

Related Party Transaction and Materiality of Related Party Transaction Policy

1. Preamble

The Board of Directors (the “Board”) of Sasken Technologies Limited (the “Company”), has adopted the Related Party Transaction Policy on September 22, 2014 detailing procedures for dealing with Related Party Transactions (‘RPTs’).

The said Policy is to regulate such transactions between the Company, its wholly owned subsidiaries and / or its Related Parties based on the laws and regulations applicable to the Company.

This Policy is modified incorporating the important amendments made to the Listing Regulations by SEBI effective April 1, 2022.

2. Purpose

This Policy is framed as per the requirements of Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification(s) / amendment(s) / re-enactment(s) thereof (the “Listing Regulations”) and in terms of Section 188 and other applicable provisions of the Companies Act, 2013 and rules made thereto (collectively referred as the “Act”) as amended from time to time and is intended to ensure to have a proper framework for approval, disclosure and reporting requirements of transactions between the Company and its Related Parties.

This Policy intends to:

- a. Identify all transactions which fall within the ambit of RPTs / Material RPTs both as per the Regulations and the Act.
- b. Seek necessary approvals of the Audit Committee / Board / Shareholders as may be necessary, after providing necessary information.

For the sake of convenience, important terms appearing in the Policy are defined and given as an Annexure.

3. Policy and Procedure

3.1 Policy

Unless exempted, all RPTs(s) where the Company and / or its subsidiaries is a party to such transaction(s), must be reported to the Audit Committee prior to its execution for their approval and wherever applicable with its recommendation to the Board / Shareholders for the respective approvals in accordance with this Policy. In case of exempted transactions, the same shall be reported to the Audit Committee at each of its quarterly meetings.

3.2 Procedures

A. Identification of Related Party Transaction(s)

Each Director and Key Managerial Personnel of the Company and its subsidiaries shall at the beginning of the financial year provide information to the Company regarding their concern or interest in the other entity(ies) with specific concern to parties which may be considered as related party with respect to the Company / its subsidiaries and shall also provide the list of their relatives which are regarded as related party as per this Policy.

Directors are also required to provide information regarding their nature of interest in other entity(ies) during the financial year which may be regarded as related party(ies) according to this Policy.

The said information will be compiled by the Company Secretary and to be uploaded in the repository of the Company. Any concerned Department of the Company such as Finance (including PLC, FMS, Legal), Human Resource, etc. in case of entering into any transaction with possible related party(ies) of the (a) Company or (b) its subsidiaries or (c) subsidiaries entering into transaction with related party of the Company shall inform Company Secretary for seeking prior approval, as per regulatory provisions.

The Company Secretary and Finance Controller will identify potential transactions with Related Parties based on information of concern or interests received from its Directors / Key Managerial Personnel as well as based on the list of related parties of the Subsidiary Companies, in the manner prescribed in the Act and Listing Regulations. Thereafter, with the approval of the Chairman / Chief Executive Officer / Chief Financial Officer, it shall be placed before the Audit Committee for its approval.

B. Review and approval of Related Party Transaction(s)

» Audit Committee

- Every RPT and subsequent Material Modifications if any, other than exempted transaction(s) indicated in this Policy, shall be subject to the prior approval of the Audit Committee.

Members of the Audit Committee, who are independent directors, shall only approve RPTs.

- The Audit Committee may grant omnibus* approval for RPTs proposed to be entered into by the Company or any of its subsidiary during the financial year in which approval is sought subject to compliance of the conditions contained in the Act and Listing Regulations.
- The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- Prior approval of the Audit committee shall be required for:



- a) All RPTs excluding exempted ones defined in this Policy and subsequent Material Modifications thereto;
- b) RPTs where Company's subsidiary is a party, but Company is not a party, if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the consolidated turnover of the Company, as per the last audited financial statements of the Company;
- c) A RPT to which the Company's subsidiary is a party but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of such subsidiary.

**The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company or any of its subsidiary.*

If any RPT is to be entered by the Company over and above the limits sanction by the Audit Committee as part of omnibus approval, then the Company shall present such proposed transaction before the Audit Committee for its prior approval.

- The Audit Committee shall also review the statement of significant RPTs submitted by management as per its terms of reference.
- Any member of the Committee who has a potential interest in any RPT shall abstain from discussion and voting on the approval of the RPT.
- To review a RPT, the Committee shall be provided with the necessary information (as prescribed under the Act and / or the Listing Regulations, from time to time), to the extent relevant, with respect to actual or potential RPTs.
- The Audit Committee shall recommend the RPTs for approval of Board of Directors / Shareholders, if required, as per terms of this Policy.
- Any deviation within the overall approved material modification limit (as defined in the Annexure) shall be approved by the CEO / CFO of the Company and shall be placed at the subsequent meeting of the Audit Committee.

» Approval of the Board and the Shareholders

- All RPTs which are not in the ordinary course of business or not at the arm's length basis.

Where any director is interested in any RPT, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.

Further, all RPTs which are not in the ordinary course of business or not at the arm's length basis and are exceeding threshold limits prescribed in the Act as defined in Annexure shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under the Act and / or the Listing Regulations, from time to time shall be provided in the Notice to the shareholders for consideration of



RPTs.

- All the Material RPTs and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary Resolution and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Prior approval of shareholders of the Company shall not be required for RPTs where listed subsidiary is a party, but the Company is not a party if Regulation 23 and 15 (2) of the Listing Regulations are applicable to such listed subsidiary.

