



## **POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS**

### **HILIKS TECHNOLOGIES LIMITED**

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## **PREFACE**

HILIKS TECHNOLOGIES LIMITED ("Company") has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions. An endeavor is consistently made to have only arms' length transactions with Related Parties.

All Related Party Transactions ("RPTs"), as that term is defined in this policy, shall be subject to review in accordance with the procedures set forth below. The Board has determined that the Audit Committee (the "Committee") is best suited to review all Related Party Transactions.

## **DEFINITIONS**

- (a) A '**related party**' is a person or entity that is related to the Company. Parties/Entities are considered to be related if: (i) such entity is a related party under Section 2 (76) of the Companies Act, 2013 ("Act") read with Regulation 2(1)(zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time; or (ii) such entity is a related party under the applicable accounting standards.
- (b) A "**Related Party Transaction**" shall mean a related party transaction as defined under Regulation 2(zc) of Listing Regulations and/or Section 188 of the Act read with the Rules or applicable accounting standards, as amended from time to time.
- (c) **Material Related Party Transactions:** 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 rupees one thousand crore or ten percent of the annual consolidated turnover of the Company, whichever is lower, as per the last audited financial statements of the Company.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

### **Further, the subsequent modification(s) of Related Party Transaction shall be considered material if:**

- a) the impact in consideration exceeds 20% than the original contract or arrangement;
- b) the change in payment terms or any other material commercial term like security, tenure, rate of interest etc. not favorable to the Company;
- c) the impact in quantity exceeds 20% than the original contract or arrangement.

## **RELATED PARTY TRANSACTIONS**

- (a) All Related Party Transaction(s) shall be entered on arms' length basis.
- (b) In exceptional circumstances, where permitted by law, Related Party Transaction(s) of the Company may deviate from the principle of arm's length, after obtaining approval from Audit Committee and the Board of Directors, as the case may be.

(c) In exceptional circumstances, where permitted by law, Related Party Transaction(s) of the Subsidiary which exceed the threshold specified in Regulation 23 of the Listing Regulations, may deviate from the principle of arm's length, after obtaining approval from its audit committee and / or board of directors, as the case may be and approval of Audit Committee and Shareholders of the Company, if applicable.

(d) All Related Party Transaction(s) of the Company shall be in compliance with the provisions of the Act, the Listing Regulations and the applicable Accounting Standards, as amended from time to time.

**APPROVAL**

(a) All Related Party Transaction(s) of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the Listing Regulations.

(b) All Related Party Transaction(s) of the Subsidiary of the Company exceeding the threshold of material related party transactions as specified in Regulation 23 of the Listing Regulations and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be.

**AMENDMENT**

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.

**REVIEW**

This Policy will be reviewed as and when required but atleast once in three years.

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