

**ANANT RAJ GLOBAL LIMITED**  
**RELATED PARTY TRANSACTIONS POLICY**  
[IN TERMS OF REGULATION 23 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]



## 1. INTRODUCTION

The Policy ('Policy') for Materiality of Related Party Transactions and dealing with Related Party Transactions is framed in accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 and rules made thereunder, both as may be amended and applicable from time to time. This Policy shall regulate all transaction(s) between the Company and its Related Party(ies).

The Board of the Company has adopted this Policy and the following procedures with regard to Related Party Transactions.

## 2. OBJECTIVES

This Policy is intended to ensure the proper approval and reporting of transaction(s) between the Company and its Related Party(ies). This Policy deals with the following:

- (a) Identification of Related Parties and Related Party Transactions;
- (b) Approval of Related Party Transactions as per the applicable provisions of the Act and the SEBI Listing Regulations and accounting standards prescribed under Section 133 of the Act ("Ind AS");
- (c) Disclosure of related party transactions as per Ind AS, the Act, the SEBI Listing Regulations and any other applicable law.

## 3. DEFINITIONS

- a) 'Act' means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- b) '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.
- c) 'Audit Committee' or 'Committee' means the committee of the Board of Directors of the Company constituted as per the provisions of the Act and the SEBI Listing Regulations.
- d) 'Board' or 'Board of Directors' means members of board of directors of the Company.
- e) 'Company' means Anant Raj Global Limited.
- f) 'Director' means a director on the Board of the Company.

- g) **‘Interested Director’** means a Director who is in any way, whether by himself or through any of his relatives or firm, body corporate or other association of individuals in which he or any of his relatives is a partner, Director or a member, interested in a contract or arrangement, or proposed contract or arrangement, entered into or to be entered into by or on behalf of a company.
- h) **‘Key Managerial Personnel’ or ‘KMP’** in relation to a company, means:
- (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the company secretary;
  - (iii) the whole-time director;
  - (iv) the chief financial officer;
  - (v) 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
  - (vi) such other officer as may be prescribed under the Act.
- i) **‘Material Related Party Transaction’** means a transaction with a Related Party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or such other sum as may be prescribed under SEBI Listing Regulations.
- 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 (5%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- j) **‘Meeting of Board Rules’** means the Companies (Meetings of Board and its Powers) Rules, 2014, as amended, from time to time.
- k) **‘Omnibus Approval’** means Omnibus Approval as stated in clause 5 of this Policy made in line with Rule 6A of Meeting of Board Rules and Regulation 23 of SEBI Listing Regulations.
- l) **‘Related Party’** means a related party as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.
- m) **‘Related Party Transaction’ or ‘RPT’** has the meaning ascribed to it under the SEBI Listing Regulations and shall include transactions given in clause (a) to (g) of Section 188(1) of the Act.
- n) **‘Stock Exchanges’** means BSE Limited and National Stock Exchanges of India Limited, where shares of the Company are listed.

Words and expressions not defined in this Policy shall have the same meaning as contemplated in the Act, the SEBI Listing Regulations and any other applicable laws or regulations.

#### **4. POLICY**

- i. All related party transaction(s) must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy. However, the Audit Committee may grant Omnibus Approval for the Related Party Transaction(s) laid down in Clause 5 herein below.
- ii. All Related Party Transaction(s), irrespective of any limit, also require approval of the Board. The Board can approve such Related Party Transaction(s) by way of a resolution at a duly held meeting of the Board.
- iii. All Material Related Party Transactions and such Related Party Transaction(s) exceeding the threshold limit mentioned under Rule 15(3) of Meetings of Board Rules shall further also require the prior approval of the Shareholders by a resolution passed by the Shareholders in this regard.

