

RAMSARUP INDUSTRIES LTD.

**POLICY ON DEALING WITH
RELATED PARTY
TRANSACTIONS**

RAMSARUP INDUSTRIES LIMITED

RELATED PARTY TRANSACTIONS POLICY Effective from 1st November 2014

1. PREAMBLE

The Board of Directors (the “Board”) of RAMSARUP INDUSTRIES LIMITED (the “Company” or “RIL”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

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 and also provides for materiality of related party transactions.

2. PURPOSE

This policy is framed as per requirement of Clause 49 (V) & (VII) of the Listing Agreement entered by the Company with the Stock Exchanges and Section 188 of Companies Act, 2013 (the Act), intended to ensure proper approval and reporting of transactions between the Company and its Related Parties. Such related party transactions (“RPT”) are appropriate only if they are carried out in the ordinary course of business and are at arm’s length. The Company’s Policy for determination of Material Subsidiary is annexed as schedule- I to this policy ensuring compliance with the listing agreement.

3. DEFINITIONS

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

“**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

“**Board**” means Board of Directors of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Key Managerial Personnel**” means a key managerial personnel as defined under the Companies Act, 2013 and Accounting Standards, as the case may be, and include:

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time director;
- (ii) Company Secretary; and

(iii) Chief Financial Officer;

“Material Related Party Transaction” means 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 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” shall have meaning as assigned to it under Section 2(76) of the Act and Clause 49 of the Listing Agreement as amended from time to time.

“Related Party transactions” means any transaction directly and indirectly involving any Related Party which is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and includes:

- (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

Note: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract

“Relative” shall have meaning as defined under Section 2(77) of the Companies Act, 2013 and Rules prescribed thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement or any other applicable law(s) or regulation(s).

4. POLICY

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this Policy.

The Policy is intended to:

- a. Identify all transactions which fall within the ambit of related party transactions both as per the provisions of Listing Agreement, the Companies Act, 2013 and Rules made there under.

- b. To prepare a complete list of related party transactions in the prescribed format.
- c. To seek necessary approvals of the Audit Committee/Board/shareholders as may be necessary, after providing necessary information in the prescribed manner.

While according such approval (s), the Related Party transactions are to be considered as appropriate if they are in the interest of the Company and other stakeholders.

- d. To make necessary disclosure in the Directors Report as well as on the website of the Company.

5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

(a) Approval of the Audit Committee

All Related Party Transactions must be reported to the Audit Committee, for its approval or ratification in accordance with provisions of the Companies Act and Rules made thereunder, Clause 49 of the Listing Agreement and this Policy. Contracts which are repetitive in nature and can qualify for Omnibus Approval under Clause 49.

(b) Approval of the Board

Prior consent of the Board by way of a Resolution is required for all Related Party Transactions if not in ordinary course of business or at arm's length. No director who is interested in any such contract or arrangement shall be present at the meeting during discussions on the subject matter of the resolution proposed for Board Approval.

(c) Approval by the Shareholders

All the transactions with related parties exceeding the materiality thresholds are placed before the shareholders for approval. For this purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

To review a Related Party Transaction, the Audit Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, 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:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction 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
- Whether the Related Party Transaction 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, Executive Officer 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.
- If the Committee determines that a Related Party Transaction 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, 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.

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- i. Any transaction 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 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.

6. 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.

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, the Committee has authority to modify or waive any procedural requirements of this Policy.

Administrative Measures

Management shall institute appropriate administrative measures to provide that all Related Party Transactions are not in violation of, and are reviewed in accordance with, the applicable Policies and Procedures.

Disclosures

The Company will disclose this policy on its website and also in its Annual Report.