

## **RELATED PARTY TRANSACTION POLICY**

### **1. PREAMBLE**

The Related Party Transactions Policy provides a framework to regulate transactions between Utique Enterprises Limited ("the Company") and the Related Parties based on the applicable laws and regulations applicable on the Company.

### **2. DEFINITIONS**

"Related Party" means a related party as defined in Section 2(76) of the Companies Act, 2013 ("the Act") or under the applicable Accounting Standards.

"Related Party Transaction" ("RPT") means a transfer of resources, services or obligations between the Company and a related party, 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 and includes the transactions enumerated in Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.

"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.

"Material Related Party Transaction" means a transaction with a related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

### **3. POLICY**

All RPTs must be identified and reported to the Audit Committee for prior approval by the Audit Committee as well as the Board of Directors ("the Board") and the shareholders of the Company, wherever necessary.

### **4. IDENTIFICATION OF POTENTIAL RPTS**

Each Related Party as defined under the relevant laws is responsible for notifying to the Audit Committee or the Board of any potential RPT involving him/her or his/her relative, including any additional information about the transaction that the Audit Committee/Board may reasonably request.

The Board/Audit Committee will determine whether the transaction requires compliance with this Policy.

## 5. APPROVAL OF RPTS

### *Audit Committee's Approval*

All RPTs shall require prior approval of the Audit Committee. However, the Audit Committee can grant an omnibus approval for Related party Transactions proposed to be entered into by the Company if the same is considered necessary and in the interest of the Company and on such conditions as may be decided by the Audit Committee and in keeping with any limits for such omnibus approvals as may be required by the relevant authorities.

The omnibus approval shall specify:-

- a. The name(s) of the related party, nature of transaction, period of transaction, maximum amount of transaction, maximum amount of transaction that shall be entered into.
- b. The indicate base price/current contracted price and the formula for variation in the price, if any.
- c. Such other conditions as the Audit Committee may deem fit.
- d. In case where the need for related party transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

Any member of the Audit Committee, who has a potential interest in any RPT, shall recuse himself/herself and abstain from discussion and voting on the approval of the RPT.

### *Board's Approval*

Board's Approval is required for transactions enumerated in Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time.

Provided that nothing in the said Section shall apply to any RPTs, entered into by the Company in its ordinary course of business, other than transactions, which are not on an arm's length basis.

All the Material Related Party Transactions in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 would require Board Approval.

Any Member of the Board who has a potential interest in any such RPT shall recuse himself/herself and abstain from discussion and voting on the approval of the RPT.

### *Shareholders' Approval*

Shareholders' approval by way of Special Resolution shall be required for all material related party transactions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as the transactions covered Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time. 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.

## 6. REVIEW AND MONITORING OF RPTS

The Audit Committee may review and monitor a RPT taking into account 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 connection with any review of a RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

To review a RPT, the Audit Committee shall be provided with all relevant material information of the RPT 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 information/material.

In determining whether to approve a RPT, the Audit Committee will consider the following factors, among others, to the extent relevant to the RPT:-

- a. Name of the related party and the relationship
- b. Nature and duration of transaction and material terms including the value, if any
- c. The manner of determining the pricing.
- d. Whether the transaction qualifies to be a transaction in the ordinary course of business.
- e. Whether the terms of the RPT are fair and on arm's length basis to the Company.
- f. Business rational for such transactions.

The Audit Committee shall review, at least on a quarterly basis, the details of RPT entered into by the Company pursuant to each of the omnibus approval given. However, such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

## 7. TRANSACTIONS NOT TO BE CONSIDERED AS RPT

Notwithstanding the foregoing, the following RPTs shall not require approval of Audit Committee/Board or Shareholders:-

- a. Any transaction that involves the providing of compensation to a director or KMP 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.

b. 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.

c. Any transaction arising out of Compromises, Arrangements and Amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013.

## 8. REQUIREMENT OF FRESH APPROVALS FOR PAST CONTRACTS, IF ANY

Contracts entered into by companies, after necessary compliances under the Companies Act, 1956, which already came into effect before the commencement of the Companies Act, 2013, i.e. April 1, 2014, will not require fresh approval till the expiry of the original term of such contracts. However, any material related party transaction continuing to be operational beyond March 2015, would require shareholders' approval.

## 9. RPTS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification, revision or termination of the RPT. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Audit Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. The Audit Committee has authority to modify or waive any procedural requirements of this Policy.

## 10. DISCLOSURES/AMENDMENT

RPT with proper justification shall be disclosed in the Directors' Report, as applicable.

Details of all material RPT shall be disclosed quarterly along with the compliance Report on Corporate Governance.

The RPT Policy shall be disclosed on the website of the Company and disclosed in the Annual Report, in the manner as may be prescribed.

The right to interpret/amend/modify this Policy vests in the Board of the Company.