

	<u>POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS</u>	Date of issue : May 10, 2016 Effective Date: Immediate Version : v3
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Legislative background

As from 1st December, 2016, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing regulations) requires that every listed company shall formulate a policy on dealing with related party transactions.

Board in its meeting held on 28.10.2016 had approved the policy on dealing with related party transactions, which is being amended to insert provisions related to Omnibus approval for related party transactions.

Definitions

Company means SRF Limited

Policy on materiality of related party transactions means the policy adopted by the Board of Directors from time to time.

Policy on material subsidiary company means the policy adopted by the Board of Directors from time to time.

Related Party

A 'related party' is an entity shall be considered as related to the company if:

(i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or

(ii) such entity is a related party under the applicable accounting standards."

Related Party Transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."

Subsidiary means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.

Compliance with Listing Regulations and Companies Act, 2013

The Company shall ensure compliance with the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Companies Act, 2013 governing related party transactions, in the following manner:

- a) Generally, all related party transaction shall be in ordinary course of business and at arms length basis.
- b) Related party transactions with Promoters, Directors and KMPs shall be placed before the Audit Committee for prior approval and thereafter before the Board and shareholders, if required.
- c) Related party transactions with the subsidiaries / associates shall be dealt with in accordance with the transfer pricing policy approved by the Audit Committee. Recurring and regular business transactions which are carried in accordance with the TP policy shall not require specific approval of the audit committee.
- d) Audit committee may, in compliance of the provisions of the Companies Act, 2013 and Listing Regulations, grant omnibus approval for related party transactions proposed to be entered into by the Company.

The audit committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:

- e) Material related party transactions as defined in policy on material related party transactions drawn in accordance with the listing regulations shall be approved by the shareholders through resolution.

A statement of all related party transactions during a quarter under various categories shall be placed before the audit committee.