

RELATED PARTY TRANSACTION POLICY

1. Preamble

The Board of Directors (the “Board”) of Insilco Limited (the “Company” or “Insilco”), 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 will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per requirement of Clause 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as ‘Listing Obligations’) . It is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties in accordance with provisions of Companies Act, 2013 and Listing Obligations or any other law for the time being in force. Such transactions are appropriate only if they are in the interest of the Company and its shareholders.

3. Definitions

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

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

“**Control**” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and as per Companies Act, 2013.

“**Key Managerial Personnel**” means:

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the applicable statutory provisions / regulations

“Material Related Party Transaction” means a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

“Policy” means Related Party Transaction Policy.

“Related Party” - An entity shall be considered as related to the company if:

- (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) such entity is a related party under the applicable accounting standards.

“Related Party Transaction” A Related Party transaction is a transfer of resources, services or obligations between the company and a related party, regardless of whether a price is charged.

Explanation: A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."

“Relative” means relative as defined under the Companies Act, 2013 and includes any one who is related to another, if -

- i. They are members of a Hindu undivided family ;
- ii. They are husband and wife ; or
- iii. Father (including step-father)
- iv. Mother (including step-mother)
- v. Son (including step-son)
- vi. Son’s wife
- vii. Daughter
- viii. Daughter’s husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

4. Policy

All Related Party Transactions, entered after implementation of this policy, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

All Related Party Transactions shall require prior approval of Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a) 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.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c) The Audit Committee shall consider the factor of repetitiveness (in past or in future) while considering any omnibus approval.
- d) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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 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 Rs.1 crore per transaction.
- e) Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- f) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- g) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

All Related Party Transactions, which are not at arm's length or not in ordinary course of business will require approval of Board of Directors and the shareholders through resolution and the Related Parties shall abstain from voting on such resolutions.

It is clarified by Ministry of Corporate Affairs vide its circular No. 30/2014 dated 17th July, 2014 that 'related party' has to be construed with reference only to the contract or arrangement for which the said resolution is being passed.

Further, all Material Related Party Transactions shall require approval of Board of Directors and the shareholders through resolution and the Related Parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

5. Review and Approval of Related Party Transactions

Related Party Transactions will be referred regularly to scheduled meeting of Audit Committee for quarterly review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement and will also abstain from voting on such resolutions.

6. Approvals of Past Contracts with related Parties

Pursuant to clarification provided in circular No.30/2014 dated 17th July, 2014 of Ministry of Corporate Affairs, Contracts entered into by companies, after making necessary compliances under Section 297 of the Companies Act, 1956, which already came into effect before the commencement of Section 188 of the Companies Act, 2013, will not require fresh approval under the said section 188 till the expiry of the original term of such contracts. Thus, if any modification in such contract is made on or after 1st April, 2014, the requirements under section 188 will have to be complied with.

7. 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 or as may be required pursuant to applicable provisions, the matter shall be reviewed by the Committee and it shall take any such action it deems appropriate.

8. This policy is in conformity with the provisions of the Companies Act, 2013 and Listing Obligations. However, if due to subsequent changes in the Act, a particular clause or any part of this policy becomes inconsistent with the Act/Listing Obligations, the provisions of the Act / Listing Obligations shall prevail.

For Insilco Limited

Sd/-

**Dara P Mehta
Chairman**

Date : 4 February 2016

Place : Noida