



# URJAGLOBAL LIMITED

## POLICY ON RELATED PARTY TRANSACTIONS

### 1. SCOPE AND PURPOSE OF THE POLICY

The Company is committed to practicing the maximum transparency in the conduct of Related Party Transactions in harmony with its corporate governance philosophy based on the objective of continuing ethical conduct in fulfilling its responsibilities and recognizes that Related Party Transactions can present a risk of actual or apparent conflicts of interest of the Directors, Senior Management etc. with the interest of the Company.

### 2. OBJECTIVE OF THE POLICY

This policy is framed as per the requirement of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] and in accordance with the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 for identification of related parties and the proper conduct and documentation of all related party transactions (RPT). The Company is required to disclose each year in the Financial Statements RPT as well as the policy concerning RPT. There being two sets of regulations governing RPT and simulated being a listed entity, more stringent of the two shall be adhered to in the conduct of RPT by the Company.

### 3. DEFINITIONS

- a) **“Audit Committee or Committee”** means committee of the Board of Directors of the Company constituted under the provisions of Act and Listing Regulations.
- b) **“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 under section 188 of the Act.
- c) **“Board of Directors” or “Board”** in relation to a Company means the collective body of Directors of the Company pursuant to Section 2(10) of the Act.
- d) **“Control”** means control as defined under section 2 (27) of the Act which includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly

or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

- e) **“Key Managerial Personnel”**, in relation to a company, means as defined under section 2(51) of the Act, viz.
- Chief Executive Officer or Managing Director or Manager;
  - Company Secretary;
  - Whole Time Director;
  - Chief financial Officer; and
  - Such other officer as may be prescribed.
- f) **“Related Party”** shall have the meaning ascribed to it in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Act, including all amendments and modifications thereof from time to time.
- g) **“Related Party Transaction”** means a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transaction in a contract.
- h) **“Material Related Party Transaction”** as per Regulation 23 of the Listing Regulations means a transaction with related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

- i) **“Policy”** means Related Party Transaction Policy.

#### **4. APPROVAL OF RELATED PARTY TRANSACTIONS**

- a) The Related Party Transactions should be in conformity with the prevailing rules and regulations prescribed by law,
- b) All Related Party Transactions shall be placed before the Audit Committee for prior approval of the Audit Committee, as required under the provisions of the Act and the Listing Regulations,

- c) The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature, provided that such approval shall remain valid for a period not exceeding one year, during which period the commercial terms of approved Related Party Transactions may change, provided that arm's length criterion shall be ensured at the time of each such change. Further, where the need for Related Party Transactions cannot be foreseen and requisite details are not available, the Audit Committee may grant omnibus approval for such transactions provided that the value of each such transaction shall not exceed one crore rupees,
- d) All Related Party Transactions specified in the Act which are not Ordinary Course of Business of the Company or not at Arm's Length Basis; and exceed the thresholds laid down in Companies (Meeting of Board and its Power) Rules, 2014 shall be placed before the shareholders for its approval. Notwithstanding, the Related Party Transactions which cross the Materiality thresholds as defined herein shall be entered by the Company only with prior approval of shareholders of the Company, as per applicable provisions of Listing Regulations, as may be amended from time to time.
- e) Subject to the applicable laws, the Audit Committee shall have the power to ratify, revise or terminate the Related Party Transactions, which are not in accordance with this Policy.
- f) The Audit committee shall review the details of related party transactions entered into by listed entity at least once in each quarter pursuant to each of the omnibus approvals given.
- g) All entities falling under the definition of related party shall abstain from voting irrespective of the whether the entity is a party to the particular transaction or not.

## **5. DISCLOSURES**

The Company shall make the following disclosures:

- a) The particulars of the contract and arrangement along with the justification for entering into such contracts/arrangements with the Related Parties shall be made in the Director's Report which forms a part of the Company's Annual Report along with the justification for entering into such contract or arrangement.
- b) This Policy shall also be uploaded on the website of the Company and a web link there to shall be provided in the Annual Report.
- c) The details of all material transactions with related parties shall be disclosed on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges under Regulation 27(2)(b) of Listing Regulations.

d) Quarterly/Periodical update to the Audit Committee on all the related party transactions entered into by the Company.

## **6. REVIEW**

This Policy shall be reviewed by the Audit Committee and the Board, every three years and from time to time as may be necessary. This Policy will be communicated to all related parties, operational employees and other concerned persons of the Company and also uploaded on the website of the Company.

*The policy was first modified by the Board at their meeting held on 11.02.2019.*

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