

Relate Party Policy

1. Introduction

As per the Equity Listing Agreement and SEBI (LODR) Regulation, 2015 it is mandatory for every listed Company to formulate related party Policy.

The purpose of such policy is to ensure an effective system of checks and balances and a disclosures transparency, adoption of best governance practices and that all Related Party Transaction are in the best interests of all the members.

2. 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 Universal Autofoundry 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;
- 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 per cent of the annual turnover of the company as per the last audited financial statement 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 Listing Agreement.

“Related party Transaction “or “RPT” shall mean all transactions between the company and one or more related party including contracts, arrangements and transactions as provided in section 188(1) of the Act and/ or listing agreement.

“Relative” shall have the same meaning assigned to in Section 2(77) of the Act.

“Transaction” shall mean to include a single transaction or a group of transactions in a contract.

3. 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 disclosures made by Director and/or KMP, the concerned Director or KMP shall promptly notify the CS.
- 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 RPT’s 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 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. In case the need for RPT cannot be foreseen and the aforesaid details are not available, an omnibus approval for such transaction subject to their value not exceeding Rs. 1 crore for each of related parties.
 - D. The Audit Committee shall review the details of RPT’s entered into by the Company pursuant to Omnibus Approval on a Quarterly basis; and
 - E. Validity of omnibus approval shall be reviewed and renewed periodically by the Audit Committee.
- IV. The Audit Committee shall on a quarterly basis review all the RPT’s.
- 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 provision 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 shareholder 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 resolution.
- VII. The Audit Committee shall have the discretion to recommend/ refer any matter relating to any RPT to the Board for its approval.

4. 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 intimate appropriate action against the person/s responsible.

5. Applicability

This policy applies to all the transactions of the Company with related parties and shall be effective from the date of approval by Audit Committee.

6. 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 actions for breach. Any disciplinary actions 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 the 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/clarification issued by the MCA 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 the policy it may review the Policy and recommend the change in Policy for the approval of the Board. The Audit Committee may also review th Policy from time to time and make recommendations for amendment as it may deem appropriate.

For and On behalf of
Universal Autofoundry Limited

Sd/-

Kishan Lal Gupta
Chairman