

# **AVANCE TECHNOLOGIES LIMITED**

## **Policy on Related Party Transactions**

### **Introduction**

In order to bring in process and transparency in transactions with Related Parties which take place in the course of business, the Board of Directors of the Company have adopted the following policy approved by Audit Committee to deal with Related Party Transactions.

### **Objective**

The intention behind adopting this policy is to regulate and control transactions between Company and Related Party in accordance with the Clause 49 of the Listing Agreement entered by the Company with the Stock Exchange(s), The Companies Act, 2013 and other applicable laws to the Company.

### **Applicability**

The 'Related Parties' shall be identified in accordance with the provisions mentioned under Section 2(76) of the Companies Act, 2013 and Rules made thereunder and Clause 49 of the Listing Agreement entered by the Company with Stock Exchange(s).

AND

The 'Related Party Transactions' shall be identified in accordance with the provisions of Section 188 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered by the Company with Stock Exchange(s).

Further, in case of transactions entered into by the company in its ordinary course of business, which are on arm's length basis then such transaction will not referred to as Related Party Transactions.

### **Reporting of Related Party Transactions**

Any director, officer, employees, executives or key managerial personnel, who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement shall disclose the nature of his/her concern or interest it by providing all the information/details of the transactions(s).

### **Review of Related Party Transactions**

Details received with respect to the Related Party Transactions shall be referred to in the subsequent meeting of the Audit Committee.

### **Approval of Related Party Transactions**

After being satisfied about the details and nature of transaction, the Audit Committee shall approve or disapprove the transaction. Also if the Audit Committee deems necessary, it can

call for Boards intervention for particular transactions that need Boards' approval. All Related Party Transactions shall require prior approval of the Audit Committee.

As per Clause 49 of the Listing Agreement entered by the Company with the Stock Exchange(s), all material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

Note:

'Material Related Party Transaction' - A transaction with a related party shall be considered material if the transaction /transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

### **Omnibus Approval**

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions satisfied:

1. The transactions are repetitive in nature.
2. The need for such omnibus approval and that such approval is in the interest of the Company.
3. The value of the each transaction not exceeding Rs. 1 Crore.
4. The Audit Committee shall review, on a quarterly basis, the details of the Related Party Transactions entered into by the company pursuant to each of the omnibus approval given
5. The omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.