

INDONG TEA COMPANY LIMITED

CODE OF CONDUCT FOR RELATED PARTY TRANSACTIONS

PREAMBLE

This policy is framed under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and applicable provisions of the Companies Act, 2013 recognizes the potential conflict of interest between the Company and its stakeholders in case the Company enters into contracts/arrangements with its related party and considering such transactions are at the best interest of both the parties in the given situation.

The objective of this Policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company in this regard and to ensure proper approval and reporting of transactions between the Company and its Related Parties.

The Audit Committee shall review, approve and ratify Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act, 2013, including the Rules promulgated thereunder and Regulation 23 of Listing Regulations and must be approved in the manner as may be decided by the Board of Directors.

DEFINITIONS

- (a) "Act" means Companies Act, 2013 including any statutory modification or re-enactment thereof;
- (b) Audit Committee or Committee means Committee of Board of Directors of the Company constituted under provisions of Listing Regulations and the Act.
- (c) "Board" means Board of Directors of the Company.
- (d) "Related Party" with reference to the company, means an entity where:
 - i. Such entity is a related party as defined under section 2(76) of the Companies Act, 2013; or
 - ii. Such entity is a related party under the applicable accounting standards.
- (e) "Related Party Transaction" means a transaction between the company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188(1) of the Companies Act, 2013, or is a related party transaction as understood under applicable law, rules, regulations for the time being in force in India.

TRANSACTIONS BETWEEN COMPANY & RELATED PARTIES AND MATERIALITY THRESHOLD

Transactions between the Company and Related Parties shall be entered into in the manner that is compliant with the applicable provisions of the Companies Act, 2013 and applicable Regulation covered under SEBI Law.

MATERIALITY THRESHOLD

- **For all transactions other than Brand usage or Royalty payment if any**
A transaction with the Related party shall be treated as "Material" if any transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% (Ten percent) of the annual consolidated turnover of the company as per the last audited financial statements of the company.
- **For all transactions related to Brand usage or Royalty payment if any**
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 2% (Two percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

INTERNAL PROCESS IN REGARD TO RELATED PARTY TRANSACTIONS

- All the transactions which are identified as Related Party Transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company.

A maximum sum of Rs. 1.00 crores during the financial year have been capped under omnibus approval by the Audit Committee for the transactions of repetitive nature and with the same related party Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year

- In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being
 - a) not in the ordinary course of business, or
 - b) not at an arm's length price,

the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction.

- If a Related Party Transaction is
 - a) a material transaction as per Regulation 23 of the Listing Regulations, or
 - b) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013,it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction.
- If any contract or arrangement is entered by a Director or any employee without the consent of the Board or without Special Resolution in General Meeting due to some

urgency, it shall be ratified by the Board or General Meeting by means of Special Resolution within 3 months, as the case may be.

- In case of market price of any transactions/arrangements are not available or cannot be ascertained and could not be executed with outsiders due to secrecy of the nature of products or formula, such transactions shall be done as far as possible to the nearing market price and after citing justification to the Audit committee for such transaction and necessity.
- In case of any subsequent changes in the provisions of the Companies Act, 2013, Listing Regulations or any other regulations (“the Regulations”) which makes any of the provisions in the Policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Regulations.
- The Policy shall be reviewed and recommended by the Audit Committee at least once in every Three years or as and when any changes are to be incorporate in the Policy due to change in the Regulations or as may be felt appropriate by the Audit Committee, whichever is earlier for approval of the Board of Directors. Any changes or modification on the Policy as recommended by the Audit Committee would be presented for review and approval of the Board of Directors

AMENDMENT

The Board reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Listing Agreement, Act or any law for the time being in force.

POLICY GOVERNANCE

Policy Sponsor	:	Managing Director
Approved by	:	The Board
Responsibility for document Management	:	Executive Director/Company Secretary

Sd/-

(As approved by Board of Directors at the Meeting dated 8th February, 2022)