



## IVP LIMITED

### POLICY ON RELATED PARTY TRANSACTIONS

#### 1. PREAMBLE:

Based on the recommendation of the Audit Committee, the Board of Directors of the Company has adopted the following Policy and procedure with regard to Related Party Transactions. The policy envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with the Laws and Regulations. The Audit Committee will review the same from time to time and propose the amendment required in the policy to the Board of Directors.

#### 2. PURPOSE:

The Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“the Rules”) and regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (erstwhile clause 49 of the Listing Agreement) contains specific provisions on Related Party Transactions (RPTs)

This policy has been framed for complying with above requirement.

#### 3. DEFINITIONS:

“**Arm’s length Basis**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Associate Company**” means a Company which has significant influence but which is not a subsidiary of the Company having such influence and includes a joint venture Company.

“**Audit Committee**” means Committee of Board of Directors of the Company constituted under provisions of the Listing Regulations as well as the Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and Companies Act, 2013.

“**Joint Venture**” means a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.

“**Key Managerial Personnel**” mean key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Whole-time Director;

- (iii) Company Secretary;
- (iv) Chief Financial Officer; and
- (v) such other Officer as may be prescribed.

**“Material Related Party Transaction”** means a transaction with a related party, where in the value of 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.

**“Policy”** means this Policy on Related Party Transactions.

**“Relative”** shall have the same meaning as assigned to it under section 2(77) of the Companies Act, 2013 and the Rules made thereunder.

**“Related Party”** is a person or an entity which is:

1. A related party under section 2(76) of the Act; or
2. A related party under the applicable Accounting Standards.

**“Significant Influence”** means control of at least 20% of the total share capital or of business decisions under an agreement.

**“Related Party Transaction” (“RPTs”)** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between the Company and a related party, regardless of whether or not a price is charged, and includes the following transactions, either single or a group of transactions in a contract:

- a. sale, purchases 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 purchases 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;
- g. underwriting the subscription of any securities or derivatives thereof, of the company.”

#### **4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS**

- All Related Party Transactions must be reported to the Audit Committee and referred for approval of the Committee or the Board or the Shareholders as required under this Policy.
- **Identification of Related Party Transactions:**
  - Each Director and Key Managerial Personnel is responsible for providing notice to the Board/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 reasonably request. The Board/Audit Committee will determine whether

the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

- As regards transactions with Related Parties that require prior approval of the Board/Audit Committee, the Chief Financial Officer shall be responsible to notify the Board/ Audit Committee of any such potential Related Party Transactions.
- Such notice of any potential Related Party Transaction shall be given well in advance to the Board/ Audit Committee and shall also contain adequate information about the Related Party transaction(s). This will provide the Board/Audit Committee members adequate time and information to consider and review the proposed transaction(s).

➤ **Approval for Related Party Transactions**

The Company shall not enter into any Related Party Transaction except as stated hereinafter.

❖ Transactions requiring approval of Audit Committee:

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

❖ Transactions requiring approval of Board:

- Related Party Transactions which are not in the ordinary course of business or not at arm's length price.
- Material Related Party Transactions.

❖ Transactions requiring approval of Shareholders of the Company:

- All Material Related Party Transactions shall require approval of the Shareholders of the Company by way of a resolution passed at the general meeting of the Company; and all Related Parties shall abstain from voting on such resolution irrespective of whether the entity is a party to the particular transaction or not.
- All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act requiring the approval of shareholders, shall require an approval of the Shareholders by way of a resolution passed at the general meeting of the Company; and in such cases, the Related Party/ (ies) to the transaction shall abstain from voting on such resolution.

➤ **Approval & Review Mechanism:**

- While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.
- The Audit Committee may grant omnibus approval for Related Party Transactions considering the repetitive nature of the transactions.

- The Audit Committee, shall, after being authorized by the Board of Directors, specify the criteria for granting omnibus approvals to the Related Party Transactions proposed to be entered into by the Company in the manner and to the extent prescribed under the Laws. Such omnibus approvals shall be valid for one financial year. The Audit Committee shall, while granting such omnibus approvals, satisfy itself about the adherence to the criteria so specified by it.
- The Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company.
- The omnibus approval granted by the Audit Committee shall include the following particulars:
  - i. Name of the related parties;
  - ii. Nature and duration of the transaction;
  - iii. Maximum amount of transaction that can be entered into;
  - iv. The indicative base price or current contracted price and the formula for variation in the price, if any; and
  - v. Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
- In case of any Related Party Transactions that cannot be foreseen or transactions in respect of which complete details are not available, the Audit Committee may grant an omnibus approval for such transactions provided that the value does not exceed Rs.1 crore per transaction in a financial year.
- Any Director or Key Managerial Personnel who is interested in any Related Party Transaction shall not be present at the meeting of the Board or Audit Committee during discussions on the subject matter of the resolution relating to such transaction.
- The Audit Committee shall review, on a quarterly basis, the details of all Related Party Transactions entered into by the Company.
- On a quarterly basis, the management shall submit a report to the Audit Committee providing a comparison between the approvals granted and the actual transactions.

## **5. DISCLOSURES/DISSEMINATION:**

- Appropriate disclosures as required under the Act and Listing Regulations shall be made in its Annual Return, Boards' Report and at such other places and to the Stock Exchanges on which equity shares of the Company are listed and such other authority as may be prescribed under these Laws.

## **6. GENERAL**

- The Policy would be subject to revision/amendment in accordance with the Laws. The Audit Committee shall review the Policy atleast once in every year for making suitable amendments for better implementation of the Policy.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

- The power to interpret and administer the Policy shall rest with the Chairman of the Audit Committee whose decision shall be final and binding. The Chairman is also empowered to make any supplementary rules/orders to ensure effective implementation of the Policy. These will, however, be reported to or tabled before the Audit Committee, from time to time, to ensure the Committee's oversight on these issues.