



AURIONPRO SOLUTIONS LIMITED (ASL) - RELATED PARTY TRANSACTION POLICY

PREAMBLE

In the course of business, the companies often have to seek business deals with the parties with whom they are related or have some common interest of the directors, shareholders, promoters or any other stakeholder. Such related party transactions are integral to functioning of the group companies and are often form important element of the business plans & strategies. However, the related party transactions also present actual or potential conflict interest and pose risk of manipulations by the vested interest by compromising the best interests of the company and other stakeholders. Therefore, the companies are required to provide framework to regulate the related party transactions. The Board of Directors and the Audit Committee have formulated this policy as a framework for regulating the related party transactions of Aurionpro Solutions Ltd and subsidiaries. This policy puts emphasis on the governance, transparency and reporting as three critical elements for regulating the related party transactions.

APPLICABILITY

This policy which may be called as 'ASL – Policy on Related Party Transactions' has been formulated for the governance of the related party transactions of Aurionpro Solutions Limited and its group companies. This policy has been formulated in compliance with all the relevant provisions concerning related party transactions as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) 2015, the Companies Act, 2013 and any other applicable laws and regulations.

DEFINITIONS

For the purposes of this policy, the following definitions apply:

- a.** **"Act"** shall mean the Companies Act, 2013
- 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.** **"Aurionpro" or the "Company"** means Aurionpro Solutions Ltd.
- d.** **"Audit Committee" or "Committee"** means Committee of Board of Directors of the Company constituted under provisions of Section 177 of the Act, and Regulation 18 of the Listing Regulations;

- e. **“Board”** means the Board of Directors of the Company;
- f. **“Director”** means a member of the Board of the Company;
- g. **“Independent Director”** shall mean a Director who has been appointed as an independent director on the Board as per the provisions of the Act and Listing Regulations
- h. **“Key Managerial Personnel” or “KMP”** means key managerial personnel as defined under the Section 2 (51) of the Act;
- i. **“LODR” or “Listing Regulations”** shall mean Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- j. **“Promoter” or “Promoter Group”** shall have the same meaning as assigned to them under the Listing Regulations from time to time.
- k. **“Material Related Party Transaction(s)”** means the material related party transaction/s as defined under the Listing Regulations from time to time.
- l. **“Material Modification(s)”** means the modification(s) in the RPT resulting the change in value of the concerned RPT at higher of (i) the value exceeding 20% on the transaction amount as approved by the Audit Committee or the Shareholders as the case may be or (ii) rupees 50 crores or any higher amounts as may be prescribed through any amendments in the Listing Regulations.
- m. **“Policy”** means this policy on Related Party Transactions;
- n. **“Related Party”** shall mean related party as defined under the Listing Regulations from time to time.
- o. **“Related Party Transaction” or “RPT”** mean related party transaction as defined under the Listing Regulations from time to time.
- p. **“Relative”** means relative as defined under the Listing Regulations from time to time.
- q. **“SEBI”** means Securities Exchange Board of India.
- r. **“Subsidiary”** means a subsidiary as defined under sub-section(87) of section 2 of the Companies Act, 2013;

IDENTIFICATION RELATED PARTIES

a) Database:

The Company shall maintain a database of the Related Parties which shall include details such as list of all the Related Parties, nature of interest and relationship with the Company. Further, the Company shall put in place mechanism for the updating of such database and timely capturing of the new related parties from to time.

b) Disclosures:

Each Director and Key Managerial Personnel at the first meeting of the Board in which he/she participates as a Director or Key Managerial Personnel, as the case may be, and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, is requested and required to disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed under the Act, Listing Regulations or other applicable regulations.

Every Director and KMP is requested and required disclose nature of their interest or concern in the proposed contract/arrangement to be entered at the meeting in which such contract/arrangement is to be discussed or at the first board meeting held after he/she becoming interested or concerned.

The Board or the Audit Committee may at its discretion require any Director, KMP or any Related Party to make additional disclosures and provide clarifications in order to ensure full disclosure of any actual or potential conflict of interest.

RELATED PARTY TRANSACTIONS – MONITORING AND APPROVAL

The Audit Committee shall ensure that all the Related Party Transactions comply with the requirements, with regard to the approval, disclosure and reporting, laid down under the Listing Regulations and the Act. The Audit Committee shall put in place appropriate mechanism in this regard. The Managing Director & CEO shall ensure that the full disclosure of all the Related Party Transactions is made to the Audit Committee, Board and to the shareholders as prescribed under the Listing Regulations and the Act.

