

**Policy on Related Party Transaction:**

**1. Preface:**

The policy shall be constituted as per Clause 49 (VII) (C) of the Listing Agreement. The policy shall be called "Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions. "which will be effective from October 1<sup>st</sup>, 2014.

**2. Objective:**

Considering the requirements for approval of Related Party Transactions as prescribed under the Companies Act, 2013 ("Act") read with Rules framed there under and Clause 49 of the Listing Agreement (as amended from time to time), Lyka Labs Limited has formulated guidelines for identification of Related Parties and the proper conduct and documentation of all Related Party Transactions.

In the view of the above, the Board of Directors (the "Board") of Lyka Labs Limited have devised and adopted the following policy and procedures to regulate and govern materiality of Related Party Transactions and in general, the Related Party Transactions of the Company.

**3. Definitions:**

- "Act" means Companies Act, 2013.
- "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.
- "Audit Committee" means a committee constituted under section 177 of the Companies Act, 2013.
- "Company" means Lyka Labs Limited.
- "Material Related Party Transaction" means a Related Party Transaction which 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.
- "Policy" means the Policy on Related Party Transactions, including amendments, if any, from time to time.
- "Related Party" means a related party as defined under the Act read with Clause 49 of the Listing Agreement and as amended from time to time.
- "Related Party Transaction" means any transaction between the Company and any Related Party, as defined under the Act read with Clause 49 of the Listing Agreement and as amended from time to time.
- "Relative" means a relative as defined under the Act.



- “Transaction” with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

#### **4. Review and approval of Related Party transaction:**

##### **A) Audit Committee:**

Every Related Party Transaction shall be subject to the prior approval of the Audit Committee, whether at a meeting or by resolutions by circular. However, the Audit Committee may grant prior omnibus approval for Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm’s Length basis, subject to the compliance of conditions contained in Clause 49 of the Listing Agreement.

##### **B) Board of Directors:**

The Related Party Transactions requiring Board consent, as mandated by the Act, shall be placed before the Board for its approval.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting, or shall abstain from discussion and voting on the approval of such Related Party Transaction, and shall not be counted in determining the presence of quorum when such Transaction is considered.

##### **C) Shareholders:**

All the Material Related Party Transactions shall require prior approval of the shareholders, through special resolution, and the Related Parties shall abstain from voting on such resolutions.

All the Transactions, other than the Material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm’s Length basis shall also require the approval of the shareholders through special resolution, if so, required under any law and the Related Party/ies with whom transaction is to be entered into shall abstain from voting on such resolution.

#### **5. Related party transaction not previously approved:**

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 promptly



placed before the Audit Committee or Board of Directors or the Shareholders, as may be required in accordance with this Policy, for review and ratification.

The Audit Committee or the Board of Directors 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.

**6. Disclosures:**

Details of any Material Related Party Transaction shall be disclosed to the stock exchange, quarterly, along with the compliance report on corporate governance. The Company shall disclose the Policy on its website and web-link shall be provided in the Annual Report.

**7. Amendment in Law Any subsequent amendment/modification:**

Any subsequent amendment/modification in the Listing Agreement and/or applicable laws in this regard shall automatically apply to this Policy.

Place: Mumbai

Date: 13<sup>th</sup> November, 2014.

*N.I. Gandhi*

**N.I. Gandhi**  
**Managing Director**  
**00021530**

