

RELATED PARTY POLICY

1. **Objective:**

The objective of this policy is to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the company and its related parties. The Company shall engage with related parties in the ordinary course of business and on arms' length basis and ensure that transactions with related parties are fully compliant with applicable Regulations.

2. **Definitions:**

"Company" or "Northern Arc" means Northern Arc Capital Limited

"Key Managerial Personnel", "Related Party", "Related Party Transaction", "Relative" and all other terms used in this Policy shall have the same meaning as assigned to them under the Companies Act, 2013

3. **Review of Related Party Transactions:**

All Related Party Transactions shall be reviewed by the Audit Committee on a quarterly basis.

All material Related Party Transactions (other than transactions in the ordinary course of business and at arms' length) i.e. transactions when taken individually or together with previous transactions during the financial year, exceeds 10% of the annual standalone income as per the latest audited financial statements of the company or such thresholds as may be fixed by the Companies Act, 2013, such transactions shall be entered into only with the prior approval of the Audit Committee and prior special resolution of the shareholders of the Company.

Prior approval of the Audit Committee and the shareholders shall also be required in cases of Related Party Transactions enumerated under Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014.

Related Parties, if present at such Audit Committee/ Shareholder meeting shall abstain from voting on the transaction.

The Company shall provide all information as provided under Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 to the Audit Committee/ shareholders, when approval on a Related Party Transaction is sought.

For operational convenience, all Related Party Transactions that require the approval of the Audit Committee may be considered and approved through Circulation, which shall be ratified by the Committee at its next Meeting.

The Audit Committee shall review the following while approving the Related Party Transactions as specified above:

- a) Whether the transaction is in the ordinary course of business and on an arms' length basis
- b) The reasons for entering into the transaction and the consequences of entering into the said transaction, with a non-related party.
- c) Whether there is any conflict of interest for any director or Key Managerial Personnel

- d) Whether there any reputational risks are envisaged as a result of the said Related Party Transaction.

4. Transactions with Wholly-owned subsidiaries:

All transactions with wholly-owned subsidiaries of the Company, whether they fall within the purview of Related Party Transactions or otherwise, shall always be entered into only with the prior approval of the Board of Directors of the Company and the wholly-owned subsidiary/ ies.

All transactions with wholly-owned subsidiaries shall be accompanied with a note on the rationale of the transaction and shall be backed by adequate documentary support and evidence.

5. Disclosure and Reporting of Related Party Transactions:

Every Related Party Transaction entered into by the Company and approved by the Audit Committee and shareholders shall be referred to in the Board's Report to the shareholders and a register for such transactions shall also be maintained by the Company Secretary.