



NARMADA BIO-CHEM LIMITED

(CIN: U24219GJ2001PLC039235)

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

❖ **PREAMBLE:**

Narmada Bio-chem Limited (“the Company”) recognizes that for protection of interest of shareholders and general public and also for good governance, it is necessary that the Company maintains uniformity and transparency in its dealings with Related Parties. This Policy has been framed in pursuance of Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Board of Directors of the Company has adopted this Policy on the recommendation of the Audit Committee. The said Policy includes thresholds for materiality and the manner of dealing with Related Parties so as to be in compliance with the provisions of the Act and Listing Regulations.

❖ **OBJECTIVES:**

The objective of this Policy is to bring uniform practices relating to Related Party Transactions covering the process, methodology, arm’s length pricing, approval mechanism, disclosures and compliance with the provisions of the Companies Act, 2013 and rules framed thereunder, and the Listing Regulations. The policy aims to ensure that the Related Party Transactions of the Company are in line with the aforesaid statutory provisions. The Policy also aims to avoid any potential or actual conflict of interest between the Company and the stakeholders.

This Policy is applicable to all Related Party Transactions entered by the Company as per the Companies Act, 2013 and the Listing Regulations.

❖ **DEFINITIONS:**

All terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the Listing Regulations, as amended from time to time.

❖ **MATERIALITY OF RELATED PARTY TRANSACTIONS:**

Contracts / arrangements with a related party shall be considered as “material” related party contracts / arrangements, if such transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the company.

❖ **POLICY STATEMENT:**

- As a matter of practice, the Company shall follow arm’s length basis in transacting with its related parties which are in the ordinary course of business. In exceptional circumstances, where permitted by law, related party contracts / arrangements may deviate from the principle of arm's length, after approval from Audit Committee.
- All related party contracts / arrangements shall comply with the Companies Act, 2013.
- All related party contracts / arrangements shall comply with the Listing Regulations.
- All related party contracts / arrangements shall comply with the Accounting Standards.
- Approval of Audit Committee shall be taken for related party contracts / arrangements as required under the Act and Listing Regulations.
- In the event, the Company becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with the provisions for review and ratification.
- The Audit Committee or the Board or the Shareholders shall consider all relevant facts and circumstances of such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision or termination of such transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

❖ **DISCLOSURES:**

Particulars of contracts or arrangements with Related Parties referred to in sub section (1) of Section 188 of the Act shall be disclosed in the Directors Report in the prescribed format as per the provisions.

The Company shall disclose this policy on its website and provide weblink in its Annual Report.

Such other disclosures, as may be required under any statutory provision as may be applicable to the Company, shall be made accordingly by the Company.

❖ **POLICY REVIEW:**

This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Act, Listing Regulations or any other regulations, which makes any of the provisions in the Policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the Policy, due to change in the Regulations or as may be felt appropriate by the Audit Committee. Any changes or modification on the Policy as recommended by the Audit Committee would be presented for approval of the Board of Directors.
