

Kaya Limited

POLICY ON RELATED PARTY TRANSACTIONS

CONTENTS

1. Objective & Regulatory Framework.....3

2. Definitions.....3

3. Identification of Related party Transactions.....4

4. Procedure for Approval of Related Party Transactions.....4

5. Disclosures.....6

6. General.....6

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1. OBJECTIVE AND REGULATORY FRAMEWORK

1.1 The Policy on related party transactions has been framed in accordance with the provisions of Regulation 23 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (**'SEBI LODR Regulations'**).

1.2 This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of any transactions between

A) the Kaya Limited ("Kaya" or "the Company") or any of its subsidiaries on one hand and any of its Related Parties or that of its subsidiaries on the other hand (applicable w.e.f. 1st April 2022); or

B) Kaya 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 (applicable w.e.f. 1st April 2023), in compliance with the applicable laws and regulations as may be amended from time to time.

1.3 All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

2. DEFINITIONS

2.1 **"Act"** means the Companies Act, 2013 together with the Rules notified thereunder including any statutory modifications or re-enactments thereof for the time being in force.

2.2 **"Accounting Standards"** means the standards of accounting or any addendum thereto for the companies or class of companies referred to in Section 133 of the Act.

2.3 **"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.

2.4 **"Audit Committee"** means Audit Committee constituted by the Board of Directors of the Company, from time to time, under Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

2.2 **"Board of Directors"** or **"Board"** means the Board of Directors of Kaya, as constituted from time to time.

2.3 **"Key Managerial Person" (KMP)** as defined under Section 2(51) of the Companies Act, 2013 means:

- the Chief Executive Officer or the managing director or the Manager;
- the Company Secretary;
- the Whole-time director;
- the Chief Financial Officer

- Such Other Officer as may be prescribed under the applicable statutory provisions / regulations.

2.4 **“Material Related Party Transaction”** as per Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 means a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with the previous transactions during a financial year, exceeds Rs. 1,000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

2.5 **“Material Modifications”** shall mean a modification to a related party transaction / arrangement for a modification amount exceeding ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

2.6 **“Policy”** means Related Party Transaction Policy.

2.7 **“Related Party”** is a party or an entity which is:

- a related party under Section 2(76) of the Act; or
- a related party under the applicable accounting standards.

Provided that

- any person or entity forming a part of the promoter or promoter group of the Company; or
- any person or any entity, holding equity shares:

- of twenty per cent or more; or
- of ten per cent or more (applicable w.e.f. 1st April, 2023);

in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

2.8 **“Relative”** with reference to any person, means any one who is related to another as follows:

- they are members of the HUF;
- they are husband and wife
- Father (including step father)
- Mother (including step mother)
- Son (including step son)
- Daughter
- Daughter’s Husband
- Brother (including step brother)
- Sister (including step sister)

2.9 **“Related party transaction”** A related party transaction means a transaction involving transfer of resources, services or obligations between:

- the Company or any of its subsidiaries on one hand and any of its Related Parties or that of its subsidiaries on the other hand (applicable w.e.f. 1st April 2022); or
- 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 (applicable w.e.f. 1st April 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:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the SEBI (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.
- (c) acceptance of fixed deposits by banks / NBFCs at the terms uniformly applicable / offered to all shareholders / public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

3. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

Each Director and KMP is responsible for providing notice to the Audit Committee / the Board of any potential Related Party Transaction involving him or her or his or her relative, including any additional information about the transaction that the Audit Committee / the Board may reasonably request including but not limited to information required to be provided in accordance with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November 2021. The Audit Committee / the Board will determine whether the transaction does in fact, constitute a Related Party Transaction requiring compliance with the Policy.

Every Director, KMP shall at the beginning of the financial year disclose to the Company Secretary of the Company their Related Parties and disclose any changes thereto during the financial year as immediately as practicable.

4. PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS

I. Audit Committee

- 1. All Related Party Transactions shall require prior approval of the Audit Committee. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- 2. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into 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 the provisions of the applicable laws for the time being in force, 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) Such omnibus approval shall specify the following, *amongst others*:
 - (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 or as required by the applicable laws.Provided that where the need for RPT 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.
 - d) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
 - e) Audit Committee shall review on a quarterly basis, the details of RPT entered into by the Company pursuant to each of the omnibus approval given.
3. A Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company.
 4. With effect from 1st April, 2023, a Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
 5. Prior approval of the Audit Committee of the Company shall not be required for a Related Party Transaction to which the listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of SEBI LODR Regulations are applicable to such listed subsidiary.

Explanation: For Related Party Transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

II. Board of Directors

1. As per Section 188 of the Companies Act, 2013, all kinds of transactions specified under this Section, which are either not in the ordinary course of business or not at arm's length price, are placed before the Board of Directors of the Company for their approval.
2. In the above context, any director interested in any contract or arrangement with a related party shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

III. Shareholders

1. All material Related Party Transactions and subsequent Material Modifications, except the 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, shall require approval of the shareholders and the Related Parties shall abstain from voting on such resolutions;
2. All Related Party Transactions and subsequent Material Modifications, which are not in the ordinary course of business and not arms' length and which are in excess of the limits prescribed under the Act requiring approval of the shareholders, shall require the approval of shareholders and the related parties shall abstain from voting on such resolutions.

5. DISCLOSURE

- 5.1 Relevant disclosures as required under the law shall be made in the Annual Report, Board's Report and to the Stock Exchanges where the equity shares of the Company are listed and such other authorities as may be prescribed by the law.
- 5.2 This policy shall be uploaded on the website of the Company and a web-link thereto shall be provided in the Annual Report of the Company.

6. GENERAL

- 6.1 The Policy would be subject to revision/ amendment in accordance with the laws. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.