



(Formerly known as Kilpest India Limited)

POLICY ON RELATED PARTY TRANSACTIONS

PREAMBLE

*A "related party transaction" means a transaction involving a transfer of resources, services or obligations between:

- (i) 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
- (ii) A 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, with effect from April 1, 2023;

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:

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 by the listed entity 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 right issue or a bonus issue; and

iv. Buy-back of securities.

(c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable /offered to all the shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s) , in the format as specified by the Board.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s);

An entity shall be considered as related to company if (i) such entity is a related party under Section 2(76) of the Companies Act,2013 ; or (ii) such entity is a related party under applicable accounting standard ; or (iii) * Provided that :

- (a) Any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) Any person or any entity , holding equity shares:
 - (i) of twenty per cent or more; or
 - (ii) of ten per cent or more , with effect from April 1,2023

in the listed entity directly or on a beneficial interest basis as provided under section 89 of the Companies Act,2013, at any time, during the immediate preceding financial year ; shall be deemed to be a related party.

POLICY GUIDELINES

1. There are some ongoing transactions with various related parties which have been perused and approved by the Board from time to time. Although such transactions are in the ordinary course of business and on arm's length basis, yet any modification or fresh arrangement with related parties as listed above shall be approved by the audit committee from time to time.

2. All such Related Party Transactions* and subsequent material modifications shall require prior approval of the Audit Committee. However, the audit committee may grant omnibus approval for related Party Transactions proposed to be entered into by the Company.

**Only those members of the audit committee, who are independent directors, shall approve related party transactions.

*Provided that:

(a) The audit committee of the Company shall define material modifications which shall mean any modification to a related party transaction shall be considered to be 'material modification' if the total value of transactions to be entered into after modification together with the value of transactions already executed before modification, during the relevant financial year, exceeds rupees one thousand crore or ten percent of the consolidated turnover of the Company as per the last audited financial statements of the listed entity, whichever is lower.

(b) A related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the company if the value of such transaction whether entered into individually or taken together with the previous transactions during a financial year exceeds ten percent of the annual consolidated turnover, as per the last audited financial statements of the listed entity.

(c) With effect from April 1, 2023, a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the company if the value of such transaction whether entered into individually or taken together with the previous transactions during a financial year exceeds ten percent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

(d) Prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the Company shall suffice.

3. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen.

4. Such Omnibus approval referred above shall be valid for a period not exceeding one year and shall require fresh approvals after expiry of one year.

5. The Audit committee shall review at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to the omnibus approval given *and shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

6. In the event of any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the rules framed thereunder and obtain approval of the Board or its shareholders as applicable, for such contract or arrangement.

7. The Board shall approve the threshold limits for transactions with related party to be entered by the company.

8. The following material Related Party Transactions will be placed for approval of the shareholders of the company.

(a)*A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with the previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

(b)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 the previous transactions during a financial year exceeds 5% of the annual consolidated turnover of the company, as per the last audited financial statements.

9.All material Related Party Transactions*and subsequent material modifications, other than those with the Exempted Wholly Owned Subsidiaries and *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 for approval at the general meeting of the company.

*Provided that prior approval of the shareholders of a listed entity 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 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

10. While approving the Related Party Transactions, the Board will go through all the material details like (i) whether the transaction is fair to the Company,(ii) whether the Audit Committee has been made available all of the material facts regarding the transaction or parties involved,(iii)whether the transaction is generally available to an unrelated third-party under the same or similar circumstances and cost, and (iv) the extent of the Related Person's interest in the transaction.

11. The agenda of the Audit Committee / Board meeting, at which any resolution pertaining to transactions with related parties is proposed to be moved, shall disclose:

- (a) The name of the related party and nature of relationship;
- (b) *Type, material terms and particulars of the proposed transaction
- (c) *Name of the related party and its relationship with the listed entity or its subsidiary, including nature its concern or interest (financial or otherwise);
- (d) *Tenure of the proposed transaction (particular tenure shall be specified)
- (e) *Value of the Proposed Transaction
- (f) Any advance paid or received for the contract or arrangement, if any;
- (g) The manner of determining the pricing and other commercial terms, both included as a part of contract and not considered as part of the contract;
- (h) Whether all factors relevant to the contract have been considered and if not, the details of factors not considered with the rationale for not considering those factors;
- (i) *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)
- (j) *if the transaction related 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
 - Tenure
 - (iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secure or unsecured; if secured the nature of security
 - (iv) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT
- (k) *Justification as to why the RPT is in the interest of the listed entity;
- (l) *A copy of the valuation or other external party report, if any such report has been relied upon
- (m)* Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis
- (n)*Any other information that may be relevant

12. Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

13. The explanatory statement to be annexed to the notice of the general meeting convened for the purpose of seeking approval of shareholders for entering into related party transactions contain the following particulars namely:-

- a) Name of the related party
- b) Name of the director or key managerial personnel who is related, if any;
- c) Nature of relationship;

- d) *A summary of the information provided by the management of the listed entity to the audit committee as specified in point 11 above
- e) *Justification for why the proposed transaction is in the interest of the listed entity
- f) * 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 11(j) above;(The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
- g) *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
- h) *Percentage of the counter party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis
- i) *any other information relevant or important for the members to take a decision on the proposed resolution

14. Details of all material transactions with related parties shall be disclosed in the quarterly compliance report on corporate governance being submitted to the stock exchange.

15. 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.

16. The company shall submit within 15* days from the date of publication of its standalone and consolidated financial results for the half year *and simultaneously along with the financials w.e.f. 01.04.2023, 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.

17. The Board shall review the policy atleast once every three years. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy.

*applicable w.e.f. 1st April, 2022

**applicable w.e.f. 1st January, 2022