



**RELATED PARTY TRANSACTION
POLICY
OF
U.P. ASBESTOS LIMITED**

1. Purpose of this policy:

U.P. ASBESTOS LIMITED (“UPAL” or “Company”) is governed, amongst others, by the rules and regulations framed by Securities and Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions (“RPT”) and also on dealing with Related Party Transactions. This Policy is formulated in accordance with the requirements of Section 188 of the Companies Act, 2013 (‘Act’) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time.

- A. Accordingly, the Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.
- B. The Board of Directors of the Company (“Board”) may review this Policy periodically (and at least once every three years) and may amend it based on the recommendations of the Audit Committee or pursuant to changes in applicable laws.

2. Definitions

- A. “**Act**” shall mean the Companies Act, 2013 and includes any amendment thereof.
- B. “**Arm’s length transaction**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest
- C. “**Material RPT**”- means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. In case of transaction involving payment to a related party for brand usage or royalty, it will be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- D. “**Material modification**” means any subsequent change to an existing RPT, having variance of 20% of the existing limit or Rs.10 crores whichever is lower.

- E. **“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.
- F. **“Relative”** in respect of related party transactions shall have the same meaning as defined in Section 2(77) of the Act.
- G. **“Related party”** shall have the same meaning as assigned to it in Section 2(76) of the Act.
- H. **“Related party transactions”** include all contracts, agreements or any other transactions as explained in Section 188 of the Act or Clause 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, between U. P. ASBESTOS LIMITED and any of the related party(ies).

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

3. Identification of Related Parties and the Related Party Transactions:

- i. Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture shall,
 - a. at the time of appointment;
 - b. periodically – as required by the Company or applicable law
 - c. whenever there is any change in the information already submitted,provide requisite information about his / her Relatives and all firms, companies, body corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

4. Review and Approval of Related Party Transactions

Approval of Related Party Transactions

A. Audit Committee

- i. All the transactions which are identified as Related Party Transactions and subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- ii. Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs.
- iii. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under the act and the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- iv. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.
- v. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.
- vi. The Audit Committee shall also pre-approve Related Party Transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value of such transaction crosses the thresholds as prescribed under the Listing Regulations.

B. Board of Directors

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 price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such 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 recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

C. Shareholders

- i. If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.
- ii. The provisions of Regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- iii. In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/regulations.

D. 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 shall be submitted, in the format specified, on a half-yearly basis (or such frequency as prescribed under the Listing Regulations) to the stock exchanges, and requisite disclosures shall be made in other public documents/certificates as legally required as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

5. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

6. Disclosure of the Policy

This Policy will be uploaded on the website of the Company and a web link thereto shall be provided in the annual report.