

## **AURIONPRO SOLUTIONS LIMITED**

### **RELATED PARTY TRANSACTION POLICY**

#### **PREAMBLE**

Aurionpro Solutions Limited (the **"Company"** or **"Aurionpro"**), recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stockholders' best interests. Therefore, this Policy regarding the review and approval of Related Party Transactions has been adopted by the Company's Board of Directors in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified.

This Policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

#### **PURPOSE**

This Policy is framed and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties in compliance with the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations 2015 (**"LODR"**).

#### **DEFINITIONS**

For the purposes of this policy, the following definitions apply:

- a. "Audit Committee" or "Committee"** means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013;
- b. "Board"** means the Board of directors of the Company;
- c. "Director"** shall mean a member of Board of the Company;
- d. "Key Managerial Personnel" or "KMP"** means key managerial personnel as defined under the Companies Act, 2013;
- e. "Material Related Party Transaction"** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. For avoidance of doubt it is clarified that in case of any amendment to LODR prescribing any higher limit, such higher limit shall be applicable and this Policy shall stand amended to such extend;

- f. **“LODR”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- g. **“Policy”** means this policy on Related Party Transactions;
- h. **“Related Party”** shall have the meaning as defined under the Companies Act, 2013 and in applicable accounting standards.

In terms of the Companies Act, 2013, Related Party with reference to the Company, means:

- a. Director or his relative;
- b. KMP or his relative;
- c. a firm, in which a Director, manager (as defined under the Companies Act, 2013) or his relative is a partner;
- d. a private company in which a Director or manager or his relative is a member or director (as defined under the Companies Act, 2013);
- e. a public company in which a Director and manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- f. any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a Director or manager of the Company;
- g. any person on whose advice, directions or instructions a Director or manager of the Company is accustomed to act;

**Provided** that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity;

- h. any body corporate which is—
  - (i) a holding, subsidiary or an associate company of the Company;
  - (ii) a subsidiary of a holding company of the Company; or
  - (iii) an investing company or the venturer of the Company;

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the Company would result in the company becoming an associate company of the body corporate.

- i. a director other than an independent director or KMP of the holding company or his relative with reference to a Company, shall be deemed to be a related party.

For avoidance of doubt it is clarified that the abovementioned categories are specified in line with the provisions of the Companies, Act 2013, therefore, in case of any amendment to the respective provisions of the Companies Act, 2013, the abovementioned categories shall stand modified to the extend any amendment in the Companies Act, 2013.

- i. **“Relative”** shall have the meaning as defined under the Companies Act, 2013

This shall include:

1. With reference to any person, anyone who is related to another, if:
  - a. they are members of a Hindu Undivided Family;
  - b. they are husband and wife; or
2. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:
  - a. Father including step-father
  - b. Mother including step-mother
  - c. Son including step-son
  - d. Son’s wife
  - e. Daughter
  - f. Daughter’s husband
  - g. Brother including step-brother
  - h. Sister including step-sister

For avoidance of doubt it is clarified that the abovementioned categories are specified in line with the provisions of the Companies, Act 2013, therefore, in case of any amendment to the respective provisions of the Companies Act, 2013, the abovementioned categories shall stand modified to the extend any amendment in the Companies Act, 2013.

- j. **“Related Party Transaction”** means a transaction as envisaged as a related party transaction under the Companies Act, 2013 or under the LODR (as amended from time to time);

- k. **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.

## **IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS/ DISCLOSURE**

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 request.

For avoidance of doubt it is clarified that every Director and KMP may at the first meeting of the Board in which he/she participates as a Director or KMP regarding the related parties or in the first meeting of the Board in each financial year and in the event of any change therein then at the first Board meeting held after such change can disclose his/her concern or interest.

Board/Audit Committee may determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

## **NATURE OF RELATED PARTY TRANSACTIONS**

The transactions covered under this Policy shall be the transactions as may be stipulated under the section 188 or any other relevant provisions of the Companies Act, 2013 or in LODR (as may be amended from time to time)

These transactions may include the following:

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
- g. underwriting the subscription of any securities or derivatives thereof, of the company:

## **APPROVAL OF RELATED PARTY TRANSACTIONS**

### **A. Prior approval by Audit Committee**

- i. In accordance with the provisions of LODR, all related parties shall require prior approval of Audit Committee whether at a meeting or by Resolution by circulation.
- ii. A member of Audit Committee who has a potential interest in the related party transaction shall abstain from the discussion and voting on the approval of such transaction.

### **B. Omnibus Approval**

The Audit Committee may grant omnibus approval for related party transactions subject to the following conditions, namely-

- i. the following broad criteria for granting the omnibus approval in respect of transactions which are/ expected to be of repetitive in nature shall be applicable and relevant details from the following will have to be mentioned in the resolution:
  - a. need of the approval;
  - b. the name(s) of the related party;
  - c. nature of transaction;
  - d. period of transaction;
  - e. maximum amount of transactions that shall be entered into;
  - f. the indicative base price / current contracted price and the formula for variation in the price if any; and
  - g. 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 rupees one crore per transaction.

- ii. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into pursuant to each of the omnibus approvals given.
- iii. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:
- iv. The requirement of approval by Audit Committee including of Omnibus approval shall not be applicable in case of transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval. Any amendment in the Companies Act, 2013 or LODR shall be applicable.

#### **C. Prior approval of the Board**

Transactions with the related parties which are either not in ordinary course of business or not at arm's length shall require prior approval of the Board in accordance with the provisions of the Companies Act, 2013.

Any Director/KMP interested in the transaction shall abstain from the voting.

#### **D. Shareholders' Approval**

- i. All Material Related Party Transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- ii. Provided that the requirement of the resolution shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- iii. The requirement of approval by the resolution by shareholders shall not be applicable in case of transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- iv. The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, 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, as per the applicable provisions of the LODR.

## **GENERAL PRINCIPLES**

- a. It shall be the responsibility of the Board to monitor and manage potential conflicts of interest including abuse in Related Party Transactions.
- b. The Independent Directors are requested to pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company.
- c. The Audit Committee shall have the powers deem necessary to carry out its functions including but not limited to
  - i. seeking of information;
  - ii. obtaining opinions, legal advice;
  - iii. investigate the related party transactions and any breaches of the Policy;
  - iv. levying of penalties in case of any violation of the Policy.
- d. The Chief Financial Officer of the Company is authorized to issue necessary guidelines/instructions and enunciate detailed procedures within the framework of this Policy for implementation of this Policy.

## **AMENDMENTS**

In case there are any regulatory changes requiring the modifications to the Policy, the Policy will be reviewed by the Board at a frequency of not less than once in three years to align the Policy with the regulatory changes. For avoidance of doubt it is clarified that the regulatory changes shall supersede the policy.

## **INTERPRETATIONS**

- a. Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, LODR, Accounting Standards or any other relevant legislation / law applicable to the Company.
- b. In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.