Sampati Securities Limited

POLICY ON RELATED PARTY TRANSACTIONS

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1. SCOPE AND PURPOSE OF THE POLICY:

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Therefore, the requirements for approval of related party transactions are prescribed under Sections 177 & 188 the Companies Act, 2013 **("Act")** read with the Rules framed there under including any statutory modification(s) or re-enactment thereunder and the Accounting Standards-18 ("AS-18") as prescribed by the Institute of Chartered Accountants of India.

In light of the above, the Company has framed this Policy on Related Party Transactions **("Policy").** This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

2. DEFINITIONS:

I. **"Act"** means the Companies Act, 2013 as amended from time to time;

II. **"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.

III. **"Audit Committee"** means the Audit Committee of the Board of Directors of the Company.

IV. **"Board"** means the Board of Directors of the Company.

V. **"Company"** means Sampati Securities Limited.

VI. **"Key Managerial Personnel" or "KMPs"** means Key Managerial Personnel as defined under the Act and includes:

(i) Managing Director, or Chief Executive Officer or Manager;

(ii) the Whole Time Director;

(iii) Company Secretary;

(iv) Chief Financial Officer;

(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed.

VII. "**Ordinary Course of Business**" with reference to a transaction with a related party means the usual transaction which is:

i carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;

ii historical practice with a pattern of frequency;

iii common commercial practice; or

iv meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time.

VIII. "Related Party" in relation to the Company means a party related with the Company in any of the ways as laid down in Section 2(76) of the Companies Act.

IX. "Relative" means any person as per Section 2(77) of the Act and rules prescribed thereunder.

3. OBJECTIVE OF THE POLICY:

The objective of this Policy is to set out the manner of dealing with the transactions between the Company and its related parties based on Sections 177 & 188 of the Act and rules made thereunder and any other laws, rules and regulations as may be applicable to the Company.

4. APPROVAL OF RELATED PARTY TRANSACTIONS:

4.1 AUDIT COMMITTEE

4.1.1 Any member of the Audit Committee or the Board who has potential interest in any Related Party Transaction will in terms of Rule 15(2) of the Companies (Meeting of Board and its Powers) Rules, 2014 shall not be present at the meeting during the discussions on the subject matter and shall recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

4.1.2 The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions:

i 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;

ii The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

iii 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) 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 such value as may be decided by the committee.

iv. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

4.2 BOARD OF DIRECTORS:

All Related Party Transactions within the scope of Section 188 of the Act which are not in the Ordinary Course of Business and not at an arm's length shall require prior approval of the Board.

Information in such form and manner as prescribed in the Act and Regulations shall be provided to the Board.

Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

4.3 SHAREHOLDERS' APPROVAL:

If a Related Party Transaction is not in the ordinary course of business, or not at arm's length price or it exceeds thresholds as prescribed under Section 188 of the Companies Act, it shall require shareholders' approval.

The Related Parties shall abstain from voting as shareholders in case of Related Party Transactions which require the approval of shareholders.

However, the shareholders' approval is not required for the transactions entered into between the Company and its wholly owned subsidiaries or 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 and transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

5. TRANSACTIONS FOR WHICH SEPARATE APPROVAL FOR RELATED PARTY TRANSACTION IS NOT REQUIRED:

The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under the separate approvals/procedures from relevant competent authority or Board Committee, as the case may be, shall be deemed to be approved under this Policy and are not required to be separately approved under this Policy.

Such transactions are enumerated as below:

i. Share based incentive plans (including ESOPs) for the benefits of the Directors and/or Key Managerial Personnel, pursuant to the approval of the Shareholders.

ii. Any benefits, interest arising to Related Party solely from the ownership of Company's shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee.

iii. Contribution to Corporate Social Responsibility (CSR) obligations, which are approved by the CSR Committee and within the overall limits approved by the Board of Directors of the Company.

iv. Transactions arising out of corporate restructuring, compromises, arrangements and amalgamations dealt with under specific provisions of the Act, will not attract the requirements of Section 188 of the Companies Act.

6. REVIEW /AMENDMENT:

This policy and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

Board has the power and authority to amend and modify the Related Party Transaction Policy in light of modifications and amendments in Act or otherwise.

7. SCOPE AND LIMITATION:

In the event of any conflict between the provisions of this Policy and the Act or any other statutory enactments, rules, the provisions of such Regulations /Actor statutory enactments, rules shall prevail over this Policy.

SAMATL SECURITIES LIMITED