

## **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

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### **1. Introduction and Background**

Infomedia Press Limited (the “Company” or “Infomedia”) recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

### **2. Scope & Inclusion**

This Policy sets definition of materiality of Related Party Transactions, definition of material modification in related party transactions and dealing with related party transactions.

### **3. Terms and References**

#### **3.1 Related Party Transactions**

“Related Party Transaction” means related party transaction as defined under Regulation 2 (1)(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulations”).

#### **3.2 Related Party Transaction(s) of the Company**

Related Party Transaction(s) where the Company is a party to the transaction(s) / contract(s) / arrangement(s) with a Related Party.

### **3.3 Materiality of Related Party Transactions**

3.3.1 Contracts / arrangements with a related party shall be considered as “material related party contracts / arrangements” if the transactions to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statement or such sum or limit as may be prescribed under the Listing Regulations.

3.3.2 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 statement of the Company

### **3.4 Material Modifications**

3.4.1 Material modifications in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by 10% or rupees fifty crore, whichever is higher.

All other terms and references used but not defined herein shall have the same meaning as is assigned to them under the Companies Act, 2013 ('Act'), the Listing Regulations and rules, regulations, notifications and circulars issued thereunder.

## **4. Policy**

4.1 All Related Party Transaction(s) shall be entered on arms' length basis.

4.2 In exceptional circumstances, where permitted by law, Related Party Transactions(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.

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

4.4 All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

- 4.5 All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

## **5. Approval**

- 5.1 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.
- 5.2 The Audit Committee may grant omnibus approval for the proposed Related Party Transactions in line with the policy on Related Party Transactions of the Company and such approval shall be in respect of transactions which are repetitive in nature. The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company.
- 5.3 Where the need for Related Party Transaction cannot be foreseen and requisite details of Related Party Transaction as required under the Act and / or the Listing Regulations are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction. Such omnibus approvals shall be valid for a period not exceeding 1 year and shall require fresh approvals after the expiry of 1 year.
- 5.4 On a quarterly basis, the Audit Committee shall review transactions conducted with related parties under the contracts or arrangements including modifications to existing contracts or arrangements, if any, with related parties vis-à-vis omnibus approval provided earlier
- 5.5 No director will participate in any audit committee meeting / Board meeting discussion for approval of RPT in which he / she is interested.
- 5.6 All material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders through a resolution, with related parties abstaining from voting.
- 5.7 All Related Party Transactions pursuant to Section 188 of the Act which are not in the ordinary course of business and / or not an Arms' length basis and which cross the threshold limits prescribed under Act, from time to time, shall also require the requisite approval of Shareholders of the Company (unless it is exempted pursuant to the provisions of the Act) and no Member of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such Member is a

Related Party in the context of the contract or arrangement for which such resolution is being passed.

## **6. 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.

## **7. Review**

This policy will be reviewed as and when required but at least once in three years.

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