

J R D FINANCE LIMITED

Policy on Related Party Transactions

1. Introduction :

The Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“the Rules”) contains specific provisions on Related Party Transactions (RPTs).

Accordingly, the Board of Directors (“the Board”) of Suraj Limited (“the Company”) has adopted a policy and a standard operating procedure to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Act, the Rules and the Listing Agreement.

2. Definitions :

“Board” means Board of Directors of the Company.

“Audit Committee or Committee” means Committee of Board of Directors of the Company constituted under provisions of Companies Act, 2013. **“Related Party”** with reference to the company, means entity where:

- i) Such entity is a related party as defined under section 2(76) of the Companies Act, 2013; or
- ii) Such entity is a related party under the applicable accounting standards.

“Related Party Transaction” means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

“Relative” means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if –

- i) They are members of a Hindu undivided family
- ii) They are husband and wife or
- iii) Father (including step-father)
- iv) Mother (including step-mother)
- v) Son (including step-son)
- vi) Son’s wife
- vii) Daughter
- viii) Daughter’s husband
- ix) Brother (including step-brother)
- x) Sister (including step-sister)

“Key Managerial Personnel” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Group Chief Executive Officer;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

“Arm’s length basis” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. The provisions dealing with Transfer Pricing under the Income Tax Act, 1961 should be taken as a basis for determining arm’s length transactions

“Ordinary Course of Business” is met when both of the two selective criteria are satisfied namely:

- i) the transaction must be ascribed to business objectives or operational activities or alternatively, related to financial activities; and
- ii) the same transaction must also fall under the parameter of the ordinary exercise of operational activities or related financial activities.

3. Policy:

All RPTs must be reported to the Audit Committee and referred for approval, in accordance with this Policy. The Company shall not enter into any transaction or any contract or arrangement with a Related Party without obtaining the prior approval of the Audit Committee.

In the event that any contract or arrangement with a related party is not in the ordinary course of business or at arm’s length, the Company shall comply with the provisions of the Act and the Rules framed there under, by obtaining prior approval of the Board and/or its shareholders, as applicable, for such contract or arrangement.

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for RPTs that are repetitive in nature, subject to the conditions that the following minimum information is provided to the Audit Committee:

- i) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- ii) Such other conditions as the Audit Committee may deem fit.

4. Disclosure :

- i) The Company will disclose the Related Party Transactions in the Annual Report to the Shareholders of the Company
- ii) The Company shall maintain registers giving the particulars of all contracts or arrangements with any related party.