



JAYSYNTH

JAYSYNTH ORGOCHEM LIMITED

**RELATED PARTY TRANSACTION POLICY
(EFFECTIVE FROM APRIL 01, 2022)**

1. PREFACE

The Board of Directors, hereinafter referred to as “the Board” of Jaysynth Orgochem Limited has adopted Related Party Transactions Policy, hereinafter referred to as “this Policy” to set forth the procedures under which transactions with Related Parties and materiality thereof shall be ascertained and considered subsequently for approval.

This Policy aims to comply with the provisions of the Companies Act 2013, the SEBI (Listing Obligations and Disclosure Requirements), 2015 and Accounting Standard- 18 with amendments or enactments thereof.

2. OBJECTIVE

The objective of the Policy is to ensure compliance by way of proper disclosure, reporting and approval of transactions as applicable between the Company and any of its related party in the best interest of the Company and its stakeholders.

3. DEFINITIONS

- a) **Board of Directors** - means Board of Directors of Jaysynth Orgochem Limited.
- b) **Key Managerial Personnel** - means Key Managerial Personnel as defined under the Companies Act, 2013 and the Rules made there under.
- c) **Audit Committee** – means a committee of the Board of Directors of the Company as constituted under the relevant provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to function as an Audit Committee.
- d) **Related Party** - means a related party as defined under sub-section 2 of section 76 of the Companies Act, 2013 or under the applicable accounting standards.

Provided that:

- i. Any person or entity belonging to the promoter or promoter group of the Company; or
 - ii. Any person or any entity, holding equity shares:
 - ✓ of twenty percent or more; or
 - ✓ of ten percent or more, with effect from April 1, 2023;in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year shall be deemed to be a related party.
- e) **Related Party Transaction (RPT)** - means any transaction involving a transfer of resources, services or obligations between;
 - (i) the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
 - (ii) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries, with effect from April 1, 2023;

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s);

- f) **Material Related Party Transaction** - 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 rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- g) **Material Modifications** – means and include any modification to an existing related party transaction already approved resulting into variance of 10% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

4. PROCEDURE

a) **Role of Audit Committee**

- I. The Audit Committee will decide whether a transaction to be entered with a related party is in the ordinary course of business, or not or at arm's length price or not, on the basis of certification provided by Management to the satisfaction of the Audit Committee. All related party Transactions and subsequent material modifications shall be subject to the

prior approval of the Audit Committee of the Company whether at a meeting or by resolution by circulation.

Provided that only those members of the audit committee, who are Independent Directors, shall approve related party transactions.

“Provided further that:

- (i) 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 Company;
- (ii) 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 of the Company;
- (iii) 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 SEBI regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (iii) above, the prior approval of the audit committee of the listed subsidiary shall suffice.”

II. Approvals may be of the following two types:

- Specific approval, in case of each RPT, where the RPT is non-repetitive in nature; and
- Omnibus approval, in case of such RPTs which are repetitive in nature. However such omnibus approval must be given by the Audit Committee subject to the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the criteria laid down by the Audit Committee with respect to granting of the omnibus approval.

III. The Audit Committee shall review with the management the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to disclosure of any RPTS.

IV. The Audit Committee shall mandatorily review the statement of significant RPTs (as defined by the Audit Committee), submitted by management.

b) Role of the Board of Directors of the Company

- I. The Board must monitor and manage any potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in RPTs.
- II. The Board must comply with the provisions of the Companies Act, 2013, with respect to the RPTs within the meaning of that Act.

- III. The Board must coordinate with the Audit Committee for effective compliance of the provisions relating to the RPT.
- IV. It is the duty of the Board along with the Audit Committee to place all the material RPTs before the shareholders for their approval by means of a resolution.

c) Role of Shareholders

All the material RPTs and subsequent material modifications as defined by the Audit Committee within the meaning of the Regulations shall require prior approval of the shareholders of the Company through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of the shareholders of a 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 SEBI regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a Company as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the requirements specified under Regulation 23 (4) shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved;

Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval shall not require prior approval of Audit Committee and Board or Shareholders.

Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval shall not require prior approval of Audit Committee and Board or Shareholders.

d) DISCLOSURE REQUIREMENTS

The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website.

5. LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Listing Regulations or the Companies Act, 2013, the provisions of such Listing Regulations or the Companies Act, 2013 shall prevail over this Policy.

The Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate, in accordance with any amendment to the applicable provisions of Companies Act, 2013, including rules thereof and / or the provisions of Listing Regulations.