

# **GITA RENEWABLE ENERGY LIMITED**

## **Related Party Transactions Policy**

## **Related Party Transactions Policy of Gita Renewable Energy Limited**

The Board of Directors of the Company has adopted a policy and procedures for related party transactions to regulate transactions between the Company and its Related Parties based on the Companies Act 2013 and the Listing Agreement applicable to the Company. The Board of Directors reserves its rights to amend this policy from time to time.

### **Objective:**

This Policy is established to ensure proper reporting, approval and disclosure in accordance with the Companies Act, 2013 and the Listing Agreement. This will protect the interest of the company and its stakeholders.

### **Related Party Transaction:**

A 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.

### **Process to deal with Related Party Transactions:**

- I. Identification of Related Parties
- II. Identification of transactions with Related parties
- III. Identification of approval process
- IV. Disclosures

#### **I. Identification of Related Parties:**

The persons referred in Section 2(76) of the companies act,2013 are related parties as applicable to the company.

#### **II. Identification of Related Party Transactions:**

Any transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged is related party transaction.

#### **III. Identification of approval process:**

##### **Approval Process - Normal**

- Prior approval of the Audit Committee is required for all Related Party Transactions.
- Prior approval of the Board of Directors and shareholders is required for the transactions which are not in the ordinary course of business and not in arm's length basis and the norms prescribed in the act and the listing agreement.
- The director interested in the contract or arrangement shall not be present at the meeting on discussions relating to such transaction.

- Prior approval of shareholders is required for material related party transaction irrespective of whether the transaction is in ordinary or not.

Explanation:

***A transaction with a related party shall be considered material if the 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.***

- All related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

### **Approval Process – Omnibus**

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such omnibus approval shall specify
  - i. the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
  - ii. the indicative base price / current contracted price and the formula for variation in the price if any and
  - iii. 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 Rs.1 crore per transaction.
  - iv. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
  - v. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

**IV. Disclosure**

1. All Directors/KMP are required to disclose the parties in which they are deemed to be interested.
2. Every contract or arrangement entered into with related party transaction shall be mentioned to in the Board's report along with the justification for entering into such contract or arrangement.
3. The Company shall also maintain Register in the prescribed form.
4. The company shall disclose the policy on dealing with Related Party Transactions on its website and a web-link thereto shall be provided in the Annual Report.
5. The particulars of contract or arrangement with related parties referred in section 188 (1) of the act should be disclosed in the Directors report for the financial years.
6. All material transactions entered into by the company to be disclosed in the quarterly compliance report on corporate Governance as per Listing Agreement.

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