



INDSIL HYDRO POWER AND MANGANESE LIMITED

CIN: L27101TZ1990PLC002849

RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors of Indsil Hydro Power and Manganese Limited (the “Company”), acting upon the recommendation of its Directors and Audit Committee, has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee and the Board of Directors will review and may amend this policy from time to time.

2. Objective

The Company has formulated this policy to determine the materiality of related party transactions and to lay down the procedure in dealing with the related party transactions. This policy is to regulate the transactions between the Company and its Related Parties as per the laws and regulations applicable to the Company.

3. Definitions

In this policy, unless the context otherwise requires:

- a. **“Act”** means the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modifications or re-enactments or amendments thereof for the time being in force)
- b. **“Arm’s length transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- c. **“Audit Committee”** means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under the provisions of the Listing Regulations and the Act.
- d. **“Board of Directors” or “Board”**, in relation to a company, means the collective body of the directors of the Company.
- e. **“Director”** means a director appointed to the Board of a company.
- f. **“Key Managerial Personnel” or “KMP”** means managerial personnel as defined under sub-section (51) of Section 2 of the Act.
- g. **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any subsequent amendments thereof.
- h. **“Material modification”** in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by 100% or more.



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- i. **“Material related party transaction under the Listing Regulations”** means a related party transaction which exceeds the threshold limits as laid down hereunder:
 - i. A transaction with a related party, to be entered into individually or taken together with previous transactions during the financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or
 - ii. A transaction involving payments made to a related party with respect to brand usage or royalty, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- j. **“Material related party transaction under the Act”** means any of the following related party transaction which exceeds the threshold limits as laid down hereunder, where the transaction or transactions to be entered into, either individually or taken together with the previous transactions during a financial year:
 - i. As contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188 of the Act, falling under one or more of the criteria mentioned below:
 - a) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of the Act.
 - b) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the Company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of the Act.
 - c) leasing of property any kind amounting to ten per cent or more of the turnover of the Company, as mentioned in clause (c) of sub-section (1) of section 188 of the Act.
 - d) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188 of the Act.
 - ii. is for appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1) of section 188 of the Act.



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- iii. is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of section 188 of the Act.

Explanation: The turnover or net worth referred in the above clause shall be computed on the basis of the audited financial statement of the preceding financial year.

- j. **"Policy"** means this Related Party Transactions Policy.
- k. **"promoter"** and **"promoter group"** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- l. **"Related party"** means a related party as defined under clause (zb) of sub-regulation (1) of Regulation 2 of the Listing Regulations.
- m. **"Related Party Transaction"** means a transaction as defined under clause (zc) of sub-regulation (1) of Regulation 2 of the Listing Regulations.
- n. **"Relative"** means a relative as defined under sub-section (77) of section 2 of the Act.
- o. **"SEBI"** means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992.

All the words and expressions used in this Policy shall have the same meaning respectively assigned to them under the Listing Regulations, Notifications, Circulars, Clarifications and Guidelines issued thereunder from time to time by SEBI / Stock Exchange(s), for the time being in force.

Words and expressions used herein and not defined in the Listing Regulations shall have the meanings respectively assigned to them under the Act and the Rules made thereunder, Circulars, Notifications made / issued thereunder, as amended from time to time, for the time being in force.

4. Policy

4.1 Identification of Related Party Transactions

Every person on appointment as key managerial personnel or a director of the Company or upon becoming a promoter or member of the promoter group and at the beginning of every financial year and whenever there is any change in the information already submitted, provide requisite information about his / her relatives and all firms, entities, body corporates, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.



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The Board/ Audit Committee will determine whether the transaction does, in fact, constitute a related party transaction requiring compliance with this Policy.

4.2 Overall framework of approval for related party transactions

All related party transactions shall be subject to the overall framework for approval as given hereunder:

Level 1 - Audit Committee Approval

- (i) All Related Party Transactions and subsequent material modifications shall require the prior approval of the Audit Committee of the Company.

Provided that a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

Provided further that the requirement of obtaining the approval of the Audit Committee shall not be applicable for transactions entered into between two wholly owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

- (ii) The Audit Committee may grant omnibus approval for related party transactions subject to the conditions as laid down under the Act and the Listing Regulations.
- (iii) The Company shall ensure that the information as required under the Act and the Listing Regulations read with the notifications and circulars issued from time to time by SEBI / Stock Exchange(s) regarding the related party transaction is placed before the Audit Committee for their review at the time of seeking the approval for the Audit Committee for the said related party transaction.
- (iv) The Audit Committee shall review on a quarterly basis the details of related party transactions entered into by the Company.
- (v) Only the members of the Audit Committee who are independent shall approve the related party transactions.



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Level 2 - Board Approval

All related party transactions falling under the purview of Sections 184 or 188 of the Act shall require the prior approval of the Board of Directors of the Company.

Provided that where any related party transaction falling under the purview of Section 188 of the Act is entered into by a director or any other employee of the Company, without obtaining the consent of the Board and if it is not ratified by the Board within three months from the date on which such related party transaction was entered into, such related party transaction shall be voidable at the option of the Board.

Provided further that where any director is interested in any related party transaction, such director shall disclose the nature of his concern or interest and shall not be present at the meeting during discussions on the subject matter of the resolution.

Level 3 - Shareholder's Approval

- (i) All material related party transactions under the Listing Regulations and subsequent material modifications shall require the prior approval of the shareholders of the Company through a resolution and no related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

Provided that the requirement of obtaining the approval of the shareholders shall not be applicable for

- a) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 - b) transactions entered into between two wholly owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- (ii) All material related party transactions under the Act shall require the prior approval of the shareholders of the Company by a resolution and no member of the Company shall vote on such resolution, to approve any related party transaction which may be entered into by the Company, if such member is a related party.

Provided that where any material related party transaction under the Act is entered into by a director or any other employee, without obtaining the approval by a resolution in the general meeting and if it is not ratified by the shareholders at a meeting within three months from the date on which such related party transaction



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was entered into, such related party transaction shall be voidable at the option of the shareholders.

Provided further that the requirement of obtaining the approval of the shareholders shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

4.3 Related Party Transactions When Not Approved Under This Policy

In the event the Company becomes aware of a related party transaction that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee.

The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy and shall take any such action it deems appropriate.

Where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy subject to the compliance of statutory requirements.

The Audit Committee shall place its recommendations in this regard to the Board for its approval.

4.4 Amendment to the Policy

The Board on its own and/or on the recommendations of the Audit Committee can amend this policy, as it deems fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the competent authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail and this policy shall stand amended accordingly without any further action, from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.



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4.5 Disclosure

The Company shall make the disclosures regarding the related party transactions as required under the Act and the Listing Regulations from time to time.

(Amended policy made effective from 8th February 2024)