



INDIAN EXTRACTIONS LIMITED

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POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

AND

DEALING WITH RELATED PARTY TRANSACTIONS

Introduction

The Board of Directors (The “Board”) of Indian Extractions Limited (“the Company”) has adopted the following policy and procedures with regard to Materiality of Related Party Transactions and on dealing with such transactions. The Board may review and amend this policy from time to time.

This Policy is framed in terms of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

1. Policy Objective:

To deal with materiality of related party transactions and on dealing with related party transactions.

2. Interpretation of the Policy:

All the Words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, shall have meaning as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

3. Definitions:

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Audit Committee or Committee**” means Audit Committee constituted by the Board of Director of the Company, from time to time under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and/or the Companies Act, 2013.

“**Board of Directors or Board**” means the Board of Directors of Indian Extractions Limited, as constituted from time to time.

“**Company**” means Indian Extractions Limited.

“**Government Company (ies)**” means Government Company as defined in sub section (45) of Section 2 of the Companies Act, 2013.

“**Independent Director**” means a Director of the Company, not being a whole time Director who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the stock exchanges.

“**Policy**” means Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions.

“**Material Related Party Transaction**” means any transaction with a related party shall be considered material if the transactions(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 Company as per the last audited financial statement of the listed entity.

“Office or place of profit” means any office or place

- i. Where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation or otherwise.
- ii. Where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Company anything by way of salary, fee, commission, perquisites, any rent-free accommodation or otherwise.

“Arm’s length transaction” means a transaction between two related parties that is conducted as if they were unrelated and in the normal course of the business, so that there is no conflict of interest.

4. Policy:

- i. All material Related Party Transactions shall be prior approved by the Audit Committee and Board of Directors given by a resolution at a meeting of the Board with respect to ---
 - Sale, purchase or supply of any goods or materials.
 - Selling or otherwise disposing of, or buying, property of any kind;
 - Leasing of property of any kind,
 - Availing or rendering of any services;
 - Appointment of any agent for purchase or sale of goods, materials, services or property;
 - Such related party’s appointment to any office or place of profit in the company, its subsidiary or associate company and
 - Underwriting the subscription of any securities or derivatives thereof, of the Company.
- ii. The agenda of the Board meeting in which the resolution is proposed to be move shall disclose the details as mentioned under the Companies Act, 2013.
- iii. All material related party transactions shall require approval of the shareholders through resolution and the related parties shall be abstained from voting on such transactions whether the entity is a related party to the transactions or not.
- iv. All the contract or arrangement with the related parties entered into by the Company shall be referred to in the Board’s report to the shareholders along with the justification for entering into such contract or arrangement.
- v. Any contract or arrangement with related parties entered into by the Company without obtaining the consent of the board or approval by resolution in the general

meeting and further if such contract or arrangement is not ratified in the meeting of Board or member as the case may be shall be voidable at the option of the Board.

- vi. The provisions of this policy shall be applicable to all prospective transactions.
- vii. All existing material related party contracts or arrangements entered into prior to the date of notification of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

5. Omnibus Approval:

The Audit Committee may grant Omnibus Approval for related party transactions proposed to be entered into by the Company subject to the following conditions, namely:

- i. The audit committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- ii. The audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
- iii. The Omnibus approval shall specify:
 - The name(s) of the related party, nature of transactions, period of transactions, maximum amount of transactions that shall be entered into
 - The indicative base price/current contracted price and the formula of such variation in the price, if any, and
 - 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 transactions.

- iv. The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approval given.
- v. Such omnibus approvals shall be valid for not exceeding one year and shall require fresh approvals after the expiry of one year.

6. Non-applicability of Policy:

The provision of this policy shall not be applicable, if the transaction is:

- i. Entered between the Company and its wholly owned subsidiary company whose accounts are consolidated with the company and are placed before the shareholders at the general meeting for approval.
- ii. Entered into by the Company in its ordinary course if business other than transactions which are not on an arm's length basis.

7. **Policy Review:**

This policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications.

**BY THE ORDER OF THE BOARD
FOR INDIAN EXTRACTIONS LIMITED**

**SD/-
PRIYAM SHANTILAL JHAVERI
CHAIRMAN & MANAGING DIRECTOR**
