

SINTEX PLASTICS TECHNOLOGY LIMITED

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

TITLE:

This Policy shall be called 'Policy on materiality of Related Party Transactions and dealing with Related Party Transactions'.

OBJECTIVE:

Related Party Transactions have been one of the major areas of focus for the corporate governance reforms being initiated by Indian legislature.

The changes introduced in the Corporate Governance norms through the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "Listing Regulations"] require the companies to have enhanced transparency and due process for approval of the Related Party Transactions.

One such requirement is that the companies are required to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

DEFINITIONS:

"Policy" means this Policy, 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.

"Audit Committee" means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the Listing Regulations and the Companies Act, 2013.

"Board" means the Board of Directors of Sintex Plastics Technology Limited.

"Company" means Sintex Plastics Technology Limited.



“Related Party Transaction” means transaction in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, regardless of whether a price is charged.

Explanation - A “transaction” with a Related Party shall be construed to include single or a group of transactions in a contract.

“Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company.

“Related Party” means an entity which

- a) is a related party under Section 2(76) of the Companies Act, 2013 and the rules framed thereunder;
- b) is a related party under the applicable accounting standards.

APPROVAL OF RELATED PARTY TRANSACTIONS:

All Related Party Transactions shall require prior approval of the Audit Committee.

Provided that the transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require prior approval of the Audit Committee. Further, as per the Act, the related party transaction shall not require approval of the Audit Committee where the transactions are on the ordinary course of business and also on arm’s length basis.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature subject to compliance of the following conditions contained in Regulation 23 of the Listing Regulations as amended from time to time:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;



- c. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

- d. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

The Board shall approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or Listing Regulations and/or transactions referred to it by the Audit Committee.

Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.

Further, all Material Related Party Transactions shall require approval of shareholders of the Company through resolution (unless it is exempted pursuant to the provisions of Listing Regulations) and the Related Party Shareholders shall abstain from voting on such resolution(s).

All Related Party Transactions (other than Material Related Party Transactions) pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business or not an Arms' length transaction and cross the threshold limits prescribed under Companies Act, 2013 shall also require the approval of shareholders of the Company through resolution and the Related Parties shall abstain from voting on such resolution(s).

DISCLOSURES

Every Related Party Transaction with proper justification shall be disclosed in the Directors Report.