#### **5. OMNIBUS APPROVAL**

The Audit Committee after taking approval of the Board may provide Omnibus Approval for Related Party Transaction(s) fulfilling the criteria as mentioned herein below:

- i. The Committee shall satisfy itself the need for such Omnibus Approval and that such approval is in the interest of the Company
- ii. The repetitiveness of the Related Party Transactions
- iii. Such Omnibus Approval shall specify the name of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, the indicative base price/current contracted price and the formula for variation in the price, if any and such other conditions as the Audit Committee may deem fit.
- iv. All Related Party Transaction(s) with the Party(ies) may not be foreseen and/or details whereof are not available at the point in time of entering into such transaction(s) may be entered into up to a value not exceeding Rupees One Crore per transaction in a financial year, by the Company.

A statement of Related Party Transaction(s) entered hereunder into by the Company, shall be placed before the Audit Committee for its review and noting, on a quarterly basis.

Omnibus Approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

Omnibus Approval shall not be granted for transactions in respect of selling or disposing of the undertaking of the Company.

Where any Related Party Transaction amounting to not more than Rupees One Crore is entered by a director or officer of the Company without the approval of the Audit Committee, then it shall be ratified by the Committee within 3 months from the date of transaction. In case the Audit Committee does not ratify the above, such transaction shall be voidable at the option of the Committee. In case of Related party transaction to

more than Rupees One Crore then it shall be ratified by the Board of the Company.

## **6. PROCESS OF IDENTIFICATION OF RELATED PARTIES**

Each Director and KMP shall disclose to the Company in form MBP-1, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all persons, entities, firms in which he/she is interested, whether directly or indirectly.

Each Director and KMP is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction(s) involving a Related Party, including any additional information about the Related Party Transaction in advance so that Board or Audit Committee has adequate time to obtain and review information about the proposed transaction.

## **7. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION(S)**

Related Party Transactions(s), not being subject of Omnibus Approval, will be referred to the meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction(s) will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction(s).

To review a Related Party Transaction(s), the Committee will be provided with all relevant material information of the Related Party Transaction(s), including the terms of the transaction(s), the business purpose of the transaction(s), the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction(s):

- a) Whether the terms of Related Party Transaction are fair and on Arms' Length Transaction basis to the Company and would apply on the same basis if the transaction(s) did not involve a Related Party;
- b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction(s) and the nature of alternative transactions, if any;
- c) Whether the Related Party Transaction (s) would affect the independence of an independent director;
- d) Whether the proposed Transaction (s) includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction(s);
- e) Whether the Company was notified about the Related Party Transaction (s) before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

- f) Whether the Related Party Transaction (s) would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Key Managerial Personnel or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.
- g) If the Committee determines that a Related Party Transaction(s) should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction(s), then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.
- h) All Related Party Transaction(s) requiring approval by the Shareholder through Resolution shall be put for Shareholder approval and the Related Party(ies) shall abstain from voting on such resolutions irrespective of whether the entity is a related party to the particular transaction or not.

## **8. EXCEPTIONS**

Notwithstanding the foregoing, the following Related Party Transaction(s) shall not require approval of Audit Committee or Board or Shareholders:

- i. Any transaction(s) that involves the providing of compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any transaction(s) in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- iii. Any Related Party Transactions(s) or Transaction(s) with Related Party(ies) or Related Party(ies) which are exempted from such noting, approval etc, by or under the Act and/or SEBI Listing Regulations, shall also be exempted under this Policy and Company may enter into such Related Party Transaction(s) accordingly, including transactions between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the general meeting.

## **9. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a Related Party 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. The Committee shall consider all of the 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. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

Further all such Related Party Transaction(s) entered into prior to coming of this Policy and subject to applicable Laws/Regulations if entered into by the Company in the ordinary course of business at arm's length basis and in the best interest in the company, shall stand ratified and approved.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction(s), the Committee has authority to modify or waive any procedural requirement(s) of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

**10. AMENDMENT**

The Policy shall be reviewed by the Audit Committee as and when any changes is considered appropriate by the Committee. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board of Directors for their approval. Board may amend or modify this Policy in whole or in part. However, no such amendment or modification will be binding on the Employees unless the same is notified to them.

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