

**SUPER SALES INDIA LIMITED
(CIN: L17111TZ1981PLC001109)**

RELATED PARTY TRANSACTIONS POLICY

Preamble

Super Sales India Limited (the Company) believes in ethical conduct of business and maintains transparency and accountability in its activities. The Company rigorously ensures compliance with all applicable Statutes, Rules and Regulations. The Company acknowledges that Related Party Transactions represent present or potential conflict of interest between Directors/Senior Management etc. with the interests of the Company.

Objective

This policy is intended to provide a framework to monitor and ensure proper compliance of the applicable statutory provisions relating to identifying, approving, recording and reporting of transactions between the Company and any of its related parties.

Scope of the policy

The Company's policy and procedure relating to identification, regulation, governance of all transactions of the Company with related parties as contemplated under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, Listing Agreements entered with Stock Exchanges and the Accounting Standard AS-18 are addressed in this policy. Any exceptions provided in the Policy on Related Party Transactions under this policy are consistent with the said Acts / Regulations. Further, the Board reserves the right to change, amend or modify this policy from time to time as may deem fit to be in line with the changing requirements..

Definitions

- 1) **"Related Party"** with reference to a company means:
 - (i) A Directors or his relative;
 - (ii) a key managerial personnel or his relative;
 - (iii) a firm, in which a Director, manager or his relative is a partner;
 - (iv) a private company in which a Director or manager or his relative is a member or Director;
 - (v) a public Company in which a Director or manager is a Director and holds along with his relatives, more than two per cent of its paid up share capital
 - (vi) anybody corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager;
 - (vii) any person on whose advice, directions or instructions a Director or Manager is accustomed to act:

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice,

directions or instructions given in a professional capacity;

(ix) any Company which is—

- (1) a holding, subsidiary or an associate Company of the Company; or
- (2) a subsidiary of a holding Company to which it is also a subsidiary;

As per Accounting Standard As -18 the following also constitute related Party relationship to the reporting enterprise (the Company):

- (i) An enterprise directly or indirectly through other intermediaries control the reporting enterprise (by controlling more than 50% voting rights).
- (ii) An enterprise directly or indirectly through other intermediaries is controlled by the reporting enterprise.
- (iii) The enterprise and the reporting enterprise are controlled by the same party (companies under common control)
- (iv) Subsidiary or holding company or associate or joint venture of the reporting enterprise.
- (v) An investing party or JV of which the reporting enterprise is an associate or JV.
- (vi) An individual directly or indirectly control/exercise significant influence by holding more than 50% voting rights, composition of Board and relatives of such individual.
- (vii) Key Managerial Personnel and their relatives.
- (viii) An enterprise over which the persons referred in vi and vii above have significant influence by holding 20 % or more shares.
- (ix) An enterprise owned by directors or major shareholders of reporting enterprise.
- (x) Enterprises that have common key managerial personnel.

3. “Relatives”- with reference to any person, means anyone who is related

to another , if –

- (i) They are members of a Hindu Undivided Family;
- (ii) They are husband and wife; or

(iii) One person is related to the other in the following manner, namely:-

- a) Father including step father
- b) Mother including step mother
- c) Son including step son
- d) Son's Wife
- e) Daughter
- f) Daughter's Husband
- g) Brother including step brother
- h) Sister including step sister

4. “Related Party Transaction”: Related party transaction is a transfer of resources, services or obligations between a company and a related party regardless of any price is charged and include:

- (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;
- (d) Availing or rendering of any services;
- (e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the Company;

5. Material Related party Transaction;

- a. **Under the Listing Agreement, material related party transaction** means the transaction or transactions with a related party, to be entered into individually or taken together with previous transactions during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- b. **Under the Companies Act”** means the transaction or transactions with a related party, individually or taken together with all previous transactions during the financial year for:

- (i) sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten percent of the turnover of the Company or Rs. 100 Crores, whichever is lower.
- (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten percent of net worth of the Company or Rs.100 Crores, whichever is lower
- (iii) leasing of property of any kind exceeding ten percent of the net worth of the Company or ten percent of turnover of the Company or Rs 100 Crores, whichever is lower.
- (iv) availing or rendering of any services, directly or through appointment of agent, exceeding ten per cent of the turnover of the Company or Rs.50 Crores, whichever is lower.
- (v) appointment to any office or place of profit in the Company, its subsidiary company or associate Company at a monthly remuneration exceeding Rupees Two and Half Lakhs.
- (vi) remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one per cent, of the net worth.

