

# **DELTA CORP LIMITED**

## **RELATED PARTY TRANSACTION POLICY**

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## 1. Preamble

The Board of Directors (the “**Board**”) of Delta Corp Limited (the “**Company**”), has adopted the following policy and procedures with regard to Related Party Transactions.

This Policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.

The Policy is effective from 01<sup>st</sup> April, 2022.

## 2. Purpose

This Policy is framed in accordance with the requirements of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any modification(s) / amendment(s) / re-enactment(s) thereof) (“**Listing Regulations**”).

## 3. Definitions

“**Act**” shall mean the Companies Act, 2013 and the rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**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. For determination of arm’s length basis, guidance may be taken from provisions of transfer pricing under Income Tax Act, 1961.

“**Audit Committee**” or “**Committee**” means “Audit Committee” constituted by the Board of the Company under provisions of the Listing Regulations and the Act, from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Material Modification**” means and includes any modification to an existing related party transaction having variance of 10 % of the existing amount(s) as sanctioned by the Audit Committee / Board / shareholders, as the case may be.

“**Policy**” means Related Party Transaction Policy of the Company.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act or the Listing Regulations, as amended from time to time.

## **4. Policy and Procedure**

### **Policy**

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the said Audit Committee in accordance with this Policy and applicable legal requirements.

### **Procedure**

#### **A. Identification of Related Party Transactions**

- Every director shall at the beginning of the financial year provide information by way of written notice to the Company regarding his/her concern or interest in the entity with specific reference to parties which may be considered as Related Party with respect to the Company and shall also provide the list of relatives which are regarded as Related Party as per this Policy and applicable legal requirements. Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as Related Party according to this Policy and applicable legal requirements. Any changes to such concerns/interests will also be notified to the Company expeditiously, as per applicable legal requirements.
- The Company will identify Related Parties and potential transactions with Related Parties based on: (i) the written notices of concern or interest referred above; (ii) the Company's register of members; (iii) statement showing shareholding pattern of the Company's Promoter and Promoter Group; (iv) notice(s) of beneficial interest in the Company's shares received from its shareholders / persons holding beneficial interest in the manner prescribed in the Act, and the rules framed thereunder; and (v) other credible and verifiable information as may be available to the Company's senior management from time to time.

#### **B. Review and approval of Related Party Transaction**

##### **Approval of the Audit Committee**

- Every Related Party Transaction and subsequent Material Modifications (other than those which are excluded under the Listing Regulations and the Act) shall be subject to the prior approval of the Audit Committee, in accordance with the Listing Regulations and the Act, whether at a meeting or by resolution by circulation or any other manner as provided by the Act.
- Only those members of the Audit Committee who are independent directors shall approve Related Party Transactions.
- Subject to changes under applicable law, a Related Party Transaction to which the Subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the Audit Committee if the value of such transaction (whether entered into individually or taken together with previous transactions during a financial year) exceeds:
  - (a) 10% of the annual consolidated turnover as per the last audited financial statements of the Company; or

- (b) 10% of the annual standalone turnover as per the last audited financial statements of the Subsidiary.

The above-mentioned approval requirement does not apply to (i) a Related Party Transaction to which a listed Subsidiary of the Company is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the Listing Regulations are applicable to such listed Subsidiary, and (ii) remuneration and sitting fee paid by the Company or its Subsidiary to its director, key managerial personnel or senior management who is not part of promoter or promoter group, if not otherwise a 'material' Related Party Transaction.

- The Audit Committee may grant prior omnibus approval for Related Party Transactions proposed to be entered into by the Company or its Subsidiary which are repetitive in nature subject to compliance with the conditions contained in the Listing Regulations, the Act and such other conditions as it may consider necessary in line with this Policy, once it has satisfied itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
- If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.
- Where the need for Related Party Transaction cannot be foreseen and details required to obtain the omnibus approval are not available, Audit Committee may grant prior omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction (or such other limits as may be specified under applicable law).
- The Audit Committee shall also review periodically as deemed fit, and, at least on a quarterly basis or such other period as may be specified under applicable law, details of Related Party Transactions entered into by the Company or its Subsidiary pursuant to each of the omnibus approvals given.
- Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself/herself and abstain from discussion and voting when such Related Party Transaction is considered.
- To review a Related Party Transaction, the Committee shall be provided with the necessary information required under the Act and the Listing Regulations, and any other information as may be relevant with respect to Related Party Transactions.
- The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / shareholders as per terms of this Policy and requirements of applicable law.
- The members of the Audit Committee who are independent directors may ratify Related Party Transactions within 3 months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the conditions prescribed under the Listing Regulations. Failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a Related Party to any director of the Company, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

### **Approval of the Board and the Shareholders**

- The Board shall consider for approval such Related Party Transactions as are required to be approved under Act and/or the Listing Regulations and/or transactions referred to it by the Audit Committee.
- Where any director is interested in any Related Party Transaction, such director shall not vote at the meeting on the agenda item when such Related Party Transaction is considered.
- Further, in respect of 'material' Related Party Transactions and Material Modifications which require approval of shareholders under the Act or under Listing Regulations, such approval shall be sought by the Company. During such voting, no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
- In case the shareholders of the Company decide not to approve a Related Party Transaction, the Board/ Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable to shareholders for approval.

### **5. Related Party Transactions not approved under this Policy**

If a Related Party Transaction is entered into by a director or employee without obtaining the consent of the Board or shareholders (as required under applicable law) and if such transaction is not ratified by the Board or shareholders (as applicable) within 3 months from the date on which such transaction was entered into, such Related Party Transaction shall be voidable at the option of the Board or the shareholders, and if the contract or arrangement is with a related party to a director or authorized by any other director, such concerned director shall indemnify the company against any loss incurred by it.

Other than the above, if a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate in line with the requirements of applicable law, including (but not limited to) ratification, revision or termination of the Related Party Transaction. The Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

### **6. Disclosures**

The Company shall make all such disclosures to the stock exchanges, in its annual report, and on its website in the prescribed format, as may be required under the Listing Regulations and the Act.

This Policy will be communicated to all employees and other concerned stakeholders and uploaded on the website of the Company.

## **7. Policy Review**

This Policy is framed based on the provisions of the Act and the requirements of Listing Regulations.

Any subsequent amendment / modification in the provisions of the Act, Listing Regulations 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.

The Audit Committee will review and may amend this Policy periodically as deemed fit, and at least once every three years or such other period as may be set out under applicable law and recommend the same to the Board. The Board will, based on inputs of the Audit Committee, review the Policy at least once every three years or such other period as may be set out under applicable law.

Note:- Amended and approved by Board of Directors of the Company by Circular Resolution on 21<sup>st</sup> January, 2025.

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