



Uni Abex Alloy Products Limited

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

(Amended / Reviewed at Board Meeting held on 13th February, 2025)

Version	Date of approval of Board Meeting
Version 1	01.12.2015
Version 1.1	10.02.2022
Version 1.2	13.02.2025 (effective from 10.02.2025)

RELATED PARTY TRANSACTION POLICY

1. **Introduction & Purpose:**

- i. The Board of Directors of Uni Abex Alloy Products Limited ("the Company"), on recommendation of the Audit Committee, has adopted this policy to regulate transactions of the Company by Related Parties in compliance with various applicable laws, including under the Companies Act, 2013 (the "Act") and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as LODR), prescribed for related party transactions.
- ii. This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. **Statutory Provisions:**

- i. The Companies Act, 2013 (CA 2013) Read with Regulation 23 of SEBI (LODR) ,2015 has introduced substantial amendments in Related Party Transactions (RPT) provisions with respect to the scope and coverage of the Related Parties, Related Party Transactions (RPT), reporting and disclosures of RPTs.

3. **Definitions**

- i. **"Act"** means the Companies Act, 2013
- ii. **"Arm's length transaction"** - means a transaction/s between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- iii. **"Audit Committee or Committee"** means Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 and Listing Agreement.
- iv. **"Board"** means Board of Directors of the Company.
- v. **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- vi. **"Key Managerial Personnel (KMP)"** means key managerial personnel as defined under the Companies Act, 2013 and includes
 - a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
 - b) Company Secretary; and
 - c) Chief Financial Officer
- vii. **"Material Related Party Transactions"** A transaction shall be considered as material related party transaction as per the thresholds prescribed under the Companies Act, 2013, LODR, 2015 and shall include any amendment done from time to time.

- viii. **“Material Modification”**: Material modification means any subsequent change / variation / modification in an existing related party transaction / contract / arrangement, to an existing Related Party Transaction, having variance of more than 10%
- ix. **“Policy”** means Related Party Transaction Policy.
- x. **“Regulation 23”** means the Regulation no. 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- xi. **“Related Party”** with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of the LODR, 2015.
- xii. **“Related Party Transaction”** means and includes –
 - a) specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 of the Companies Act, 2013;
 - b) as defined under Regulation 2(zc) of the LODR, 2015 as shall include any amendment as may be made by SEBI from time to time.
- xiii. **“Relative”** means a relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if –
 - i. They are members of a Hindu undivided family;
 - ii. They are husband and wife; or
 - iii. Father (including step-father)
 - iv. Mother (including step-mother)
 - v. Son (including step-son)
 - vi. Son’s wife
 - vii. Daughter
 - viii. Daughter’s husband
 - ix. Brother (including step-brother) and
 - x. Sister (including step-sister)
- xii. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- xiii. **Ordinary Course of Business**: RPT will be considered in ordinary course if they are entered in the normal course of the business pursuant to the objects of the Company as per the charter documents of the Company.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

4. Manner of dealing with Related Party Transactions:

Identification of Related Parties

The Company shall periodically identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2 of the Listing Regulations.

Every Director and Key Managerial Personnel (KMP) shall, at the time of appointment,

annually and whenever there is any change in the information already submitted, provide the requisite information about all persons, firms, entities in which he is interested, whether directly or indirectly, to the Company Secretary.

On the basis of the above referred information received and basis the Act and the Listing Regulations, a consolidated list of related parties shall be prepared.

4.1 Identification of Related Party Transactions

The Company shall identify related party transactions in accordance with Section 188 of the Act and Regulation 2 of the Listing Regulations (as amended from time to time).

The Company shall also determine whether the transaction(s) is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external expert opinion, if necessary.

5. Policy

All related party contracts / arrangements shall be entered on arms' length basis. In exceptional circumstances, where permitted by law, related party contracts / arrangements may deviate from the principle of arm's length, after approval from Audit Committee and the Board of Directors, as the case may be.

I. Audit Committee

All RPTs shall be referred to the Audit Committee for prior approval, irrespective of its materiality. The Audit Committee shall also approve any subsequent material modification of RPTs. Chief Financial Officer will refer RPTs to audit committee for approval.

All related party transactions and subsequent material modifications shall require prior approval of the audit committee

Provided further that:

- a) a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;
- b) with effect from April 1, 2023, a related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;
- c) prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

- d) remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material.
- e) The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
 - i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
 - ii. the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
 - iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification; any other condition as specified by the audit committee:

Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions, namely-

- a) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b) the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company ;
- c) the omnibus approval shall specify:
 - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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 rupees one crore per transaction.
- d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

Any member of the Audit Committee who has a potential interest in any related party transaction will abstain from discussion and voting on the approval of the related party transaction. Only members of the Audit Committee who are Independent Directors shall approve all Related Party Transactions.

The Audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

All related party contract / arrangements shall be in compliance with the provisions of the Companies Act, 2013, (the 'Act'), Listing Regulations and applicable Accounting Standards, as amended from time to time.

All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

II. Board's Approval

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length basis, the Board will inter alia consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction and any other information the Board may deem important/relevant for taking decision on a proposed transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction

III. Shareholders' Approval

All material RPTs defined under Regulation 23 of Listing Regulations, whether in ordinary course of business and/or arm's length basis or not, shall require approval of shareholders as the case may be, as required under and subject to the Act and the Listing Regulations as amended from time to time. Further, the related parties shall not vote on such resolutions irrespective of whether the entity is a party to the particular transaction or not.

IV. Reporting of Related Party Transactions

- i. Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- ii. The details of all transactions with Related Parties shall be submitted, in the prescribed format to the stock exchanges, and requisite disclosures shall be made in other public documents/certificates as legally required, in the manner and as per the timelines set out in the Listing Regulations and the same shall be published on the Company's website.

Provided further that the remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.

6. Disclosure

Appropriate disclosures as required under the Act and the Listing Regulations shall be made from time to time as the case may be.

7. Amendments

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

8. Review

This Policy will be reviewed as and when required but at least once in three years.