



POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

ULTRACAB (INDIA) LIMITED

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ULTRACAB (INDIA) LIMITED

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

TITLE

This Policy shall be called 'Policy on materiality of Related Party Transactions and dealing with Related Party Transactions'.

COMMENCEMENT

The Policy shall come into effect from 10th October 2014

OBJECTIVE

The changes introduced in the Corporate Governance norms through the Companies Act, 2013 and the revised clause 49 of the Listing Agreement require the companies to have enhanced transparency and due process for approval of the Related Party Transactions.

One such requirement is that the companies are required to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

This policy is intended to ensure the proper approval and reporting of transactions between the Company and any of "Related Party" as defined below.

DEFINITIONS

"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.

"Audit Committee" means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the Listing Agreement and the Companies Act, 2013.

"Board" means the Board of Directors of Ultracab (India) Limited

Company means "Ultracab (India) Limited

"Material Related Party Transaction" means a transaction with a Related Party where 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.

"Office or place of profit" means any office or place –

- (a) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

- (b) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if such person receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

“Policy” means this Policy, as amended from time to time.

“Related Party” in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Companies Act, 2013 and clause 49 of the Listing Agreement as amended from time to time.

“Related Party Transaction” in relation to the Company means a transaction with a Related Party under the relevant provisions of the Companies Act, 2013 or the Listing Agreement or any other related law, regulation, standard etc. as amended from time to time.

APPROVAL OF RELATED PARTIES TRANSACTIONS

All Related Party Transactions entered into by the Company shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions subject to following procedure for grant of omnibus approval as prescribed under the Listing Agreement and/or any other applicable laws, regulation or standard for the time being in force.

The Board shall approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or Listing Agreement and/or transactions referred to it by the Audit Committee.

Where any director is interested in any Related Party Transaction, such director will not participate during discussion and voting on the subject matter of the resolution relating to such Transaction in the meeting.

All Material Related Party Transactions shall require approval of shareholders of the Company through special resolution and the Related Parties shall abstain from voting on such resolution(s).

All Related Party Transactions (other than Material Related Party Transactions) pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business or are not Arms' length transactions and cross the threshold limits prescribed under Companies Act, 2013 shall also require the approval of shareholders of the Company through special resolution and Related Parties shall abstain from voting on such resolution(s). The Related Party for the purpose shall be construed with reference to/in the context of the contract or arrangement for which the special resolution is being passed.

The approval mechanism for Related Party Transactions shall be as stipulated in the provisions of Listing Agreement and/or Companies Act, 2013 as amended from time to time.

AMENDMENTS

The Board shall have the 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.

INTERPRETATION

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term /provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.