The Turnover or Net Worth referred in the above definition shall be computed on the basis of the Audited Financial Statement of the preceding financial year.

- 6. Transactions on 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.
- 7.** Words and expressions used in this policy not specifically defined will have the same meaning assigned to them in the Companies Act, 2013, Rules framed there under, Listing Agreement and the applicable Accounting Standards.

Maintenance of list of Related Parties.

The officers of the Company, such as Wholetime Director, CFO, Company secretary are responsible for maintenance of list of related parties of the company at all times. A database of all the Related Parties of the Company, containing the names of individuals, firms and Companies, identified on the basis of the definition set forth above and on the basis of the declarations/disclosures given by the Directors and KMPs.

Updating Related Party list.

The list of Related Parties shall be updated on the receipt of the general notice of disclosure given by the Directors and the KMPs at the beginning of every financial year and shall be updated on receipt of any intimation of change in interest by the Directors and KMPs from time to time.

Record of Arm Length transactions and transactions taking place in the Ordinary Course of Business.

It shall be the responsibility of the responsible officials of the company to preserve necessary evidences such as copies of contracts, bills, invoices, correspondences, quotations, bids etc.to ensure that the transaction is an arm length transaction. The officials should also ensure requisite evidence and documentation are made available to the Auditors/Audit Committee, as may be required by them, to demonstrate that the transactions are conducted on arm's length basis and are taking place in the ordinary course of business.

Requirement of approvals for different situations are as follows:

I. Simple Related Party Transactions where such transaction is taking place in the Ordinary Course of business and on arm's length basis

All related party transactions of the company which are taking place in the Ordinary Course of business and on arm's length basis require prior approval of the Audit Committee of Board of Directors of the Company.

II. Simple Related Party Transactions which are not in the Ordinary Course of business and/or not on arm's length basis

All transactions of the company with its related parties which are non- material not in the ordinary course of business and/ or not arm length transaction requires the prior approval of the Audit committee and require the approval of the Board

III. Material Related Party Transactions as defined under Listing Agreement.

- o require prior approval of Audit Committee.
- o shall require approval of the Board of Directors.
- o shall require approval of the shareholders through special resolution.

All the shareholders of the Company, who fall under the definition of Related Parties, whether they are party to the transaction or not, shall abstain from voting on such resolution.

However, approval of shareholders is not required for the transactions entered into between a Holding Company and its Wholly Owned Subsidiary.

IV. Material Related Party Transactions as defined under the under Companies Act ,2013, where such transaction is taking place in the Ordinary Course of business and on arm's length basis.

- o Require the prior approval of Audit Committee only.

V. Material Related Party Transactions as defined under the under Companies Act,2013, where such transaction is not taking place in the Ordinary Course of business and is not on arm's length basis.

- require prior approval of Audit Committee.
- require approval of the Board of Directors.
- shall require the approval of the shareholders by a Special Resolution. The Related Party concerned shall abstain from voting on such resolutions.

The interested director shall not be present at the Audit Committee meeting / Board meeting during the discussions on the related party transaction in which he/she is interested.

The Process of monitoring / approving related party transactions

Functional / Departmental heads shall submit to the CFO and Company Secretary the details of proposed transaction with related parties with details /draft contract or other supporting documents to identify whether the transactions are on arms' length basis and is taking place in the ordinary course of business at prevailing market price or otherwise.

Based on this note, Company Secretary will appropriately take it up for necessary prior approvals from the Audit Committee at its next meeting and convey back the decision to the originator.

For the purpose of implementing the provisions of this Policy, the Board and the Audit Committee of the Company shall receive timely, full and sufficient information about the Transactions covered under this Policy.

Consideration of Related Party Transactions for approval by the Audit Committee/ Board.

