



LAWRESHWAR POLYMERS LIMITED

**RELATED PARTY  
TRANSACTION  
POLICY**

**(EFFECTIVE FROM 01.10.2014)**

# **INDEX**

<b>1. Introduction.....</b>	<b>3</b>
<b>2. Definitions .....</b>	<b>3</b>
<b>3. Policy.....</b>	<b>4</b>
<b>4. Identification Of Potential Related Party Transactions.....</b>	<b>5</b>
<b>5. Compliance.....</b>	<b>6</b>
<b>6. Applicability.....</b>	<b>6</b>
<b>7. Interpretation &amp; Review.....</b>	<b>6</b>

## RELATED PARTY POLICY

### I INTRODUCTION

The Board of Directors (the "Board") of Lawreshwar Polymers Ltd. (the "Company"), has adopted the following policy and procedures with regard to the Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

Revised Clause 49 of the Equity Listing Agreement mandated by the Securities and Exchange Board of India (SEBI) effective from October 1, 2014, requires that every company should formulate a Related Party Policy under clause 49(VII) (C).

The purpose of such Policy is to ensure an effective system of checks and balances and a disclosure process to encourage transparency, adoption of best governance practices and that all Related Party Transactions are in the best interests of all the members.

### II DEFINITIONS

**"Act"** shall mean the Companies Act, 2013 as amended from time to time and the Rules framed thereunder.

**"Arm's Length Transaction"** shall mean a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

**"Audit Committee"** shall mean the Audit Committee of the Board.

**"Board"** shall mean the Board of Directors of the Company.

**"Company"** shall mean Lawreshwar Polymers Limited.

**"Key Managerial Personnel" or "KMP"** shall mean:

- i. The Chief Executive Officer or the Managing Director or the Manager or the Whole Time Director;
- ii. The Company Secretary;

- iii. The Chief Financial Officer; and
- iv. Any other person appointed as the KMP by the Board.

**“Listing Agreement”** shall mean Listing Agreement entered with BSE Limited as amended from time to time.

**“Material Related Party Transactions”** shall mean transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeding ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

**“Omnibus Approval”** shall mean a blanket pre activity approval by the Audit Committee subject to compliance of the conditions as laid in this Policy.

**“Ordinary Course of Business”** shall mean a transaction which is carried out in the normal course of business by the Company or is an activity as envisaged in the Memorandum of Association of the Company as amended from time to time.

**“Related Party”** shall have the same meaning as defined under Section 2(76) of the Act and/or the applicable accounting standards or the Clause 49 of the Listing Agreement.

**“Relative”** means 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)
- x. Sister (including step-sister)

### **III POLICY**

i. Company Secretary (CS) shall request a disclosure from each Director and each KMP on an annual basis. If there is any change in status from the disclosure made by Director and/or KMP, the concerned Director or KMP shall promptly notify the CS. Once the changes are intimated/notified, CS shall note, document and intimate it to Corporate Finance Team for monitoring.

ii. RPT by the Company with related parties shall require prior approval of the Audit Committee unless it is covered under Omnibus Approval granted by the Audit Committee as below.

iii. Omnibus Approval may be granted by the Audit Committee if following conditions are satisfied:

a) Such RPTs are repetitive in nature;

b) Such an approval is expedient and is in the interest of the Company;

c) The approval should specify the

(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 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 Rs.1 Crore per transaction.

d) The Audit Committee shall review the details of RPTs entered into by the Company pursuant to Omnibus Approval/s on a quarterly basis; and

e) Such Omnibus Approvals shall be valid for a period not exceeding one year and shall require fresh approval after expiry of one year.

iv. The Audit Committee shall on a quarterly basis review all the RPTs.

v. In case any transaction with a Related Party is either not in the ordinary course of business or is not at arm's length or both, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board and its shareholders, as applicable.

vi. In case of any Material Related Party Transaction, the approval of the shareholders by way of special resolution is also required irrespective of the fact whether the transaction is in the ordinary course of business or arm's length or

both and the concerned Related Party shall abstain from voting on such resolutions.

vii. The Audit Committee shall have the discretion to recommend/refer any matter relating to any RPT to the Board for its approval.

#### **IV. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS**

The potential related party transaction shall be any contract or arrangement entered by the Company with related party such as:

- Sale, Purchase or Supply of any goods or materials;
- Selling or otherwise disposing of, or buying property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agent for purchase or sale of goods, materials, services or property;
- Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- Underwriting the subscription of any securities or derivatives thereof, of the Company
- Any other transaction wherein transfer of resources, services or obligations is taking place with a related party, regardless of whether a price is charged as per the Listing Agreement.

#### **V COMPLIANCE**

i. Every person associated with RPTs shall be accountable for compliance with this Policy.

ii. In case of breach of Policy, Audit Committee may initiate appropriate action against the person/s responsible.

#### **VI APPLICABILITY**

This Policy applies to all the transactions of the Company with related parties and shall be effective from October 1, 2014.

#### **VII INTERPRETATION & REVIEW**

i. Subject to the superintendence of the Board, this Policy shall be interpreted and administered by the Audit Committee. The Audit Committee shall investigate and taking appropriate actions/steps for compliance or prevention of breach of this Policy and authorise any disciplinary action for breach. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions under the Act or the Listing Agreement or by any other regulatory authority.

ii. The provisions of the Act and the Listing Agreement shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Policy is inconsistent with the provisions of Act and/or the Listing Agreement, the provisions of Act and/or the Listing Agreement shall prevail.

iii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the Listing Agreement.

iv. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the Ministry of the Corporate Affairs or SEBI and/or any other authority.

v. If the Audit Committee comes across any instances which in its opinion are not in concurrence with the spirit of this Policy it may review the Policy and recommend the changes in Policy for approval of the Board. The Audit Committee may also review the Policy from time to time and make recommendations for amendment as it may deem appropriate.