

POLICY ON RELATED PARTY TRANSACTIONS (RTP)

OBJECTIVE

The Board of Directors of Nagreeka Capital & Infrastructure Ltd. (the “Company”) has adopted a policy and procedure on related party Transactions (the “policy”) based on recommendation of Audit Committee. The Policy is framed as per Regulation 23 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires that every listed company shall formulate a policy on dealing with related party transactions.

The objective of this policy is to ensure that transactions between the Company and its related parties (defined hereinafter) are based on principles of transparency and arm’s length pricing. This policy outlines the basis on which the materiality of related party transactions will be determined and manner of dealing with the related party transactions by the Company.

1. DEFINITIONS

- a) **“Audit Committee”** means Committee of the Board of Directors of the Company constituted under provisions of the SEBI (LODR) Regulations, 2015.
- b) **“Related Party”** shall mean a person or entity that is related to the Company as defined under section 2(76) of the Companies Act, 2013 or under regulation 2(1) (zb) of the SEBI(LODR) Regulations, 2015 as may be amended from time to time.
- c) **“Related Party Transaction”** shall mean all transactions as per Regulation 2(1)(zc) of the SEBI (LODR) Regulations, 2015 as may be amended from time to time. A related party transaction is a transfer of resources, services or obligations between a company and related party, regardless of whether price is charged.
- d) **“Material transaction”** shall have the same meaning as given to ‘a transaction with a Related Party shall be considered material’ under the SEBI (LODR) Regulations, 2015 as may be amended 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% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. In case of payment to a Related Party for brand usage or royalty the materiality threshold will be 2% (two percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- e) **“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.
- f) **“Annual Consolidated Turnover”** is defined as Total Income as per the last Audited Financial Statements of the Company.

2. POLICY

All Related party Transactions must be referred to the Audit Committee for approval in accordance with this policy.

3. MATERIAL THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. None of the related parties of a company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (RP's can cast only negative vote to reject the shareholders resolution on material RPT). Provided that approval from shareholders will not be required for Material Related Party Transaction in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.

Nagreeka Exports Ltd has fixed the following materiality threshold for the purpose of Regulation 23(1), 23(1A) and 23(4) of the SEBI Listing Regulations:

- Payment to a Related Party with respect to brand usage or royalty – 2% of the annual consolidated turnover of the Company as per last its audited financial statements.
- Other transactions with a Related Party - 10% of the annual consolidated turnover of the Company as per its last audited financial statements.

4. IDENTIFICATION OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the rules framed there under and regulation 2(1)(zb) of SEBI (LODR) regulations, 2015.

The Company has also formulated guidelines for identification of related party Transactions as prescribed under Section 188 read with section 177 of the Act and regulation 2(1)(zc) of SEBI (LODR) regulations, 2015.

5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Every Related Party Transaction shall be subject to the prior approval of Audit Committee. The Audit Committee shall determine whether the transaction does, in fact, constitute a Related Party Transactions requiring compliance with this policy.

Any member of the Audit Committee who has a potential interest in any related party transaction shall abstain from discussion and voting on the approval of the related party transaction.

The approval policy framework is given below:

Audit Committee Approval	Board approval	Shareholder's Approval
1. All Related party Transactions	1. Related party Transactions referred by Audit Committee for approval of the Board. 2. Related party transactions as required under the regulations applicable to the Company.	1. Approval by resolution for a) Material Related party Transactions. b) Related party Transactions not in ordinary course of Business or not on arm's length basis and crosses threshold limit as prescribed under the regulations applicable to the Company.

6. DECISION REGARDING TRANSACTION ON ORDINARY COURSE OF BUSINESS AND AT ARM'S LENGTH

The Audit Committee or the Board shall after considering the material placed before them judge if the transaction is in ordinary course of Business and meets the arm/s length requirements.

7. OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS

The Company may obtain omnibus approval from Audit Committee for related party transaction which are repetitive in nature and shall provide details of following :

- 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 for which the aforesaid details are not available , the Audit Committee may grant omnibus approval for such transaction subject to their value not exceeding Rs.One Crore per transaction.

The Audit Committee would review on a quarterly basis the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.

8. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

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 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate. In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

9. DISCLOSURE OF THE POLICY

This Policy will be uploaded in the website of the Company i.e. at www.nagreeka.com and the web link thereto will be provided in Corporate Governance Section in the Annual Report.

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

The Company shall submit within 30 days from the date of publication of its 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 results to the stock exchanges and publish the same on its website.

In addition to the above, the Company shall also provide details of all related party transactions exceeding the materiality threshold (laid down in Clause 5 of the Policy above) on a quarterly basis to the stock exchanges.

10. POLICY REVIEW

This policy is framed based on the provisions of SEBI Regulations, the Companies Act, 2013 and rules thereunder and other applicable law. This policy shall be reviewed by the Board as and when any changes are to be incorporated in the policy due to change in applicable law.