



POLYSPIN EXPORTS LIMITED

CIN: L51909TN1985PLC011683

RAJAPALAYAM – 626 117

POLICY ON RELATED PARTY TRANSACTIONS

(Applicable with effect from 1st April, 2022)

1. PREAMBLE

POLYSPIN EXPORTS LIMITED (“**Company**”) recognizes that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s interests. This Policy spelling out the review and approval and materiality of Related Party Transactions has been adopted by the Company’s Board of Directors, as recommended by the Audit Committee, in order to set forth the procedures under which such transactions must be reviewed and approved or ratified. This Policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

The Board of Directors of the Company will review and, if required, may amend this Policy from time to time and such amended Policy shall also be in conformity with the provisions of the Companies Act 2013, including the Rules made thereunder, and the SEBI LODR Regulations and must be approved in the manner as may be decided by the Board of Directors.

2. Purpose

This Policy is framed as per requirement of Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions may be considered appropriate only if they are in the best interest of the Company and its shareholders.

3. Policy

1. The Company shall not enter into any contract or arrangement with its related party (other than wholly owned subsidiaries) or related party of any of its subsidiaries, without the prior approval of the Audit Committee.



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A subsidiary of the Company shall not enter into any contract or arrangement with its related party or that of the Company or any of the Company's other subsidiaries (other than transaction between two wholly owned subsidiaries), as the case may be, where the value of the transaction (either individually or taken together with previous transactions during a financial year) exceeds the threshold prescribed under the applicable laws / regulations, without the prior approval of the Company's Audit Committee.

2. The Audit Committee shall, after obtaining approval of the Board of Directors of the Company ('the Board'), specify the criteria for making omnibus approval for related party transactions, which shall include the following:
 - Maximum value of related party transactions, in aggregate, which can be allowed under the omnibus approval mechanism;
 - Maximum value per related party transaction which can be allowed;
 - Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - Review, at such intervals as the Audit Committee may deem fit, of related party transactions entered into pursuant to each of the omnibus approval made;
 - Related party transactions, which cannot be covered under the omnibus approval mechanism.
3. Based on the criteria under (2) above, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for related party transactions that are repetitive in nature. The Audit Committee may also grant omnibus approval for related party transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available.
4. While assessing a proposal for approval under the omnibus mechanism, the Audit Committee shall satisfy itself on the need for such approval and that the same is in the interest of the Company.
5. Transactions of the following nature shall be outside the purview of the omnibus approval mechanism:
 - Transactions that are not in the ordinary course of business or not at arm's length.
 - Transactions which are not repetitive or unforeseen in nature.
 - Transactions exceeding the threshold limits specified for omnibus approval.



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- Inter-corporate loans given / taken to / from related parties and purchase / sale of investments from / to related parties.
 - Transactions in respect of sale or disposal of undertaking.
 - Any other transaction as may be specified by the Audit Committee.
6. Such omnibus approval referred to in (2) and (3) above shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
7. The Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into pursuant to each of the omnibus approval given.
8. In the event any contract or arrangement with a related party is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board or the shareholders, as applicable, for such contract or arrangement.
9. All material related party transactions, other than those with / between wholly owned subsidiaries, shall be placed for approval of the shareholders of the Company.

A transaction with a related party will be considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds Rs. 1,000 crores or ten percent of the annual consolidated turnover (or such other limit as may be specified under the applicable laws / regulations, as the case may be) as per the last audited financial statements of the Company, whichever is lower.

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 to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds two percent of the annual consolidated turnover as per the last audited financial statements of the Company.

10. Subsequent modifications to the related party transactions of the Company shall require approval of the Audit Committee and / or shareholders, as applicable. In respect of the approved related party transactions of the subsidiaries (where the Company is not a party), only material modification(s) shall require approval of the Audit Committee and / or shareholders of the Company, as applicable.

Material modification(s), for this purpose, are those modifications that result in an increase of more than ten percent of the amount approved by the Audit Committee and / or shareholders, as applicable.



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11. Related party transactions that are required to be approved by the Board and / or any other Board Committee shall not require separate approval of the Audit Committee, such as transactions relating to appointment and remuneration of Directors and Key Managerial Personnel, CSR spends by the Company etc.

Further, the following shall not require separate approval of the Audit Committee under this Policy.

a) issue of securities on a preferential basis subject to compliance with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

b) Corporate Actions which are uniformly applicable / offered to all shareholders in proportion to their shareholding:

- Payment of Dividend (including Interim Dividend);
- Sub-division or consolidation of securities;
- Issuance of securities by way of rights issue or bonus issue;
- Buyback of securities; and
- Such other transactions as may be prescribed under the applicable laws / regulations.

12. With effect from 1st April, 2023, the approval requirements mentioned hereinabove shall also apply to those transactions undertaken by the Company or any of its subsidiaries on the one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries.

13. Disclosures in respect of related party transactions will be made in accordance with the applicable laws / regulations.

14. In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

15. This Policy will be reviewed every three years and will be posted on the Company's corporate website www.polyspin.org and web link thereto will be disclosed in the Annual Report of the Company.