

AAGAM CAPITAL LIMITED

Introduction : The Board of Directors of the Company have adopted the said policy pursuant to the requirement of the Companies Act,2013 and SEBI(Listing Obligation and Disclosure Requirement) Regulations,2015 with an intention to regulate transactions between the Company and its Related Party based on the applicable rules and regulations.

Purpose : This policy is framed on the basis of provisions of the Companies Act,2013 and SEBI(Listing Obligation and Disclosure Requirement) Regulations, 2015 to ensure that proper compliance and timely reporting of transactions between Company and its related party.

Definitions :

“Board of Directors or Board “ means the Board of Directors of Aagam Capital Limited as may be constituted from time to time.

“Audit Committee” means Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act,2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

“Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act,2013 and rules made thereunder.

“Arms Length Transaction” means transactions between two related parties that is conducted as if they were unrelated, so that they is no conflict of interest.

“Related Party Transaction” means transaction in the nature of contract or arrangement involving transfer of resources, services or obligations between a company and a related party regardless of whether a price is charged. A transaction with related party shall construed to include single transaction or group of transaction in a contract.

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“Related Party” means related party as defined in section 2(76) of the Companies Act,2013 which includes the following related party with reference to a company means

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm, in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager is a member or director;
- (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital;
- (vi) 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;
- (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act:

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

(viii) any company which is—

- (A) a holding, subsidiary or an associate company of such company; or
- (B) a subsidiary of a holding company to which it is also a subsidiary;

(ix) such other person as may be prescribed;

“Policy “ means Related Party Transactions Policy

“Relative” means relative as defined in section 2(77) of the Companies Act,2013 which states

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that relatives with reference to any person means anyone who is related to another, if

- (i) If they are the member of HUF
- (ii) They are husband and wife or
- (iii) One person is related to other in the following manner :
 - (a) Father (including step father)
 - (b) Mother (Including step mother)
 - (c) Son (including step son)
 - (d) Son's Wife
 - (e) Daughter
 - (f) Daughter Husband
 - (g) Brother (including step brother)
 - (h) Sister (including step sister)

"Policy and Procedure"

(1)The listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions:

Explanation :- A transaction with a related party shall be considered material if the transaction(s) 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 listed entity as per the last audited financial statements of the listed entity.

(2) All related party transactions prescribed under section 188 of the Companies Act,2013 and rules made there under which are mention below shall require prior

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approval of the audit committee and further approval of the board and shareholders if transaction exceeds the limits prescribed under the act

- (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.

(3) Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity subject to the following conditions, namely-

(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 listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;

(b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;

(c) the omnibus approval shall specify:

(i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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:

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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.

(d) the audit committee shall review, atleast on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals 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:

(4) All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

(5) The provisions of sub-regulations (2), (3) and (4) shall not be applicable in the following cases:

(a) transactions entered into between two government companies;

(b) transactions entered into between a holding 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.

Explanation:- For the purpose of clause (a), "government company(ies)" means Government company as defined in sub-section (45) of section 2 of the Companies Act, 2013.

(6) The provisions of this regulation shall be applicable to all prospective transactions.

(7) For the purpose of this regulation, 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.

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(8) All existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

“Review of the Policy”

The above policy will be reviewed by the Board of Directors from time to time and changes will be made therein in accordance with the legal requirements.

“ Disclosure”

Details of all Material Related Party Transactions shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance in accordance with SEBI (Listing Obligations and Disclosure Requirement)Regulations,2015.

The Company also require to disclose this policy on its website.

The Company shall keep register giving particulars of all contracts or arrangement entered into with related part as prescribed under the Companies Act,2013.