespective of whether the entity is a related party to the particular transaction or not.

#### 4.2.4 Details to be provided to the Board and Shareholders

- The information provided to the Audit Committee in 4.1.1 above shall also be provided to the Board for approval of Related Party Transaction(s).
- The following information shall be provided to the **Shareholders** for approval of Related Party Transaction(s):
  - a. A summary of the information provided by the management of the listed entity to the audit committee as specified in point 4.1.1 above including the name of the related party, nature of relationship, nature, material terms, monetary value and particulars of the contract or arrangement.
  - b. Justification for why the proposed transaction is in the interest of the listed entity.
  - 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 specified under point 4.1.1 (g) above.
  - 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. Name of the Director or KMP who is related, if any.
  - g. Any other information that may be relevant.

#### 4.3 Summary of the approval mechanism under SEBI (LODR) Regulations, 2015 and the Companies Act, 2013:

Details of Transaction(s)	Approving Authority
<b>For NEEPCO Limited</b>	
All related party transactions (other than those mentioned at para 5 below) and any subsequent material modifications to the contracts / arrangements	<p>Prior approval of the Audit Committee of the Company.</p> <p><i>(Including Omnibus Approval for a maximum period of one financial year)</i></p>

RPTs u/s 188 of the Companies Act, 2013 which are not in Ordinary Course of Business or not on arm's length basis or both and less than threshold limits of materiality.	Prior Approval of the Audit Committee and Board of Directors of the Company.
<b>RPTs</b> at 4.2.1 above which are in not in ordinary course of business or not on arm's length basis or both and beyond threshold limits.	Prior Approval of the Audit Committee, Board of Directors and Shareholders of the Company.
<b>Material RPTs</b> at 4.2.2 above	Prior Approval of the Audit Committee, NOC from the Debenture Trustee and prior approval of the Board of Directors and Shareholders of the Company.
<b>For Unlisted Subsidiaries of NEEPCO Limited</b> If transactions with a related party of (i) NEEPCO Limited or (ii) any subsidiary of NEEPCO Limited exceeds 10% of standalone turnover of the last audited financial statements of that subsidiary.	Prior approval of the Audit Committee of NEEPCO Limited. <i>(Including Omnibus Approval for a maximum period of one financial year)</i>

## 5. Exemptions under the Companies Act, 2013 and under SEBI (LODR) Regulations, 2015 and other exemptions:

- a) Subject to the extant provisions, the following exemptions shall be applicable under the Act and Listing Regulations:

Particulars	Exemption
The requirement of approval of the Audit Committee as per the Companies Act, 2013	<ul style="list-style-type: none"> <li>For a transaction, other than a transaction referred to in section 188 of the Companies Act, 2013, between a holding company and its wholly owned subsidiary company.</li> </ul>
The requirement of passing the resolution by the shareholders as per the Companies Act, 2013	<ul style="list-style-type: none"> <li>For transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the</li> </ul>



	<p>shareholders at the general meeting for approval.</p> <ul style="list-style-type: none"> <li>• To a government company in respect of contracts or arrangements entered into by it with any other Government company.</li> </ul>
The requirement of the Board approval as per the Companies Act, 2013	<ul style="list-style-type: none"> <li>• If the transactions are at arms' length and in the ordinary course of business.</li> </ul>
The requirement of approval of the Audit Committee, NOC from Debenture Trustees and the Board's and the Shareholders Approval for RPTs requiring approval under the SEBI (LODR) Regulations 2015	<ul style="list-style-type: none"> <li>• For transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</li> <li>• Transactions entered into between two government companies as defined in sub-section (45) of section 2 of the Companies Act, 2013.</li> <li>• 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.</li> <li>• In cases where the subsidiary is a listed entity and Regulations 23 and 15(2) of the SEBI (LODR) Regulations, 2015 are applicable to such listed subsidiary.</li> <li>• In cases where the subsidiary is a listed entity and Regulation 62K of the SEBI (LODR) Regulations, 2015 are applicable to such listed subsidiary.</li> </ul>



