

HEMANG RESOURCES LIMITED

**RELATED PARTY TRANSACTIONS
POLICY**

Hemang Resources Limited has always been committed to good corporate governance practices, including matters relating to Related Party Transactions. An endeavor is consistently made to have only arms' length transactions and those which are in ordinary course of business with Related Parties.

Related Party will be construed as defined under sub-section (76) of Section 2 of the Companies Act, 2013 and sub-regulation (zb) of Regulation 2 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or under the applicable accounting standards.

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, requires a listed company to formulate a Policy on materiality of Related Party Transactions and also on dealing with such Related Party Transactions. Accordingly, taking into account the provisions of Companies Act, 2013 and Rules made there under & Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the back-drop of the Company's philosophy on such matters, a Policy is hereby framed as under:-

1. The Company shall deal with related parties as per the limits approved by the Audit Committee from time to time. 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 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. However, 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, exceeds 2% of the annual turnover of the Company as per the last audited financial statements of the Company.
2. The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions.
3. The Company shall observe the limits as specified in Section 188 of the Companies Act, 2013 while entering into transactions with Related Parties i.e. the Company can enter into transactions identified as Related Party transaction under Section 188 of the Companies Act, 2013 within the prescribed limits, only with the prior approval of Board of Directors of the Company.
4. The Audit Committee may, in the interest of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature, subject to the following conditions, namely:

- the Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature;
- the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in interest of the Company;
- the omnibus approval shall specify:
 - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - ii. the indicative base price /current contracted price and the formula for variation in the price if any; and
 - iii. such other conditions as the Audit Committee may deem fit;

Provided that Audit Committee may grant omnibus approval for such transactions, subject to their value not exceeding Rupees One Crore per transaction

- 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.
 - such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year;
5. The Company shall take approval of the shareholders through resolution for all material Related Party Transactions; and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.
 6. The Company shall submit within 30 days from the date of publication of its standalone financial results for the half year; disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual result to the stock exchanges and publish the same on its website.
 7. This Policy on materiality of Related Party Transactions shall be governed by the Companies Act, 2013 read with Rules made there under as well as Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or such other Rules / Regulations, as may be notified by SEBI, from time to time.

8. Except with the prior approval of the Shareholders, a Company will not enter into a transaction or transactions, where the transaction or transactions to be entered into-
- a. as contracts or arrangements with criteria as mentioned below:-
 - i. sale, purchase or supply of any goods or materials, directly or through an agent, amounting to 10 per cent or more of turnover or Rupees One Hundred Crore, whichever is lower;
 - ii. selling or otherwise disposing of, or buying, property of any kind directly or through an agent, amounting to 10 per cent or more of Net Worth of the Company or Rupees One Hundred Crore, whichever is lower;
 - iii. leasing of property of any kind amounting to 10 per cent or more of net worth or 10 per cent or more of turnover or Rupees One Hundred Crore, whichever is lower;
 - iv. availing or rendering of any services directly or through an agent amounting to 10 per cent or more of turnover or Rupees Fifty Crore, whichever is lower;
 - b. appointment to any office or place of profit in the company, Subsidiary Company or Associate Company at a monthly remuneration exceeding Rupees two and a half lakhs;
 - c. underwriting the subscription of any securities or derivatives of the company exceeding one per cent of net worth.

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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 modification in this document is approved by the Board of Directors in their meeting held on 12th November, 2021.)