

Policy on Related Party Transactions

OBJECTIVE

Universal Starch Chem Allied Ltd. (“the Company”) has adopted this policy on related party transactions, in line with requirements of section 188 of the Companies Act, 2013 (the “Act”) and the Clause 49 of the Listing Agreement on Corporate Governance.

The Related Party Transaction Policy may be amended from time to time and is subject to approval of the Board of Directors of the Company.

DEFINITIONS

Arm’s Length Transaction: 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.

Audit Committee: Audit Committee or Committee means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

Key Managerial Personnel (KMP): Key Managerial Personnel means key managerial personnel as defined under the Companies Act, 2013 and includes

(i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;

(ii) Company Secretary; and

(iii) Chief Financial Officer.

Policy: Policy means Related Party Transaction Policy

Relatives: Relatives shall mean such person as defined in section 2(77) of the Companies Act, 2013, as amended from time to time.

Related Party: Related Party means related party as defined in Section 2(76) of the Companies Act, 2013 and Clause 49 of the Listing Agreement

APPROVALS

A. Approval by Audit Committee:

All related Party Transactions require prior approval of the 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. Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transaction entered into by the company pursuant to each of the omnibus approval given. e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

B. Approval of the Board of the company:

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

a. Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;

b. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval;

c. Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval;

No Interested Director shall be present at the meeting during discussions on the subject matter of the resolution relating to related party transaction.

C. Approval of the Shareholders of the Company:

All kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies(Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval

The explanatory statement to the notice of general meeting shall contain name of the related party, name of director or Key Managerial Personnel who is related, if any, nature of relationship, nature, material terms, monetary value and particulars of the contract or arrangement and any other information relevant or important for the members to take a decision on proposed resolution.

RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

In the event the company become aware of the Related Party Transactions, that has not been approved or ratified under this policy, the transaction shall be placed as practicable before the Audit Committee or Board of Directors or the Shareholders as may be required in accordance with this policy for review and ratification. The Audit Committee or the Board of Directors or the shareholders shall consider all relevant facts and circumstances or such transactions and shall evaluate all options available to the company, including but not limited to ratification, revision or termination of such transaction and the company shall take such actions as the Audit Committee deems appropriate under the circumstances.

AMENDMENT IN LAW

Any subsequent amendment / modification in the Listing Agreement and / or applicable laws in this regard shall automatically apply to this policy After a detailed deliberation, the Board took note of the same.