**Other Exemptions** – The following Related Party Transactions are deemed to be approved by the Audit Committee and no separate approval shall be required:

- (i) Loans and advances to Directors / KMPs as a part of conditions of services extended by NEEPCO to all its employees.
- (ii) If the transactions are through open & transparent competitive bidding process.
- (iii) Payment or receipt of interest and any other returns related to approval accorded for making any investment / loans etc.
- (iv) Payments of statutory contributions to various employees' post-employment benefits trusts/schemes.
- (v) Deputation/secondment of employees in group companies.
- (vi) Transactions in the nature of reimbursements from/to group companies at actuals.
- (vii) Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off etc. which are approved by the Board and carried out in accordance with the specific provisions of the Companies Act, 2013 or the SEBI (LODR) Regulations 2015.
- (viii) Contribution towards Corporate Social Responsibility (CSR) within the overall limits approved by the Board that require approval of the CSR & Sustainability Committee; and
- (ix) Any other transactions based on directions from Ministries, Government of India

## **6. Related party transactions not approved under this policy**

- a) Subject to the provisions of the Act, SEBI (LODR) Regulations 2015 and other applicable laws, in the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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.

In case of failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

- b) 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 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 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 authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

- c) In any case where either the Audit Committee/Board/Shareholders determines not to ratify a Related Party Transaction that has been commenced without approval, may direct additional actions including, but not limited to, seeking fresh approvals, discontinuation of the transactions, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Audit Committee/ Board/ Shareholders has authority to modify or waive any procedural requirements of this Policy in the best interest of the Company.

## 7. Disclosures

- a) Every contract or arrangement entered with Related Parties with the approval of Board / Shareholders in line with Section 188 of the Companies Act 2013 shall be referred in the Board's Report to the shareholders along with the justification for entering into such contract or arrangements.
- b) Details of all Material Related Party Transactions shall be disclosed quarterly along with the compliance report on corporate governance to be submitted to stock exchanges.
- c) The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.
- d) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large in the Corporate Governance Report.
- e) Disclosures in the financial statements as required under Ind AS 24.
- f) The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party as required under the Companies Act, 2013.
- g) The Company shall in every six months on the date of publication of its standalone and consolidated financial results or other prescribed time as may be decided by the SEBI submit to the stock exchanges disclosures of related party transactions in the format as specified by the SEBI from time to time and publish the same on its website.

## 8. Transfer Pricing Regulations

All related party transactions shall, wherever applicable, comply with Domestic/ International Transfer Pricing requirement of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations and as per Section 188(1)(b) of the Companies Act, 2013 that defines an "arm's length transaction" as one conducted "as if the two parties were unrelated and dealing with each other at arm's length under comparable circumstances. It will be the responsibility of the concerned department/management to ascertain that all the transactions are at arm's length as defined herewith before submitting



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the same for approval to the Audit Committee.

#### **9. Authority to Amend the policy**

The Chairman & Managing Director or Director (Finance) are authorized severally to carry out modifications in this policy and to approve such changes, as may be required in order to comply with the applicable / amended provisions of law or to comply with any direction, circular etc. issued by the Regulator(s); and to settle any issue with respect to interpretation of this policy. The updated and amended policy shall be placed before the Board for information.

#### **10. Disclaimers**

In case of any discrepancy between this Policy, the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 or any rule or regulations made thereunder or under any other applicable statutory enactment of law, the enacted law/ rule/ regulation/ provision shall prevail over this Policy. Any subsequent amendment/ modification in the SEBI (LODR) Regulations 2015, Act and/ or applicable law in this regard shall automatically apply to this Policy.

#### **11. Review of the Policy**

The Policy and its material threshold limits shall be reviewed and approved by the Board of Directors of the Company at least once in every three years, or at a frequently as may be prescribed under the applicable regulations or best practices and updated accordingly.

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