

**RELATED PARTY TRANSACTION POLICY**

**OF**

**SECUR CREDENTIALS LIMITED**

**(CIN: L74110MH2001PLC133050)**

## Objective

This policy is framed as per requirement of approval of related party transactions as prescribed under section 188 of the Companies Act, 2013 and rules framed thereunder and also under the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is intended to ensure the proper approval and reporting of transactions between the Company and any Related Party(ies). Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

The Board/ Committee will review and may amend this policy from time to time.

## Definitions

- (1) “Related Party” with reference to the Company shall mean and include a related party as defined under:
  - i) Section 2(76) of the Companies Act, 2013; or
  - ii) applicable accounting standards.
  
- (2) “Related Party Transaction” (RPT) means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and includes -
  - (a) Sale, purchases or supply of any goods or materials;
  - (b) Selling or otherwise disposing of, or buying, property of any kind;
  - (c) Leasing of property of any kind;
  - (d) Availing or rendering of any services;
  - (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
  - (f) Such related party’s appointment to any office or place of profit in the company, its subsidiary company or associate company and;
  - (g) Underwriting the subscription of any securities or derivatives thereof, of the company.

RPT shall be construed to include single transaction or a group of transactions in a contract.
  
- (3) A transaction with a Related Party shall be considered ‘**Material**’ (**Material RPT**) 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.
  
- (4) Company means ‘SecUR Credentials Limited’.

Any other term not defined herein shall have the same meaning as defined in the companies Act, 2013, The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law and regulation.

**Arm's length principle:**

All RPTs should generally be entered into by the Company on an arm's length basis, i.e. as if the parties were unrelated, so that there is no conflict of interest.

**Prior approval of Audit Committee:**

- (1) All RPTs or any subsequent modification thereof shall require prior approval of the Audit Committee as per the applicable provisions of the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as the case may be.
- (2) In case of RPTs which are repetitive in nature, the Audit Committee may grant omnibus approval. The Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy.

Such omnibus approval may 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 or variation in the price, if any; and
- iii) such other conditions as the Audit Committee may deem fit.

While granting such omnibus approvals, the Audit Committee may specify that the omnibus approval shall be valid for a period not exceeding one year or such other period as it may deem fit. Fresh approval of the Audit Committee shall be required after the expiry of the said period;

Provided that where the need for RPT 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 or such other amount as the Audit Committee may deem fit in its ordinary course of business and on an arm's length basis.

- (3) All Material RPTs shall require approval of the shareholders of the Company through a member's resolution. However, approval of the shareholders of the Company shall not be required in case of Material RPTs between the Company and its wholly owned subsidiaries.

### **Prior approval of the Board of Directors**

All RPTs within the meaning of the Section 188 shall require prior consent of the Board of Directors given by way of a resolution passed at a meeting of the Board.

While giving such prior consent, the Board of Directors may specify such conditions as it may deem fit.

However, no such approval of the Board of Directors shall be required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.

### **Approval of RPTs by shareholders**

- (1) All RPTs within the meaning of Section 188 of the Companies Act, 2013 exceeding threshold specified therein shall require prior approval of the shareholders of the Company through member's resolution. However, no such approval of the shareholders is required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.
- (2) No member of the Company shall vote on such resolution, if such member is a Related Party.

### **Disclosure requirements**

- (1) All RPTs shall be placed before Audit Committee on a quarterly basis for its review.
- (2) Details of all Material RPTs shall be disclosed to the stock exchanges quarterly along with the compliance report on corporate governance.
- (3) Disclosures in compliance with the applicable Accounting Standards on RPTs shall be made by the Company in its Annual Report.
- (4) Every RPT within the meaning of Section 188 of the Companies Act, 2013 which are not in the ordinary course of business or arm's length basis shall be referred to in the Board's report along with the justification for entering into such contract or arrangement.
- (5) Every RPT within the meaning of Section 188 of the Companies Act, 2013 shall be entered into the register required to be kept under Section 189 of the Companies Act, 2013.

### **Related Party not approved under this policy**

In the event the Company becomes aware of a RPT that has not been approved under this policy, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the RPT and shall evaluate all options available to the Company including ratification, revision or termination of the RPT. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting of such RPT to the committee under the Policy and shall take any such action as it deems appropriate.

Where any contract or arrangement is entered into by a director or any other employee of the Company with a related party without obtaining the consent of the Board or approval by resolution in the general meeting wherever required and if it is not ratified by the Board or as the case may be by the shareholders by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the Company against any loss incurred by it.

In any case where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee as appropriate may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the Shareholders, payment of compensation for the loss suffered by the related party etc. in connection with any review/approval of RPT, the Audit Committee has authority to modify or waive any procedural requirements of this policy.

This Policy has been adopted by the Board of Directors of the Company at its meeting held on **20<sup>th</sup> January, 2018.**