

Intex Technologies (India) Limited
Related Party Transaction Policy

Contents

Definitions & Terms	3
1. Policy Objective	4
2. Scope	4
3. Related Party Transactions- Approval Process.....	4
4 Related Party transactions details	
5. Related party disclosures Pursuant to Accounting Standard 18 "Related Party Disclosures" in Balance Sheet.....	4
6. Quarterly Certificate from Chartered Accountant.....	4

Definitions & Terms

1. Related Party Transaction:-

Related Party transaction ("RTP") are transaction undertaken between the Company and its related parties/ entities as defined under Section 2(76) of the Companies Act, 2013, Indian Accounting Standard (AS18), Ind AS 24 & under relevant provision of income tax act 1961 and rules made thereunder including but not limited to subsidiaries, associates, joint ventures, Key Managerial Personal and relative or entities owned by the Company.

2. Key management Personnel :-

As per section 2(51), key managerial Personal in relation to company includes:-

- The chief executive officer or the managing director or the manager.
- The company secretary
- The whole time director
- The chief financial officer
- Such other officers as may be prescribed

3. Arm's length transaction:-

A transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

4. Ordinary Course of Business:-

A term for activities that are necessary, normal, and incidental to the business. These are usual transactions, customs and practices of a certain business and of a Company.

1. Policy Objective

Whereas the Company has been fully compliant with the provisions of the Companies Act, 2013 and Rules made thereunder with regard to Related Party Transactions, in its endeavour to ensure continues due and proper compliance with the applicable provisions and to ensure that proper procedure is defined and followed for approval / ratification and reporting of transactions as applicable, between the Company and any of its Related Parties. This Policy is being proposed.

The Policy has been adopted by the Company's Board of Directors vide their resolution dated 13.02.2017. The provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable law.

2. Scope

The policy is applicable to all related party transactions between the company and any of its related parties

3. Related Party Transactions- Approval Process

All related party transactions shall require approval of the audit committee. Details of relevant provisions of applicable acts are enclosed for reference. However in case of any updation in relevant acts the company secretary shall update the same from time to time.

4. Related Party transactions details

The finance & Accounts department shall provide a list of related party on quarterly basis or as may be required from time to time to the secretarial department.

5. Related party disclosures Pursuant to Accounting Standard 18 " Related Party Disclosures" in Balance Sheet

1. Details of related parties with whom transaction have taken place during the year.
2. Details of transactions with related party taken place during the year.

6. Quarterly Certificate from Chartered Accountant

A certificate of Chartered Accountant to be taken on quarterly basis disclosing related party transaction entered into by the company during the period.

Note:

1. The Board may amend, modify or revise any or all provisions of this Policy. However, amendments in the Act or other applicable enactments shall be binding even if not incorporated in this Policy.
2. Disclosure as may be prescribed under the companies' act 2013 and rules made therein under shall also need to be complied.

Annexure forming part of Policy**Companies Act, 2013 – Regulations****A. Approval of Audit Committee**

All related party transaction shall require approval of the audit committee. However, the audit committee may make omnibus approval for related party transactions proposed to be entered into by the Company, subject to compliance with the following conditions:-

- A. The audit committee may specify the criteria for granting the omnibus approval in line with the policy and such approval which shall include the following namely:-
1. Maximum value of transaction, in aggregate, which can be allowed under the omnibus route in a year.
 2. The maximum value per transaction which can be allowed in a year.
 3. Extent and manner of disclosure to be made to the audit committee at time of seeking omnibus approval.
 4. Review, at such intervals as the audit committee may deem fit, related party transaction.
 5. Transaction which cannot be subject to the omnibus approval by the Audit committee.
- B. The audit committee shall considered the following factors while specifying the criteria for making omnibus approval, namely:-
1. Repetitiveness of the transactions (in past or in future)
 2. Justifications for the need of omnibus approval.
- C. The audit committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.
- D. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company

Notes:

- 1) Audit committee shall review details of related party transactions entered into by the company at least on quarterly basis.
- 2) The Omnibus approval shall be valid for a maximum period of one year and shall require fresh approvals after expiry of one year.

B. Approval of Transaction through Board of Directors

1. As per section 188 of Companies Act 2013, prior approval of Board is required before any contract or arrangement in relation to related party transaction is entered with a related party if such transaction are :-

- I. Not at Arm length; or
 - II. Not in ordinary course of business
2. Approval of Board is not required to be obtained if transactions entered into by the Company in its ordinary course of business on an arm's length basis.
 3. Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by shareholders of the Company and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement.

C. Approval of Transactions through Shareholders

If paid up capital of the company is equal to or greater than INR 10 Cr, prior approval of shareholders by means of an ordinary resolution is required where transaction is not on an arm length basis and/ or not in ordinary course of business.

Apart from above, as per section of 188(1) of the Companies Act, 2013, prior approval of shareholders by passing an ordinary resolution is required if the transaction value exceeds the prescribed threshold. The threshold has been prescribed in Rule 15 of the Companies Rules, 2014 the same are reproduced hereunder has been tabulated below:-

S.N	Nature of Transaction	Value of Transaction
1)	Sale ,Purchase or supply of any goods or materials directly or through appointment of agents service	Exceeding 25 % of Annual turnover
2)	Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents	Exceeding 10% of Net worth of the Company
3)	Leasing of Property of any kind	Exceeding 10% of Net worth of the Company or 10% of turnover of the Company
4)	Availing of rendering of any service	Exceeding 10% of net worth of the Company
6)	Such related party's appointment to any office or place of office in the company, its subsidiary company or associate company	Monthly remuneration exceeding INR 2,50,000
7)	Appointment of any underwriter Underwriting for subscription of any securities or derivative thereof, of the Company	Remuneration exceeding 1% of the net worth

D. Income Tax act 1961-Regulation

The Indian Transfer Pricing ("TP") regulations are applicable to international transactions and specified domestic transactions between associate's enterprises. Under the TP regulations, any income arising from an international transaction would need to be computed having regards to the arm's length price. ("ALP").