

ELCID INVESTMENTS LIMITED

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

1. SCOPE AND APPLICABILITY

This policy is called POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS (“RPT Policy”).

2. OBJECTIVE

Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 requires, among other things, that the company shall formulate a policy on dealing with Related Party Transactions.

The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations, as may be amended from time to time.

3. POLICIES AND PROCEDURES

All transactions with Related Parties shall be in the ordinary course of business and at arm’s length and shall be subject to the prior approval of the Audit Committee. If any transaction with Related Party(s) is not in the ordinary course of business and/or not at arm’s length, then:

- a. All such transactions will require prior approval of the Audit Committee;
- b. Will require prior approval of the Board; and
- c. Will require prior approval of the shareholders of the Company by special resolution if they exceed the threshold limits mentioned u/s 188 of the Act read with Rules.

Further, any Material Transaction proposed to be entered into with a related party shall also be approved by the Board of Directors of the Company after they have been approved by the Audit Committee.

In compliance with Listing Agreement, approval of the shareholders shall be taken for all such Material Transactions with Related Party(s) and such Related Party(s), irrespective of whether the entity is a party to a particular transaction or not, shall abstain from voting on such resolutions. Approval of the shareholders shall not be required for any transactions to be entered into by the Company with its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

3.1 Approval of Related Party Transactions

As mentioned above, all the Transactions proposed to be entered into with Related Parties shall require prior approval from the Audit Committee.

Following details should be provided to the Audit Committee and the Board where approval for entering into Transactions with Related Party(s) are sought:

- (a) The name of the Related Party and nature of relationship;
- (b) The nature, duration of the contract and particulars of the contract or arrangement;
- (c) The material terms of the contract or arrangement including the value, if any;
- (d) Any advance paid or received for the contract or arrangement, if any;
- (e) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (g) Any other information relevant or important to take a decision on the proposed transaction.

3.2 Review of Related Party Transactions:

The Management shall lay down an appropriate framework including the pricing mechanism to ensure arm's length pricing for dealing with the Related Party(s). The Management shall institute appropriate administrative mechanism to ensure that all Related Party Transactions are in compliance and reviewed in accordance with these policies and procedures including maintenance of proper records in this regard.

4. RELATED PARTY TRANSACTION NOT APPROVED UNDER THIS RPT POLICY

In the event any Transaction has been undertaken/ is being undertaken with a Related Party without obtaining requisite approval under this RPT policy, such transactions should be immediately reported to the Compliance Officer. Such Transactions shall be reviewed by the Audit Committee in the next meeting. The Audit Committee shall be provided with all the relevant facts and circumstances for entering into such transaction with a related party. Based on the information provided, the Audit Committee shall evaluate and take such necessary steps, as it may deem fit, including Ratification, Termination or Revision of any terms of the Related Party Transaction.