The aforesaid requirements shall not apply in respect of 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.

4. Transactions which do not require approval (exempted transactions)

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party including following

- (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 Company 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.
- (c) *Remuneration and Sitting fees paid by the Company or its subsidiary to any Director or Key Managerial Personnel or Senior Management Personnel except who is part of promoter or promoter group, shall not require approval of the Audit Committee, provided that the same is not material RPT.

**This is subject to compliance with Companies Act, 2013 requirements wherein transactions of the Company with related party need to be approved by the Audit Committee.*

Provisions pertaining to –

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of shareholders for Material RPTs and subsequent Material Modifications

shall not be applicable

- a) when the transactions are entered into between two wholly owned subsidiaries of the Company or the Company and its wholly owned subsidiary(ies), whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.



- b) for any retail purchases from the Company or its subsidiary by its Directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

The Material Related Transactions entered by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

5. Related Party Transactions not approved as per this Policy

If a RPT is entered into by the Company without being approved as per this Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision, or termination of the RPT. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

Pursuant to Section 177 of the Act, any transaction involving amount of up to Rs.1 crore is entered into by a Director or Officer of the Company without obtaining prior approval of the Audit Committee and it is not ratified by the Audit Committee within a period of three months from the date of the said transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any Director or is authorised by any other Director, the concerned Director shall indemnify the Company against any loss incurred by it on account of said transaction being considered as void.

As per Regulation 23 of SEBI Listing Regulations, the Members of the Audit Committee who are independent directors, may ratify RPTs within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- the transaction shall be not a material RPT;
- rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- any other condition as specified by the Audit Committee:

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 in which any director is interested, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

6. Disclosures

- Every RPT with proper justification shall be disclosed in the Board's Report.
- Material RPTs shall be provided in the notice to shareholders.
- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.



- Enhanced disclosure of information related to RPTs including details of ratification of RPTs shall be submitted to the stock exchanges within timeline prescribed in Listing Regulations in prescribed format specified by the SEBI. and also publish the same on its website.
- The Company will disclose this Policy on its website, intranet, and link of the same will be given in the Annual Report.

7. Policy Review

This Policy is in conformity with the provisions of the Act and the Listing Regulations. However, if, due to subsequent changes in the Act or Listing Regulations, a particular provision or any part of this Policy becomes inconsistent with the Act or Listing Regulations, the Act or Listing Regulations shall prevail. This Policy will deem to be modified / amended to that effect.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated due to change in the Regulations or as may be felt appropriate by the Committee. Any changes or modification in the Policy as recommended by the Committee would be presented for approval of the Board. This Policy shall be reviewed by the Board at least once every three years and updated accordingly.

This Policy will supersede the existing Related Party Transaction Policy and will be effective December 31, 2024.

8. Approval

Recommended by Audit Committee on January 23, 2025 and approved by Board of Directors of the Company on January 24, 2025.

9. Annexure - 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 Directors of the Company under the Act and / or provisions of Listing Regulations.

“Associate Company” means any other Company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture company.

Explanation – For the purpose of this clause “significant influence” means control of at least twenty per cent of total share capital, or business decisions under an agreement.



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

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“Material Related Party Transaction” in terms of Listing Regulations means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:

- (i) In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- (ii) In case of any other transaction(s), if the amount exceeds Rs 1,000 crores or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.

“Material Modification” in terms of Listing Regulations means any modification(s) in the pricing, quantity or overall transaction value having a variance of 10% (ten percent) or more, in the relevant previously approved related party transaction.

“Policy” means Related Party Transaction Policy.

“Related Party” means related party as defined under Section 2(76) of the Act and the rules framed thereunder or under the applicable accounting standards:

The following shall also be treated as the Related Party –

- a. all persons or entities forming part of promoter or promoter group irrespective of their shareholding;
- b. any person/entity holding equity shares to the extent of 10% or more in the listed entity either directly or on a beneficial interest basis at any time during the immediately preceding financial year.

“Related Party Transaction or transaction (RPT)” means transaction in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, regardless of whether a price is charged.

Explanation – A “transaction” with a Related Party shall be construed to include single or a group of transactions in a contract.

The RPT shall include transactions between –

- a. the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand;
- b. the Company 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 Company or any of its subsidiaries..

Transactions that, require prior approval of Shareholders of the Company, as prescribed under rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, includes the transactions / contracts / arrangements as follows:



As contracts or arrangements with respect to clauses (a) to (e) of sub section (1) of Section 188, with criteria as mentioned below –

- Sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub section (1) of Section 188;
- Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub section (1) of Section 188;
- Leasing of property any kind amounting to ten per cent or more of the turnover of the company, as mentioned in clause (c) of sub section (1) of Section 188;
- Availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub section (1) of Section 188:

These limits shall, however, apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

“Relative”, with reference to any person, means anyone who is related to another, if:

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed, viz: (a) Father including stepfather; (b) Mother including stepmother; (c) Son including stepson; (d) Son’s wife; (e) Daughter; (f) Daughter’s husband; (g) Brother including stepbrother; and (h) Sister including stepsister.

Note: Terms used in the Policy document and not defined here will have the meaning as assigned to them in the Act or Listing Regulations or any other regulation defining the same. In case of any discrepancies, regulatory provisions will prevail.

