

**POLICY ON MATERIALITY OF
RELATED PARTY TRANSACTIONS
AND DEALING WITH RELATED
PARTY TRANSACTIONS**

Introduction and Background

Haldyn Glass Limited (“the Company”) recognizes that related party transactions can present potential or actual conflicts of interest and may arise questions about whether such transactions are consistent with the Company’s and its stakeholder’s best interests.

Scope

This policy provides for “Materiality of Related Party Transactions” and “Dealing with Related Party Transactions”.

Definitions

The following words shall have the meanings as provided in the policy, unless otherwise mentioned in the Companies Act, 2013 & rules notified thereunder (“the Act”) or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) as amended from time to time:

Related Party	“ Related Party ” means related party as defined in the Act and the Listing Regulations, as amended from time to time.
Related Party Transaction	“ Related Party Transaction ” means related party transaction as defined in the Act and the Listing Regulations, as amended from time to time.
Material Related Party Transaction	<p>“Material Related Party Transaction” means a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transaction(s) during a financial year exceed(s) Rs.1,000 Crore (Rupees One Thousand Crore Only) or 10% (ten per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.</p> <p>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(s) 5% (five per cent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.</p>
Material Modification	“ Material Modification ” means any change / variation/ modification in an existing related party transaction / contract/ arrangement, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by 10%).
Arm’s Length basis	<p>“Arm’s length basis” means a transaction between two related parties that is conducted, as if they were unrelated, so that there is no conflict of interest.</p> <p>For determination of Arm’s length basis, guidance may be taken from the provisions of Domestic Transfer Pricing under the Income-tax Act, 1961.</p>
Associate Company	“ Associate Company ” in relation to another company, means a company in which that other company has a significant influence, but which is not a

	<p>subsidiary company of the company having such influence and includes a joint venture company.</p> <p>Provided that for the purpose of this definition –</p> <ul style="list-style-type: none"> • “significant influence” means control of at least 20% (twenty per cent) of total voting power, or control of or participation in business decisions under an agreement; • “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
<p>Office or place of profit</p>	<p>“Office or place of profit” means any office or place:</p> <ol style="list-style-type: none"> a) where such office or place is held by a Director, and the Director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as Director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise; b) where such office or place is held by an individual other than a director or by any firm, private company, limited liability partnership or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.
<p>Ordinary Course of business</p>	<p>“Ordinary course of business” means the usual transactions, customs and practices undertaken by the Company to or in the course of or incidental to or in furtherance of or to facilitate the business operations, activities and objectives of the Company and its subsidiaries and includes:</p> <ol style="list-style-type: none"> a) all such activities or transactions which the Company can undertake as per the provisions of its Memorandum and Articles of Association; b) all such activities or transactions carried on a frequent or regular basis or are usual in nature or are as per the customs or industry practice; c) all such activities or transactions, the terms of which are similar to those which would be otherwise applicable to transactions with unrelated parties. <p>Provided further that the Board or the Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.</p>

Any other terms and expressions used but not defined herein, shall have the same meaning as is assigned under the Act, the Listing Regulations and rules, regulations, notifications and circulars issued thereunder.

Implementation Procedure / Approval

All related party transaction(s) and subsequent Material Modification thereto, shall be in compliance with the provisions of the Act, the Listing Regulations and applicable accounting standards, as amended from time to time, and shall inter-alia include the following:

- Approval of Audit Committee for related party transaction(s) and subsequent Material Modification thereto, if any; omnibus approval for repetitive transactions and review on quarterly basis.
- Approval of Board of Directors for related party transaction(s) that are not in the ordinary course of business or not on arm's length basis.
- Approval of shareholders for material related party transaction(s) and Material Modification thereto, if any.

Review of the policy

This Policy will be reviewed as and when required but at least once in three years.

Amendment

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules/ Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this policy.