POLICY DEALING WITH RELATED PARTY TRANSACTIONS

I. PREAMBLE

Hasham Investment and Trading Company Private Limited recognizes that Related Party transactions can present potential or actual conflicts of interest and may raise concerns on whether such transactions are consistent with the Company's and its shareholders' best interests.

In order to promote good governance and provide transparency by ensuring that there is no conflict of interest in conducting the business, the Board of the Company, acting upon the recommendation of its Audit Committee has adopted the following Policy and procedures with respect to Related Party Transactions of the Company. This Policy is in accordance with the provisions of the Companies Act, 2013 read with the Rules framed thereunder (as amended from time to time).

II. TERMS & REFERENCES

All terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Companies Act,2013 and the Rules thereunder, as amended from time to time.

III. DEALING WITH RELATED PARTY TRANSACTIONS

Related Party Transactions in the Company, are subject to prior approval by the Audit Committee and / in some cases additional approval of the Board of Directors and Shareholders of the Company in accordance with this Policy.

In dealing with Related Party Transactions, the Company will follow the following approach:

1. Identification of Related Parties

The Senior Manager Finance and Accounts shall keep a database of Related Parties containing the names of individuals, entities and Companies declared by the Directors based on the latest definition of Related Party as defined in Companies Act, 2013.

The Senior Manager Finance and Accounts shall submit to the Chief Financial Officer, the details of proposed transaction (except those for which omnibus approval has been granted by the Audit Committee as explained subsequently) with draft agreement or other supporting documents justifying that the transactions are on arm's length basis at prevailing market rate and in the ordinary course of business. Based on this information, the Chief Financial Officer will process it and share with the Audit Committee for their approval and if need be the Board and Shareholders thereafter.

2. Review of Related Party Transactions

The Audit Committee shall formulate and recommend to the Board a policy on materiality of related party transactions and on the process of 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.

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 ten percent of the Company as per the last audited financial statements of the Company.

All the transactions with Related Parties shall be referred by the Chief Financial Officer to the Audit Committee for review at its scheduled quarterly meetings or as may be called upon by the Audit Committee from time to time along with all relevant information of such transactions.

The Audit Committee may refer any of the Related Party Transactions brought before it or it being mandatory under any law, for approval of the Board. The Board may on its own accord also decide to review any Related Party Transaction.

3. Criteria for approval

a) The Audit Committee / Board shall take into account among other factors as it may deem appropriate, whether such contract or arrangement is entered into on terms no less favourable to the Company than terms generally available to an unaffiliated third party under the same or similar circumstances; the results of an appraisal, if any and the extent of the Director or KMP's interest in such contract or arrangement and whether it is in the ordinary course of business of the entity.

b) The Audit Committee / Board will be provided with all relevant material information about the Related Party Transaction, including the terms of the transaction, arm's length justification, the business purpose of the transaction and any other relevant matters. In determining whether to approve a Related Party Transaction, the Audit Committee / Board, amongst others, will consider the following factors to the extent relevant in the matter:

(1) Whether the terms of the Related Party Transaction are fair and on arm's length basis and in the ordinary course of business to the Company and would apply on the same basis if the transaction did not involve a Related Party;

(2) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

(3) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

(4) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel or their Relatives of the Company or affect the independence of a Director

c) The transactions or arrangements which are specifically dealt under the separate provisions of the laws and executed under separate approvals / procedures shall not be covered under this Policy. Example of such transactions are as follows:

(1) Any transaction pertaining to appointment and remuneration of Directors and KMPs that has already been approved by the Nomination and Remuneration Committee of the Company or the Board;

(2) Transactions that have been approved by the Board under the specific provisions of the Companies Act, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;

(3) Issues of shares / securities to related party;

(4) Any benefits, interests etc. arising to related party solely from the ownership of Company's shares at par with other holders e.g. Dividends, Right Issues, Stock Split, Bonus shares, etc.

(5) Shares based incentive plans for the benefits of Directors or KMPs approved by the Shareholders including ESOPs.

(6) CSR Contribution.

IV. APPROVAL OF RELATED PARTY TRANSACTIONS

(i) Approval of Audit Committee

All Related Party Transactions shall be subject to the prior approval of the Audit Committee of the Company whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 and Rules made thereunder or by Secretarial Standards.

Omnibus Approval

The Audit Committee may, subject to applicable regulatory provisions including Companies Act, 2013 and provisions of this Policy, grant omnibus approval to Related Party Transactions subject to satisfaction of the following conditions:

(a) Such Related Party transactions are repetitive in nature and fall in criteria laid down by the Audit Committee for granting the omnibus approval in line with the Policy.

(b) Specific need of such omnibus approval.

(c) The omnibus approval shall specify the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, the indicative base price/current contracted price and the formula for variation in the price, if any and such other condition 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 transaction.

The Audit Committee shall on quarterly basis review the details of the Related Party Transactions entered into by the Company pursuant to the omnibus approval.

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

(ii) Approval of Board

The following Related Party Transactions shall be subject to prior approval of the Board of Directors:

(a) If the Audit Committee is of opinion that a particular Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such transaction.

(b) Where it is mandatory under any law for Board to approve the Related Party Transactions.

(c) Related Party Transactions, in which the Directors or the Key Managerial Personnel, are concerned or interested.

(d) Related Party Transactions which are not:

(1) in the ordinary course of business; or
(2) conducted at an arm's length basis

(e) All material related party transactions which are intended to be placed before the shareholders for approval.

(iii) Approval of Shareholders

The Related Party Transactions exceeding the threshold limits as may be prescribed by the Ministry of Corporate Affairs from time to time and/or which is either not:

(1) in the ordinary course of business; or
(2) conducted at an arm's length basis

V. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

If a Related Party Transaction ("RPT") is entered into by the Company without being prior approval under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction along with the reason why such transaction was entered into without bringing it to the notice of the Audit Committee and decide such action as it may consider appropriate including ratification, revision or termination of the RPT.

In connection with any review of a RPT, the Committee has authority to propose to the Board to modify or waive any procedural requirements of this Policy as may be required along with the reasons for the same.

VI. DISCLOSURES

- Every Related Party Transaction shall be disclosed in the Financial Statements and Directors Report.
- The Policy will be communicated to all operational employees and other concerned personnel of the Company

VII. GENERAL:

Notwithstanding anything contained in this policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company from time to time.

VIII. INTERPRETATION & DISCLOSURE

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and their decision in such a case shall be final and binding all stakeholders.

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this Policy.

This Policy shall be uploaded on the Company's website and suitable disclosures shall be made for the Related Party Transactions in the Annual Report.

Details of all material transactions with related parties are to be disclosed quarterly along with the compliance report on corporate governance.

IX. COMPLIANCE RESPONSIBILITY

Compliance of this Policy shall be the responsibility of the Audit Committee and Board of Directors of the Company who shall have the power to ask for any information or clarifications from the Management in this regard.

Audit Committee of the Company shall report and update the Board, periodically, on various matters that it has considered and shall record its written summaries of recommendations to the Board.

X. PERIODICITY OF REVIEW

The policy shall be reviewed by the board of directors at least annually. The Chief Financial Officer shall submit to the Audit Committee of the Company proposals for additions, deletions, modifications or change as and when required by changes in legislation or regulations or emerging business practices as soon as it is feasible to incorporate the change to make the Policy current and effective in dealing with all RPTs. Further, even where no change is required, at annual intervals, this Policy shall be evaluated by the Chief Financial Officer and a statement shall be submitted to the Audit Committee confirming that no change to the policy is required.

Approved/Reviewed by Board on 29th June 2021