

UJALA COMMERCIALS LIMITED

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POLICY ON RELATED PARTY TRANSACTION

1. PREAMBLE

This policy aims to determine the materiality of Related Party Transactions ('RPTs') and to deal with RPTs of Ujala Commercials Limited (the 'Company').

This policy is framed in accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') and Section 177 and 188 of the Companies Act, 2013 (the 'Act') read with Rules made there under.

2. DEFINITIONS

a) "Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest under Section 188 of the Companies Act, 2013.

b) "Board of Directors" or "Board" in relation to a Company means the collective body of Directors of the Company pursuant to Section 2(10) of the Companies Act, 2013.

c) "Material Related Party Transaction" as per Regulation 23 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 means a transaction with related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

d) "Ordinary Course of Business" means the 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 Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

e) "Policy" means Related Party Transaction Policy.

f) "Related Party" means related party as defined under section 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 2(76) of the Companies Act, 2013.

g) “Related Party Transaction” have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 as means a transfer of resources, services or obligations between a listed entity and a related party, 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 transaction in a contract, including but not limited to the following:-

- i) sale, purchase or supply of any goods or materials;
- ii) selling or otherwise disposing of, or buying, property of any kind;
- iii) leasing of property of any kind;
- iv) availing or rendering of any services;
- v) appointment of any agent for purchase or sale of goods, materials, services or property;
- vi) appointment to any office or place of profit in the company
- vii) underwriting the subscription of any securities or derivatives thereof, of the company

h) “Relative” means relative as defined under section 2(zd) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 2(77) under the Companies Act, 2013.

3. APPROVALS AND REVIEW

a) All RPTs including any modification/ renewal thereof shall require prior approval of the Audit Committee (the ‘Committee’).

b) The Committee may grant omnibus approval for RPTs proposed to be entered into by the Company, subject to the following conditions:

i) The proposed RPTs are repetitive in nature and the Committee is satisfied that such omnibus approval is in the interest of the Company;

ii) The Committee shall lay down the criteria for granting omnibus approval for RPTs which shall, *inter alia*, include the following:

- a. Maximum value of the transactions which can be allowed under the omnibus route and maximum value per transaction, in a financial year;
- b. Disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- c. Periodicity of review of RPTs entered into by the Company pursuant to the omnibus approval;
- d. Transactions which shall not be allowed under the omnibus approval route;
- e. Period of validity of omnibus approval which shall not exceed one financial year.

c) Every RPT which is 'Material' as defined in Para 2(c) of this Policy, shall require approval of the shareholders by way of Ordinary Resolution. All Related Parties shall abstain from voting on such resolution, irrespective of whether they are party to the particular transaction or not.

d) All RPTs prescribed under Section 188 of the Act which are either not in the ordinary course of business or are not at arm's length basis, shall require prior approval of :

i) Board of Directors ; and

ii) Shareholders, if amount of such transactions exceeds the limits prescribed in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. The concerned Related Party shall abstain from voting on the resolution.

e) All RPTs including RPTs approved through omnibus approval, shall be reviewed post facto by the Committee on a quarterly basis. The Committee shall be informed whether the RPTs have been entered into in the ordinary course of business and on arm's length basis.

4. DISCLOSURES

a) Particulars of RPTs shall be disclosed in such manner as may be prescribed under the Listing Regulations and/or the Act (including rules made thereunder), from time to time.

b) This Policy shall be disclosed on the Company's website www.ujalacom.in and a web link thereto shall be provided in the Annual Report of the Company.

5. RELATED PARTY TRANSACTIONS 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.

6. REVIEW / AMENDMENT

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.