



SEYA INDUSTRIES LTD

Related Party Transaction Policy

1. Objective:

- 1.1. The Board of Directors (the "Board") of Seya Industries Ltd (SEYA) has adopted Related-Party Transactions Policy (this "Policy") to set forth the procedures under which transactions with Related Parties shall be reviewed for approval or ratification in accordance with the procedures set forth below.
- 1.2. This Policy also aims to comply with the provisions of the Companies Act 2013 and rules framed thereunder and Clause 49 of the Listing Agreement with the Stock Exchanges.
- 1.3. No Related-Party Transaction may be entered into by the Company or any of its subsidiaries or associates (if any), except in accordance with the provisions of this Policy.
- 1.4. In light of the above, SEYA has framed this Policy. This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2. Definitions:

- 2.1. "Act" means the Companies Act, 2013
- 2.2. "Arm's Length Transaction (ALP)" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- 2.3. "Audit Committee or Committee" means a Committee of Board of Directors of the Company constituted under the provisions of Companies Act, 2013 and listing agreement.
- 2.4. "Related Party", with reference to the Company shall have the same meaning as defined in Section 2 (76) of the Companies Act, 2013 and clause 49 of the Equity Listing Agreement.
- 2.5. "Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- 2.6. "Related Party Transaction (RTP)" means –
 - 2.6.1. For the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 of the Act.
 - 2.6.2. For the purpose of clause 49 of the listing agreement, any transaction involving any related party which is transfer of resources, services or obligations between a company and a related party, 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.

3. Material Related Party Transactions:

- 3.1. Means any transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year above the threshold specified in the section under Material Related-Party Transactions.

4. Manner of dealing with related party transaction:

4.1. Identification of related parties:

Related parties shall be as prescribed under Section 2 (76) of the Act read with Rules framed thereunder and Clause 49 of the Listing Agreement

4.2. Identification of related party transactions:

- 4.2.1.** Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
- 4.2.2.** The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

4.3. Procedure of approval of related party transaction:

- 4.3.1.** All related party transactions require prior approval of Audit Committee.
- 4.3.2.** Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.
- 4.3.3.** In exceptional circumstances, where permitted by law, related party transaction may deviate from the principle of arm's length, after approval from Audit Committee.
- 4.3.4. Omnibus Approval**
The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered by the Company subject to the following conditions:
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
 - Omnibus approval shall specify
 - a. Name/s of the related party
 - b. Nature of Transaction
 - c. Period of Transaction
 - d. Maximum amount of transaction that can be entered into
 - e. The indicative base price / current contracted price and formula for variation in price, if any
 - f. Other Conditions which the Committee deems fit.
 - Where the need for related party transaction cannot be foreseen and the details as per above point are not available, the Committee can give omnibus approval for such transactions subject to their value not exceeding Rs.1 Crore per transaction.
 - The Committee will review on a quarterly basis, the details of all related party transactions entered into by the Company pursuant to each of the omnibus approval given.
 - Such omnibus approval shall be valid for a period of not exceeding one year and shall require fresh approvals after expiry of one year. The Committee will consider and review the omnibus approvals at the first committee meeting of every financial year.

4.4. Approval of the Board and the Shareholders:

- 4.4.1.** The Audit Committee shall report all "Material Related-Party Transactions" to the Board of Directors. The Company will also seek shareholders' approval for "Material Related-Party Transactions" in the subsequent annual general meeting of the year in which the Related-Party Transaction is undertaken. The resolution will be a special resolution and the related parties (if any) will abstain from voting on such resolution.
- 4.4.2.** In case of transactions which are not ordinary course of business or not at arm's length, Board approval will be required. In case these are material transactions shareholders' approval will be required.

4.4.3. Material Transaction will be determined as follow:

Clause 49 of the Listing Agreement requires a company to provide materiality thresholds for transactions beyond which the shareholder's approval will be required by way of a special resolution. The Company has fixed its materiality threshold at 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company for the purpose of clause 49(VII) (C) of the Listing Agreement.

Shareholder's approval shall also require if a transaction are falling within the purview of Section 188 (1) read with sub rule (3) of Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 or any amendment thereof.

4.4.4. Notwithstanding the foregoing the following Related Party Transaction shall not require prior approval of Audit Committee or Shareholders:

- Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- 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

5. Related Party Transaction Not approved under this policy:

5.1. 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.

5.2. 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.