

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS



Document History

Name and Versions	Date	Author/Reviewer	Remarks
Policy on dealing with Related Party Transactions - v1	June 20, 2022	Akash Chaudhry/ Board of Directors	This Policy has been formulated in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Policy on dealing with Related Party Transactions - v2	May 21, 2025	Kanak Gupta/ Board of Directors	This Policy has been amended in line with the revisions made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the changes have been highlighted in bold and italics.

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1 Introduction

All E Technologies Limited (“Company”) recognizes that Related Party Transactions (as defined hereinafter) can present potential or actual conflicts of interest and may raise questions whether such transactions are in the best interest of the Company and its stakeholders. Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 (“Companies Act”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) as amended from time to time, the Company has adopted this Policy regarding the review and approval of Related Party Transactions.

This Policy has been amended to incorporate the changes introduced by the recent amendments to the Companies Act and the LODR Regulations. Modifications made to this document have been highlighted in bold and italics.

2 Policy Summary

This section summarizes the key operational points of the policy. This has been done to facilitate readers getting a quick view of the policy key operational points. For a full understanding it is however advised that readers read the entire policy document.

a) Approval Mechanism for Related Party Transactions (RPT)

- All RPTs require prior Audit Committee approval.
- Non-routine or non-arm’s-length RPTs also need Board approval.
- Material RPTs crossing prescribed thresholds need shareholder approval, with related parties abstaining from voting.

b) Materiality Thresholds for Shareholder Approval

Shareholder approval is required for related party transactions that exceed specified limits—such as 10% of turnover or net worth, royalty payments over 5% of turnover, or remuneration above ₹2.5 lakh per month for offices of profit. These thresholds ensure only significant transactions require wider consent.

c) Audit Committee’s Role and Omnibus Approval

The Audit Committee can grant omnibus approvals for routine RPTs within set limits, review them quarterly, and renew omnibus approvals annually.

3 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, Listing Regulations and other applicable rule made thereunder. Hence the Company seeks to formulate a robust Policy on Related Party Transactions to deal with the identification, review and approval of Related Party Transactions.

This Policy is made with an intent to ensure proper approval and reporting of RPTs as applicable, between the Company and related party(ies) in the best interest of the Company and its Stakeholders.

4 Definitions

In this Policy unless the context otherwise requires:

- **‘Arm’s Length Transaction’** means a transaction between 2 (two) related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- **‘Audit Committee’** means Audit Committee constituted by the Board of Directors of the Company as per Section 177 of the Companies Act, 2013 or rules made thereunder and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) and the Act, from time to time.
- **‘Board of Directors’** or **‘Board’** means the Board of Directors of the Company, as constituted from time to time.
- **‘Financial Year’** means the period beginning April 1 of every calendar year and ending on March 31 of the succeeding calendar year.
- **‘Material modification’** shall mean any variation pertaining to change in price, tenure, delivery schedule, non-statutory obligations, terms and conditions or short closure of any contract or arrangement with a related party which is in excess of 25% (twenty-five per cent) from the originally agreed terms of the RPT.
- **‘Material Related Party Transactions’** shall mean a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeding the following thresholds:
 - I. In the case of transaction involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements.
 - II. *In case of any other transaction, if the amount exceeds Rs. Ten Crores or 10% percent of the annual consolidated turnover of the Company as per its last audited financial statements of the Company, whichever is lower.*
- **‘Office or place of profit’** means any office or place:
 - I. where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

- II. where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.
- **‘Ordinary Course of Business’** means usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum of Association and Articles of Association.
 - **‘Relative’** shall have the same meaning as defined in section 2(77) of the Act.
 - **‘Related Party’ means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:**
Provided that:
 - (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or**
 - (b) any person or any entity, holding equity shares of ten per cent or more, in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year; shall be deemed to be a related party.**
 - **‘Related Party Transaction’** means
 - **As defined under Listing Regulation** shall means a transaction involving a transfer of resources, services, or obligations between:
 - i. a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
 - ii. a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries.
- regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.
- Provided that the following shall not be a related party transaction:
- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i) payment of dividend;
 - ii) subdivision or consolidation of securities;

- iii) issuance of securities by way of a rights issue or a bonus issue; and
- iv) buy-back of securities.

- c) acceptance of fixed deposits by Banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s).

- As defined in Section 188 of the Companies Act, 2013, contracts or arrangements with related party with respect to:
 - a) sale, purchase or supply of any goods or materials;
 - b) selling or otherwise disposing of, or buying, property of any kind;
 - c) leasing of property of any kind availing or rendering of any services;
 - d) appointment of any agent for purchase or sale of goods, materials, services or property;
 - e) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - f) underwriting the subscription of any securities or derivatives thereof, of the company.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, LODR Regulations or any other applicable law or regulation and as amended from time to time.

5 Process and Procedure for dealing with Related Party Transactions

All Related Party Transactions (and amendments or modifications thereto) shall be reported to the Audit Committee and referred to for the approval of the Audit Committee or the Board of Directors or Shareholders of the Company as may be required and, in the manner, provided under this Policy.

