



POLICY ON RELATED PARTY TRANSACTIONS

OSWAL GREENTECH LIMITED

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INTRODUCTION

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) mandates a listed company to formulate a policy on materiality of related party transactions and dealing with related party transactions including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

In line with the aforesaid requirement, the Board of Directors of Oswal Agro Mills Limited (“**the Company**”) on the recommendation of the Audit Committee, has approved this Policy on materiality of and dealing with related party transactions.

1.0 OBJECTIVE

- 1.1 This Policy may be called the ‘**Policy on materiality of and dealing with Related Party Transactions**’ (hereinafter referred to as “**Policy**”).
- 1.2 This Policy shall regulate transactions between the Company and its related parties based on the applicable laws and rules and regulations framed thereunder and also lay down mechanism for identification, approval, review and reporting of such transactions.
- 1.3 This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering these transactions.

2.0 DEFINITIONS

- 2.1 **The Act:** means Companies Act, 2013 and rules made thereunder, including any modifications, amendments, clarifications, circulars thereof as amended from time to time.
- 2.2 **Accounting Standards:** means the standards of accounting or any addendum thereto or companies or class of companies referred to in section 133 of the Act.
- 2.3 **Associate company:** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture.
- 2.4 **Audit Committee** means the committee of the Board of Directors constituted under section 177 of the Act and SEBI Listing Regulations.
- 2.5 **Board:** means the Board of Directors of the Company.
- 2.6 **Key Managerial Personnel:** means the person(s) appointed as such under section 203 of the Act and/or person(s) covered under applicable Accounting Standard.
- 2.7 **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.

2.8 **Transactions in the ordinary course of business** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.

2.9 **Related Party** means a person, or an entity as defined in:

(i) Section 2(76) of the Act; and

(ii) Regulation 2(1)(zb) of the SEBI Listing Regulations.

2.10 **Related Party Transaction:**

means:

(i) a transaction between the Company and Related Party which is of the nature specified in clause (a) to (g) of Section 188(1) of the Act; and

(ii) a transaction involving transfer of resources, services or obligations between the parties as specified in Regulation 2(1)(zc) of SEBI Listing Regulations.

However, the transactions specifically exempted under Regulation 2(1)(zc) of SEBI Listing Regulations, or any other applicable laws shall not be considered as Related Party Transactions.

2.11 **Material Related Party Transaction:** 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 the limits as may be specified in the SEBI Listing Regulations/ Section 188 of the Act and Rules made thereunder, as may be applicable from time to time.

2.12 **Material modification** means any subsequent change to an existing RPT, having a variance of 20% of the existing limit or Rs.10 crores whichever is lower.

2.13 **Unforeseen Related Party Transaction** means a Related Party Transaction, where the need for such transaction cannot be foreseen, the details whereof necessary for seeking an omnibus approval of the Audit Committee are not available and the value of such transaction does not exceed Rupees one crore per transaction.

All capitalized terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Act and the Rules made there under and the SEBI Listing Regulations, as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

3.0 **PROCEDURE**

3.1 **Identification of Related Party**

Based on criteria prescribed under the Act and/or SEBI Listing Regulations, the list of related parties shall be compiled, which shall be updated from time to time.

3.2 Approval of Related Party Transactions

I. Audit Committee:

- i. Approval of the Audit Committee shall always be sought prior to entering into Related Party Transactions.
- ii. All the Related Party Transaction(s) to which the Company is a party and modifications thereto; and
- iii. All the Related Party Transaction(s), to which subsidiary of the Company is a party but the Company is not a party, and if the value of such transactions exceeds the thresholds specified in the SEBI Listing Regulations in this regard, and any Material Modification(s) thereto.

Provided that in respect of modifications that are not Material Modifications:

- (a) Such modification is submitted to the Audit Committee for review, at its meeting to be held in the immediately succeeding quarter after such modification is effected,
 - (b) The modification is in ordinary course of business and arm's length, and necessary information and documents evidencing the same are submitted to the Audit Committee.
- iv. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under regulation 23(3) of the SEBI Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
 - v. The Audit Committee may also grant omnibus approval for Unforeseen Related Party Transactions in the manner specified under the SEBI Listing Regulations.
 - vi. A Related Party Transaction entered by the Company, which is not under omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.
 - vii. The Audit Committee shall be provided with all relevant material information on proposed Related Party Transactions, including the terms thereof, business case, justification of arm's length terms etc. Basis on this, the Audit Committee could either approve or reject proposed Related Party Transaction.
 - viii. Only those members of the Audit Committee who are Independent Directors will approve Related Party Transactions. Any member of the Audit Committee having a potential interest in the proposed RPT will recuse himself and abstain from discussion and voting on the proposal for approval of the said transaction.

II. Board of Directors:

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

III. Shareholders:

Approval of shareholders' is required for all (i) Material Related Party Transactions and Material Modifications thereto (ii) Transactions specified in Section 188(1) of the Act which are not in the ordinary course of business and/or not on arm's length terms; and exceed the threshold specified in Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification or reenactment thereof. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

- 3.3 In the event the Company becomes aware of any Related Party Transaction is entered into by the Company without obtaining prior consent of the Audit Committee / Board / Shareholders, as the case may be, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.
- 3.4 In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.
- 3.5 The Related Party Transactions entered by the Company shall be subject to post-facto review by the Audit Committee on a quarterly basis.

4.0 DEEMED APPROVAL

The transactions or arrangements which are specifically dealt with under the separate provisions of the Law and executed under separate approval/ procedures from relevant committee shall be deemed to be approved for the purpose of this policy. Such transactions are enumerated below:

- a. Appointment and payment of remuneration, fees, commission etc. including any variations thereto, to Directors and KMPs pursuant to the approval of Nomination & Remuneration Committee.
- b. Any benefits, interest arising to the related party solely from the ownership of Company shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Board or any of its sub-committee.
- c. Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off etc. which are approved by the Board and

- carried out in accordance with the specific provisions of the Act or the SEBI Listing Regulations.
- d. Contribution towards Corporate Social Responsibility (CSR) to the eligible entity within the overall limits approved by the Board or CSR Committee.
 - e. Transactions or arrangements exempted under the Act and/or SEBI Listing Regulations.

5.0 DISCLOSURE OF RELATED PARTY TRANSACTIONS

- 5.1** Particulars of Related Party Transactions shall be disclosed in such a manner as may be prescribed under SEBI Listing Regulations, the Act (including rules made there under), from time to time.
- 5.2** The Company shall host the Policy on its website viz. www.oswalgreens.com and the weblink of the same shall be provided in the Annual Report.

6.0 LIMITATIONS AND AMENDMENTS

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Listing Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.