To review and approve a Related Party Transaction, the Audit Committee / Board should be provided with:

- a. the name of the related party, the interested Director/KMP and nature of relationship;
- b. the nature, duration of the contract and particulars of the contract or arrangement;
- c. the material terms of the contract or arrangement including the value, if any;
- d. any advance paid or received for the contract or arrangement, if any;
- e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;

- f. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- g. any other information relevant or important to take a decision on the proposed transaction.

The Audit Committee/Board, before approving such transactions, shall look into the interest of the Company and its Stakeholders in carrying out the Transactions and on the benefits to the Company.

In determining whether to approve a Related Party Transaction or not, the Audit Committee / Board will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- a. Whether the terms of the Related Party Transaction are fair and are on arms - length basis to the Company and i.e the terms and conditions of such transaction are similar with that of the transaction with an un-related third party.
- b. Whether there are any compelling business reasons for the Company to enter into the Transaction with the related party and any other alternative source of supply/service is available;
- c. Whether the Related Party Transaction would affect the independence of an independent Director ;
- d. Whether the proposed transaction includes any potential reputational risk that may arise as a result of or in connection with the proposed transaction;
- e. Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company; and
- f. Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company,
- g. any other information relevant or important to take a decision on the proposed transaction.

Role of Independent Directors

The Independent Directors shall pay sufficient attention and ensure that adequate deliberations are held before approving Related Party Transactions which are not in Ordinary Course of Business, not on arm's length basis and are Material Related Party Transactions and approve such transactions only if they are required in the best interest of the Company.

Omnibus approval for Routine Related Party Transactions

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- c. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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 the Audit Committee may deem fit;

Provided that 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 and for a maximum period of one year.

- d. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Dealing with un- approved Related Party Transactions.

Any related party transaction has taken place without the approval of Audit Committee / Board/Shareholders as the case may be, required under the policy, the Audit Committee shall, before its consummation review the same for approval or otherwise.

The Audit Committee shall consider all of the relevant facts and circumstances relating to 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.

Where, the Audit Committee decides not to ratify a Related Party Transaction that has been commenced without approval, the Audit Committee, as it may deem appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.

Where any contract or arrangement is entered into by a director or KMP, without obtaining the approval of the Audit Committee or Board or Shareholders as required above and if it is not ratified by the Board or Shareholders within three months from the date on which such contract or arrangement was entered, shall be dealt with as per Section 188(3) of the Companies Act,2013.

Reports and Disclosures

- Particulars of Contracts and arrangements with Related Party covered under this policy requiring members' approval shall be appropriately referred to in the Board's Report to the members along with the justification for entering into such contract or arrangement.
- Details of all material transactions with related parties are to be disclosed every quarter along with the compliance report on corporate governance.
- The Company shall disclose this policy relating to Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.
- The Company shall disclose the name of the related party, the nature of relationship, the transaction details and such other details as required under Accounting Standard-18, in the Annual Report.

Maintenance of Registers

- The Company shall keep and maintain a register in respect of
 - Item II - Simple Related Party Transactions which are not in the Ordinary Course of business and/or not on arm's length basis
 - Item V -Material Related Party Transactions as defined under the under Companies Act,2013, where such transaction is not taking place in the Ordinary Course of business and is not on arm's length basis.

The Register may be maintained physically or electronically, as may be decided by the Board of Directors, giving separately the particulars of all contracts or arrangements to which this policy applies and such register is placed/taken note of before the meeting of the Board of Directors.

- The Company shall maintain such register at the Registered Office of the Company and provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of such fee as may be specified in the articles of the Company.
- The register to be kept under this section shall also be produced at the commencement of every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
- The register shall be preserved permanently and shall be kept in the custody of the Company Secretary /Chief Financial Officer of the Company or any other person authorized by the Board for the purpose.

Amendments to the Policy

The Board on its own on the recommendations of the Audit Committee may amend this policy, as may be required to be in line with the changes, amendments and modifications if any in the Act, Rules, Listing Agreements and the Accounting Standards..

In case of any amendment, clarification, circular, notification etc. issued by a competent authority, which is not consistent with the provisions laid down under this Policy, the provisions of such amendment, clarification, circular, notification, etc. shall prevail and this policy shall stand amended accordingly, without any further action, on and from the date on which such amendment, clarification, circular, notification comes in to effect.