The nature of Related Party Transactions, thresholds and approvals required are stated hereunder:

a. Related Party Transactions – General Rules and Approvals

- i) All the Related Party Transactions and subsequent Material Modification/s thereto shall require prior approval of the Audit Committee. Only those members of the Committee, who are Independent Directors, shall approve Related Party Transactions.
- ii) Each Related Party Transaction shall be an Arm's Length Transaction. The Audit Committee and the Board shall review the terms and of the Related Party Transaction and shall satisfy that the transactions are on arm's length basis. If the Committee or the Board is not satisfied that a Related Party Transaction may not be an Arm's Length Transaction it shall cause the management to record in writing the reasons and justification for such Related Party Transactions and require necessary approvals, disclosures and reporting as per the requirements of the Listing Regulations and the Act.
- iii) The Related Party Transactions which are either not in ordinary course of business or not at arm's length will require prior approval of the Board in accordance with the provisions of the Act and any Director/KMP interested in such transaction shall abstain from the voting as per the provisions of the Act.
- iv) A Related Party Transaction to which the Subsidiary is a party but the Company is not a party, will require prior approval of the Audit Committee 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*.
- v) With effect from April 1, 2023, a Related Party Transaction, to which the Subsidiary is a party but the Company is not a party, will require prior approval of the Audit Committee 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*.
- vi) A member of Audit Committee who has a potential interest in the related party transaction shall abstain from the discussion and voting on the approval of such transaction.

b. Related Party Transactions in the ordinary course of business and of frequent nature

In the course of business, the Company enters into transactions with various related parties, particularly with the Subsidiaries and with the other group companies, from time to time. The scope of such transactions inter alia includes providing goods and services, provision of manpower and resources and any other services required to meet business needs. The same also covers transactions to meet funding needs of the group companies by providing or availing loans and advances. If such transactions are in the ordinary course of business and at arm's lengths commercial terms and are essential to enable seamless functioning of the businesses of the Company and also to bring operational efficiencies at group level thereby benefiting the Company, the Audit Committee may consider granting omnibus approval for such transactions subject to the following terms and conditions:

- i. The Audit Committee after satisfying the need for such omnibus approval for repetitive Related Party Transactions, based on following broad criteria, may grant omnibus approval specifying following:
 - a. the name(s) of the Related Party;
 - b. nature of transaction;
 - c. period of transaction;
 - d. maximum amount of transactions that shall be entered into;
 - e. the indicative base price / current contracted price and the formula for variation in the price if any; and
 - f. 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.

- ii. The Audit Committee will review, at least on a quarterly basis, the details of related party transactions entered into pursuant to each of the omnibus approvals given.
- iii. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

c. Material Related Party Transactions

The Listing Regulations require Audit Committee to lay down criteria to determine Material Related Party Transactions and also formulate policy providing approval mechanism and disclosure requirements while dealing in such Material Related Party Transactions. This Policy



provides necessary framework for dealing in the Material Related Party Transactions.

All Material Related Party Transactions and subsequent Material Modification/s thereto will require prior approval of the shareholders 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.

d. Exempted Related Party Transactions

The provisions regarding the requirement of prior approval for all Related Party Transactions, omnibus approval and shareholders' approval as mentioned above shall not be applicable in following cases:

- i) Transactions entered into between the Company and its wholly owned subsidiary (ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ii) Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

e. Disclosure

Subject to the amendments in the Listing Regulations, the Company will submit to the stock exchanges disclosures of Related party transactions with in in the format as specified by the SEBI from time to time, and publish the same on its website.

The Company will make such disclosures every six months within fifteen days from the date of publication of its standalone and consolidated financial results and with effect from April 1, 2023, the Company will make such disclosures every six months on the date of publication of its standalone and consolidated financial results.

GENERAL PRINCIPLES

- a. It shall be the responsibility of the Board to monitor and manage potential conflicts of interest including abuse in Related Party Transactions.
- b. The Independent Directors are requested to pay sufficient attention and ensure that adequate deliberations are held before approving Related Party Transactions and assure themselves that the same are in the interest of the Company.
- c. The Audit Committee shall have the powers deem necessary to carry out its functions including but not limited to
 - i. seeking of information;

- ii. obtaining opinions, legal advice;
 - iii. investigate the related party transactions and any breaches of the Policy;
 - iv. Levying of penalties in case of any violation of the Policy.
- d. The Chief Financial Officer of the Company is authorized to issue necessary guidelines/instructions and enunciate detailed procedures within the framework of this Policy for implementation of this Policy.

AMENDMENTS

In case there are any regulatory changes requiring the modifications to the Policy, the Policy will be reviewed by the Audit Committee or the Board at a frequency of not less than once in three years or any other frequency as may be stipulated in the amended Listing Regulations to align the Policy with the regulatory changes. For avoidance of doubt it is clarified that the regulatory changes shall supersede the policy.

INTERPRETATIONS

- a. Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Act or Rules made thereunder, SEBI Act, 1992 or Rules and Regulations made thereunder, Listing Regulations, Accounting Standards or any other relevant legislation / law applicable to the Company.
 - b. 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 the decision of the Audit Committee in such a case shall be final. In interpreting such term / provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.
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