

**UMANG DAIRIES LIMITED**  
**Policy on Materiality of Related Party Transactions and on Dealings with Related Party Transactions**

**1 Preamble**

The Board of Directors of the Company (“Board”), has adopted this policy and procedures for dealing with Related Party Transactions, in compliance with the requirements of Section 188 of the Companies Act 2013 and Rules made thereunder (the “Act”) and the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) in order to ensure the transparency and procedural fairness of such transactions.

**2 Objective**

This Policy is intended to ensure proper approval and reporting of Related Party Transactions as applicable, in the best interest of the Company and its Stakeholders.

Provisions of this Policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws.

**3 Definitions**

**(a) Words, Terms & Expressions used in this Policy**

Unless the context otherwise requires, the words, terms and expressions used in this Policy shall have the meanings as given in the Act/SEBI Listing Regulations and any other law or regulation, as may be applicable from time to time.

**(b) Material Related Party Transaction(s)**

A transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the limits as may be specified in the SEBI Listing Regulations/Section 188 of the Act and Rules made thereunder, as may be applicable from time to time.

**(c) Material Modifications**

In relation to a Related Party Transaction approved by the Audit Committee/Board or a Material Related Party Transaction approved by the Shareholders, as the case may be, material modifications mean any variation having an impact on the monetary limits already approved by the Audit Committee/Board or Shareholders, as the case may be, exceeding 50% for transactions of upto ₹2 crore and exceeding 25% for transactions of more than ₹2 crore, over and above the approved limits of transactions, in each case.

**(d) Monetary Value**

Monetary value of related party transactions approved by the Audit Committee or Board or Shareholders, as the case may be, shall be exclusive of any applicable taxes thereon viz. GST, cess etc.

**4 Approval/Review Mechanism**

4.1 All Related Party Transactions and subsequent material modifications therein, shall require prior approval of the Audit Committee or the Board or the Shareholders of the Company, as the case may be, as required under and subject to the provisions of the Act, SEBI Listing Regulations and/or any other governing Act/Rules/Regulations, as amended from time to time.

4.2 The Audit Committee may grant omnibus approval for Related Party Transactions of repetitive nature, proposed to be entered into, subject to the following conditions:

- (i) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- (ii) The Audit Committee shall satisfy itself regarding 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 shall 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 may be prescribed under the Act/SEBI Listing Regulations or as may be required by the Audit Committee;

Provided that threshold limits for dealing with Related Party Transaction shall be the aggregate amount(s) approved by Audit Committee for each financial year while granting its omnibus approval for Related Party Transaction(s) proposed to be entered into by the Company for the relevant financial year (April-March). However, threshold limits for determining materiality of Related Party Transactions shall be as provided under relevant provisions of the Act and SEBI Listing Regulations;

Provided further that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction or such higher amount as permitted under the Act/SEBI Listing Regulations.

- (iv) The Audit Committee shall review, the details of Related Party Transactions entered into pursuant to each of the omnibus/other approval given, at least on quarterly basis and/or on such intervals as per the provisions of the Act/SEBI Listing Regulations as amended from time to time.
- (v) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.
- (vi) Omnibus approval shall not be made for transactions in respect of selling or disposing-off the undertaking of the Company.

4.3 Variation of upto threshold limits of Material Modifications as defined herein above, over and above the approved limits of the Related Party Transactions due to business needs of the Company considering the operational convenience and in the overall interest of the Company is permissible subject to its ratification by the Audit Committee.

## **5 Compliance Officer**

5.1 For purposes of this Policy, the Chief Financial Officer of the Company shall be the Compliance Officer. The Board may, where it is considered necessary so to do, appoint such other officer as it may consider appropriate as such Compliance Officer(s).

5.2 The Compliance Officer shall ensure proper implementation of this Policy and may lay down monitoring mechanism for its compliance as may be deemed appropriate.

## **6. Amendment**

Any subsequent amendment(s)/modification(s) in the Act, SEBI Listing Regulations, applicable Accounting Standards or any other governing law, which makes any of the provision of this Policy inconsistent with such Act, SEBI Listing Regulations, Accounting Standards or other governing law, then the provisions of such Act, SEBI Listing Regulations, Accounting Standards or any other governing law shall prevail and the Chief Financial Officer and the Company Secretary of the Company are severally authorized to carry out any further changes in the Policy to make it consistent with the amended Act, SEBI Listing Regulations, applicable Accounting Standards or other governing law and the Audit Committee shall be kept informed of the same.

## **7. Review of the Policy**

This Policy will be reviewed by the Board of Directors of the Company at least once in every three years or at such interval as may be prescribed under the Act or SEBI Listing Regulations.