

POLICY ON RELATED PARTY TRANSACTIONS

1) SCOPE AND PURPOSE OF THE POLICY:

Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (herein referred to as "Act") read with the Rules framed there under, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto, Caprihans India Limited (herein after referred to as "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions. The Company recognizes the principles and objectives behind the mechanism prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and by the Companies Act, 2013 for dealing with related parties. Being a listed company, the above regulatory frame work needs to consider cumulatively and carefully and mandates application of stricter of the two. This policy is formulated to ensure that the related party transactions are consistent with the Company's and its stakeholders' best interests and have been approved and follow the due process of applicable laws and regulations.

2) OBJECTIVE OF THE POLICY:

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the "Act" and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

3) MATERIALITY THRESHOLDS:

As per the "Act" and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires a company to provide materiality thresholds for transactions beyond which the shareholders' approval will be required by way of a special resolution. The Company has fixed its materiality threshold limit at the level prescribed under the "Act" and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. MECHANISM FOR PLACING PROPOSED RELATED PARTY TRANSACTIONS BEFORE THE AUDIT COMMITTEE AND THE BOARD OF DIRECTORS FOR DECISION:

The Company has set up internal procedures for capturing proposed related party transactions and on getting the information on such transactions the same is brought to the notice of management for initiating due process for approval of the same by the Audit Committee and/or as the case may be, by the Board of Directors or by the Members / shareholders of the Company.

5. MECHANISM FOR APPROVAL AND MONITORING OF RELATED PARTY TRANSACTIONS AND ROLE OF AUDIT COMMITTEE AND BOARD OF DIRECTORS:

- The Audit Committee/Board of Directors, while approving related party transactions, will follow the process as prescribed under the “Act” and the rules framed there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Board shall take objective evaluation of the reviews made by Audit Committee of any related party transaction consistent with the objectives and principles of the “Act” and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Board may require Audit Committee to recommend any modifications required in this policy to ensure that the related party transactions are consistent with the Company's and its stakeholders' best interests and have been approved by following the due process of applicable laws and regulations.

6. INFORMATION AND RECORDS:

To review a Related Party Transaction, the Audit Committee shall be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

The policy is also being displayed on the website i.e. www.caprihansindia.com

Any amendment(s) to the “Act” and the rules framed there under and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall ipso facto apply to this policy without requiring to be approved by the Board of Directors. Any such changes shall be communicated to the Audit Committee and the Board of Directors for effectively implementing this policy.

7. **DISCLOSURES:**

The Company shall disclose, in the Board’s Report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in the ordinary course of business or arm’s length basis along with justification for entering into such transaction.
