

POLICY ON RELATED PARTY TRANSACTION
AFFORDABLE ROBOTIC & AUTOMATION LIMITED

1. PREAMBLE

Securities and Exchange Board of India has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”). Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] (“Listing Regulations”) and Section 188 of the Companies Act, 2013 read with its amendments thereto mandates all listed companies to formulate the Policy for Determining Material Subsidiaries to ensure governance of material subsidiary companies.

2. OBJECTIVE OF THE POLICY

The objective of this policy is to regulate transactions between the Company and its Related Parties as determined based on the Companies Act, 2013, Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

- 1) **“Act”** means the Companies Act, 2013, Rules framed there under and any amendments thereto.
- 2) **Arm’s Length Basis:** RPT will be treated to be on ‘Arm’s Length Basis’ if the key terms, taken as a whole, are comparable with those of similar transactions if they would have been undertaken with non-related parties.
- 3) **“Associate”** means a company as defined under section 2(6) of the Companies Act, 2013 and as defined by applicable accounting standard”.
- 4) **“Audit Committee”** means the Committee of the Board formed under section 177 of the Act and Regulation 18 of the Listing Regulations.
- 5) **“Board of Directors”** or **“Board”** means the collective body of the Directors of the Company.
- 6) **“Body Corporate”** means an entity as defined in Section 2(11) of the Companies Act, 2013.
- 7) **“Company”, “This Company”, “The Company”,** wherever occur in the policy shall mean **“AFFORDABLE ROBOTIC & AUTOMATION LIMITED”** or (“ARAPL”).
- 8) **“Employees”** shall mean the employees and office-bearers of the Company, including but not limited to Whole Time Directors.
- 9) **“Key Managerial Personnel”** shall mean the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed thereunder.

- 10) **Materiality:** The materiality of any RPT will be ascertained as per the thresholds Prescribed under the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015. A transaction with a related party shall be considered material if the transaction(s) 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 listed entity as per the last audited financial statements of the listed entity
- 11) **Ordinary Course of Business:** RPT will be considered in ordinary course if they are Entered in the normal course of the business pursuant to the objects of the Company as per the charter documents of the Company.
- 12) **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.
- 13) **Related Party:** A Related Party shall have the same meaning as defined under the Act and the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 as amended from time to time.
Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.
- 14) **Related Party Transaction (“RPT”):** A Related Party Transaction is a transfer of resources, services or obligations between a company and a Related Party, regardless of whether a price is charged. A transaction with a related party shall be construed to include single transaction or a group of transactions in a contract.
- 15) **“Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto.
- 16) **“Subsidiary”** means a company as defined in Section 2(87) of the Companies Act, 2013
- 17) **“Website”** means website of the Company i.e. www.arapl.co.in

Company’s Policy on Related Party Transactions

- A.** the Company shall enter into transactions with related parties only if such transactions are:
 - (a) In the Ordinary Course of business and on arms length basis.
 - (b) Duly approved by the audit committee.
- B.** In cases where the transactions are material in value in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR’), the Company shall enter into transactions with related parties only if such transactions are duly approved by the shareholders.
- C.** In cases where the transactions are not in the ordinary course of the Company’s business, the Company shall enter into transactions with related parties only if such transactions are duly approved by the Board of Directors in a meeting and pre approved by the shareholders.

For the above purpose, transactions with related parties shall be identified based on the definition of Related Party Transactions as given in section 2(76) of the Companies Act, 2013 read with Rule 3 of the Companies (Specification of definitions details) Rules, 2014 and also as given in LODR.

In determining whether the transaction is “material” or not, regard shall be had to the requirements of Regulation 23 of LODR.

The Audit Committee shall formulate and adopt adequate rules and shall assign responsibilities to the senior executives of the Company so as to ensure compliance with this Policy.

DISCLOSURE

The company shall submit on the date of publication of its standalone and consolidated financial results for the half year; disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

- ❖ Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance to the stock exchanges where the securities of the company are listed.
- ❖ This Policy shall be made available on the website of the Company and a web link thereto shall be provided in the Company’s Annual Report.

POLICY REVIEW

This policy shall be reviewed at least once in every three years so that the policy remains compliant with applicable legal requirements. The board shall keep the policy updated as per applicable statutory guidelines.

AMENDMENT

The Board shall have power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new Policy according to subsequent modification(s) / amendment(s) to Regulations. However, the amended regulatory requirements will supersede the Policy till the time Policy is suitably amended.