



RELATED PARTY TRANSACTIONS POLICY

Preamble

The Board of Directors (the “Board”) of Allsec Technologies Limited (the “Company” or “Allsec”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below. The Audit Committee will review and may amend this policy from time to time. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.

Purpose

As per the requirement of Regulation 23 of SEBI (LODR) Regulations, 2015 (“SEBI Regulations”), as amended from time to time this Policy is framed to ensure proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements - certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

Definitions

“**Arm’s Length Transaction**” means a transaction conducted between two parties in such a manner so that there is no conflict of interest.

“**Audit Committee**” means Committee of Board of Directors of the Company constituted under the provisions of SEBI Regulations and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Control**” includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner

“**Key Managerial Personnel**” means:

- (i) Managing Director, or Chief Executive Officer or manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the Directors who is in whole-time employment designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed.

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“Material modification” means any modifications to the material related party transactions which were approved by the Audit Committee or Shareholders during the year which will change the complete nature of the transaction and in case of monetary thresholds which is in excess of 20% of the originally approved transaction, in case of exigencies only.

“Materiality”, means a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower as per the last audited financial statements of the listed entity.

Provided that in case of any amendment to the Act or Listing Regulations, definition of Material Related Party Transactions will be deemed to be changed without any further approval of Audit Committee or Board. Transaction involving payment made to related party with respect to brand usage or royalty, exceeding 5% of annual consolidated turnover of the Company as per the last audited financial statement, shall also be considered as material RPT under Listing Regulations.

“Ordinary Course of Business” means activities that are normal, regular, frequent and incidental to the business of the Company.

“Policy” means Related Party Transaction Policy.

“Related Party” means a related party as defined under Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards. Any person or entity belonging to the promoter or promoter group of the Company and holding 20% or of ten per cent or more, with effect from April 1, 2023; more of shareholding in the Company shall be deemed to be a related party.

“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
 - (ii) a listed entity or any of its subsidiaries on 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 listed entity or any of its subsidiaries, with effect from April 1, 2023;
- regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

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(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

- i. payment of dividend;
- ii. subdivision or consolidation of securities;
- iii. issuance of securities by way of a rights issue or a bonus issue; and
- iv. buy-back of securities.

Manner of dealing with Related Party Transactions

All Related Party Transactions and subsequent material modifications must be approved by the Audit Committee (“**Committee**”) and may be referred by the Committee to the Board and/or Shareholders for its/their approval, as may be required in accordance with this Policy.

Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board / Audit Committee may reasonably request. Board / Audit Committee will determine whether the transaction constitutes a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee / Board has adequate time to obtain and review information about the proposed transaction.

Prohibitions related to Related Party Transactions

All Related Party Transactions shall require prior approval of Audit Committee. All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2)] shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. This restriction shall not apply to a resolution plan approved under Section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

All transactions which are not in the ordinary course of business or not as per arms' length price or both shall be put up for the prior approval of the Board. In case the



Company has more than the paid-up capital as prescribed and the related party transaction exceeds the prescribed thresholds under the Companies Act, 2013, the transactions shall be put up for prior approval of the shareholders.

Approval of Related Party Transactions

1. All Related Party Transactions shall include clear threshold limits duly approved by the Board of Directors.
2. This Policy shall be approved by the Board of Directors once in every three years and after approval shall be uploaded on the website of the Company.
3. 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 its last audited financial statements.
4. To review a related party transaction, the Audit Committee shall be provided with all relevant information pertaining to the transaction including the terms of the transaction, purpose of the transaction, benefits to the Company and the related party and any other information that the Committee may deem fit to consider.
5. Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity subject to the following conditions, namely:
 - (i) the Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature .
 - (ii) the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of Company.
 - (iii) the omnibus approval shall specify:
 - a. Type, material terms and particulars of the proposed transaction;
 - b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
 - c. Tenure of the proposed transaction (particular tenure shall be specified);
 - d. Value of the proposed transaction;
 - e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for an RPT involving a subsidiary, such percentage is calculated on the

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- basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- ii. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - a) details of the source of funds in connection with the proposed transaction;
 - b) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
 - c) nature of indebtedness;
 - d) cost of funds; and
 - e) tenure;
 - f) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - g) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
 - i. Justification as to why the RPT is in the interest of the listed entity;
 - ii. A copy of the valuation or other external party report, if any such report has been relied upon;
 - iii. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
 - iv. Any other information that may be relevant

Where the need for related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- (iv) the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given and shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
 - (v) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
6. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.
 7. The requirements of prior approval, omnibus approval and shareholders' approval shall not be applicable to transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
 8. The Company shall submit within fifteen days from the date of publication of its standalone and consolidated financial results. Provided further that the listed



entity shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023

Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

Policy Commencement & Amendments

This Policy comes into effect from April 1, 2019 and subsequently amended on July 27, 2022 and May 8, 2023.