5.1 Transactions requiring approval of the Audit Committee

- Prior approval of the Audit Committee shall be required for all Related Party Transactions and subsequent Material Modifications, except for the transactions entered between the Company and its wholly owned subsidiary(ies) or between two wholly owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ***A related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity 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.***

- The Audit Committee shall, after obtaining approval from the Board of Directors, specify the criteria for making the omnibus approval, which shall include the following, namely:
 - Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
 - The maximum value per transaction which can be allowed;
 - Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - Review, at least once every quarter, related party transactions entered by the Company pursuant to each omnibus approval made;
 - Transactions which cannot be subject to omnibus' approval by the Audit Committee
- The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - Repetitiveness of the transactions (in the past or in future);
 - Justification for the need for omnibus approval
- The Audit Committee shall satisfy itself regarding the need for such omnibus approval for repetitive transactions and that such approval is in the interest of the Company.
- Any member of the Audit Committee interested in any Related Party Transaction shall not vote to approve the Related Party Transaction. Furthermore, only those members of the Audit Committee who are Independent Directors, shall approve Related Party Transactions.
- Such omnibus approval shall provide for the following details:
 - the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered,
 - the indicative base price / current contracted price and the formula for variation in the price if any; and
 - such other conditions as the Audit Committee may deem fit.
- Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction. Omnibus approval shall not be given for transactions in respect of selling or disposing of the undertaking of the Company.
- While assessing a proposal put up before the Audit Committee for approval, the Audit Committee may review the following documents/ seek the following information from the management to determine if the transaction is in the ordinary course of business and at arm's length or not:
 - Nature of the transaction i.e. details of goods or property to be acquired/ transferred or services to be rendered/ availed (including transfer of resources) – including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction.
 - Key terms of the proposed transaction, including value and quantum.
 - Special terms covered/ to be covered in separate letters or undertakings or any other

- special or sub-arrangement forming part of composite transaction.
- Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - Market analysis, research report, industry trends, business strategies, financial forecasts, etc.
 - Third party comparable, valuation reports, price publications including stock exchange and commodity market quotations.
 - Management assessment of pricing terms and business justification for the proposed transaction.
 - Comparative analysis, if any, of other such transactions entered by the Company.
 - The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered by the listed entity pursuant to each of the omnibus approvals given. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
 - Transactions of the following nature will not be subject to the omnibus approval of the Audit Committee:
 - Transactions which are not at arm's length or not in the ordinary course of business
 - Transactions which are not repetitive in nature
 - Transactions exceeding materiality thresholds as laid down in this Policy
 - Transactions in respect of selling or disposing of the undertaking of the Company
 - Any other transaction the Audit Committee may deem not fit for omnibus approval

5.2 Transactions requiring the approval of the Board of Directors

Approval of the Board shall be required for entering the Related Party Transactions which are not in the ordinary course of business or not an Arm's Length Transaction.

5.3 Transactions requiring the approval of the Shareholders of the Company

All transactions, including Material Related Party Transactions and any subsequent modifications, shall be placed before the shareholders for their approval. No related party shall vote to approve such resolutions, irrespective of whether the entity is a related party to the particular transaction or not.

Additionally, Related Party Transactions that exceed the threshold limits specified below shall also require shareholder approval.

SR. NO.	SPECIFIED TRANSACTIONS	THRESHOLD
1.	<i>Sale, purchase or supply of any goods or materials, directly or through the appointment of agent</i>	<i>Ten percent or more of the turnover of the company</i>
2.	<i>Selling or otherwise disposing of or buying a property of any kind, directly or through the appointment of an agent,</i>	<i>Ten percent or more of net worth of the company</i>
3.	<i>Leasing of property any kind</i>	<i>Ten percent or more of the turnover of the company</i>

SR. NO.	SPECIFIED TRANSACTIONS	THRESHOLD
4.	<i>Availing or rendering of any services, directly or through the appointment of an agent,</i>	<i>Ten percent or more of the turnover of the company</i>
5.	<i>Appointment to any office or place of profit in the Company, its subsidiary company or associate Company</i>	<i>Monthly remuneration exceeding two and a half lakh rupees</i>
6.	<i>Remuneration for underwriting the subscription of any securities or derivatives thereof</i>	<i>Exceeding one percent of the net worth</i>

However, the requirement for obtaining shareholders' approval is not applicable for the transactions entered into between:

- Two government companies
- 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;
- 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.

6 Disclosure

The particulars of contracts or arrangements with Related Parties referred to in section 188(1) of the Act shall be disclosed in the report of the Board as per Section 134 of the Act. Further, the Company shall provide additional disclosures on related party transactions as required under Regulation 23 of the SEBI (LODR) Regulations, 2015.

The Company shall submit disclosures of Related Party Transactions on a consolidated basis, in the format specified by the Securities and Exchange Board of India to the stock exchanges and publish the same on its website within the time limit prescribed under LODR Regulations.

7 Related Party Disclosure not approved under this Policy

In the event the Company becomes aware of a transaction with a Related Party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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 failure of the internal control systems and shall take any such action it deems appropriate.

In any case, 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, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

8 Policy Review

The Audit Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it is appropriate.

The Board shall also review the policy at least once every three years and amend it, if required.

In case of any amendment(s), clarification(s), circular(s) etc. is issued by the relevant authority, not being consistent with the provision laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provision hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.