



# RESINS & PLASTICS LTD

CIN: L25209MH1961PLC012223

## RELATED PARTY TRANSACTION POLICY

### 1. Preamble

The Board of Directors (the "Board") of Resins & Plastics Limited (the "Company"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time.

### 2. Purpose

This policy is framed as per requirement of Clause 49 of the Listing Agreement entered by the Company with the ASE (Ahmedabad Stock Exchange Limited) and PSE (Pune Stock Exchange Limited) intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. The Company is required to disclose each year in the Financial Statements all transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

### 3. Definitions

**Arm's Length Transactions** shall mean the transactions carried out between the Related Parties as if they are not related to each other avoiding the '**Conflict of Interest**'.

**Conflict of Interest** means a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

**Audit Committee or Committee** means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

**Board** means Board of Directors of the Company

**Control** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

**Key Managerial Personnel** means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

**Material Related Party Transaction** 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 **(10%)ten** percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

**Policy** means Related Party Transaction Policy.

**Related Party** means for the purpose of Clause 49, an entity shall be considered as related to the Company if:



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1. Such entity is a related party under Section 2(76) of the Companies Act, 2013 which are as follows:
  - (i) a director or his relative ;
  - (ii) a key managerial personnel or his relative ;
  - (iii) a firm, in which a director, manager or his relative is a partner ;
  - (iv) a private company in which a director or manager or his relative is a member or director;
  - (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital ;
  - (vi) any body corporate whose Board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager ;
  - (vii) any person under whose advice, directions or instructions a director or manager is accustomed to act :  
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
  - (viii) any company which is –
    - (A) a holding, subsidiary or an associate company of such company ; or
    - (B) a subsidiary of a holding company to which it is also a subsidiary ;
  - (ix) Director or key managerial personnel of the holding company or his relative with reference to a company; or

2. Such entity is a related party under the applicable accounting standards

**Related Party Transaction** 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.

**Relative** means relative as defined under the Companies Act, 2013 and includes any one who is related to another, if –

- They are members of a Hindu undivided family ;
- They are husband and wife ; or
- Father (including step-father)
- Mother ( including step-mother)
- Son ( including step-son)
- Son's wife
- Daughter
- Daughter's husband
- Brother (including step-brother)
- Sister (including step-sister)

#### 4. Policy

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee and Board in accordance with this Policy.



#### **4.1 Identification of Potential Related Party Transactions**

- (a) Each Director, Key Managerial Personnel whenever wishes to enter into a related party transactions with the Company involving either him/her or his/her relative, shall give a notice to the Company along with all relevant details and documents.
- (b) Associate, Subsidiary Company shall be as per the list mentioned in the Annual Report of the Company. Notice should be given for any new addition to the list by Accounts Departments.
- (c) Notice of any related party transactions, referred above shall be given well in advance so that the Company has adequate time to obtain additional information or documents about the proposed related party transactions, if necessary, which is required to be placed before the Audit Committee to enable it to approve the said transactions.

#### **4.2 Substitution related to Related Party Transactions**

All Related Party Transactions shall require prior approval of Audit Committee and approval of the Board. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c) Such omnibus approval shall 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 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.10 lacs per transaction.

- d) Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year"

#### **4.3 Review and Approval of Related Party Transactions**

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee / Board Meeting for review and approval. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and any member



of the Committee / Board who has a potential interest in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, following information of the Related Party Transaction shall be provided:

- The name of the related party and nature of relationship;
- The nature and duration of the Contract and particulars of the Contract or arrangement;
- The material terms of the Contract or an agreement including the value, if any;
- Any advance paid or received for a contract or arrangement, if any;
- The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as a part of the contract;
- Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with rationale for not considering those factors; and
- Any other information relevant or important for the Audit Committee and/or Board to take decision on proposed transaction.

In determining whether to approve a Related Party Transaction, following factors, among others, to the extent relevant to the Related Party Transaction will be taken into account:

- Whether the terms of the Related Party Transaction are fair and on arms' length basis to the Company;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company and any other factors the Board/Committee deems relevant.

All Related Party Transactions shall require prior approval of the Audit Committee.

#### **5. Related Party Transactions not approved under this Policy**

Where any contract or arrangement is entered into, without obtaining the consent of the Audit Committee, Board or approval by a Special Resolution in the General Meeting and if it is not ratified by the Board or Audit Committee, as the case may be, 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.

This Policy will be communicated to all operational employees and other concerned persons of the Company.