

**APL METALS LIMITED**  
**(FORMERLY ASSOCIATED PIGMENTS LIMITED)**

**RELATED PARTY TRANSACTION POLICY (W.E.F. 1<sup>st</sup> April,2022 )**

**1. Scope and Objective of the Policy**

APL Metals Limited (“APL” or “Company”) has formulated a policy on materiality of related party transactions and on dealing with such related party transactions (“the Policy”) as required by Section-188 read with Section-2(76 & 77), 177 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and regulation-23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulation) as amended. In view of frequent clarifications by SEBI and amendments, APL has formulated this Revised Policy in replacement of earlier Policy which is **effective from 1<sup>st</sup> April, 2022**.

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, the Listing Regulations and other applicable laws and regulations, if any and (c) to lay down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions between the Company and its related parties in the best interest of the Company and its stakeholders.

**2. Definitions**

“Act” means the Companies Act, 2013 as amended from time to time.

“Arm’s length transaction (‘ALP’)” means a transaction between two or more related parties conducted as if they were unrelated, so that there is no conflict of interest.

“Ordinary Course of Business” means all such acts and transactions undertaken by the Company in the normal and usual routine business which is not a standalone transaction. The Company should take into account the frequency of the activity and standard industry practice for determination of transaction in the ordinary course of business.

The words “Related Party” “Relative” and “Related Party Transaction” (RPT) shall have meaning as defined in Section 2(76), Section-2(77), Section-188 of the Act respectively read with and Regulation-23 of Listing Regulations.

All other terms used in this Policy will have the meanings as assigned to them under the Act and the Rules made thereunder, Listing Regulations and applicable Accounting Standards, as amended from time to time.

**3. Material Threshold for Shareholders Approval under Section-188**

APL has fixed its materiality thresholds at the level prescribed under explanation to Regulation 23(1) of Listing Regulations. A transaction with Related Party shall be considered material if the transaction(s) taken individually or taken together with previous transactions during one financial year exceeds 10% of the Annual Consolidated turnover of the company as per last Audited Financial Statement.

**4. Manner of dealing with related party transactions**

**a. Identification of Related Parties**

The Company has formulated a Framework 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, Regulation 2(1) (zb) of the Listing Regulations and applicable Accounting Standards, as amended from time to time.

**b. Identification of Related Party Transactions (RPT)**

The Company has formulated a Framework for identification of related party transactions in accordance with Section 188 of the Act and Rules framed thereunder, and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company has also formulated a Framework for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary.

**c. Review and approval of Related Party Transactions**

• **Approval by Audit Committee**

i. Every related party transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by way of circulation. The Related party will recuse himself from participating and voting on the resolution on which he is interested. The Chairman of Audit Committee may invite one or more independent director to attend and vote at any meeting of the Audit Committee even though such independent director is not a member of the Audit Committee so that approval of minimum two independent director is obtained.

ii. However, the Audit Committee may grant omnibus approval for repetitive transactions with related parties subject to their value not exceeding rupees one crore per transaction and not exceeding aggregate value for materiality of transactions in compliance with requirements of the Act and the SEBI Listing Regulations. The Audit Committee shall review / note on a quarterly basis the details of such related party transactions entered into by Company pursuant to each of the omnibus approval given. The omnibus approval shall be valid for a period of one year and may be reviewed in quarterly meetings within the year.

iii. The Audit Committee shall determine whether the transaction does, in fact, constitute a related party transaction requiring compliance with this Policy.

• **Approval by the Board of Directors**

The Board will consider approval for the RPT recommended by the Audit Committee including covered under Omnibus prior approval, The Board will also consider RPT which are not at arm's length price or which requires Shareholders Approval under Section-188 of the Act at General meeting or Annual General Meeting.

• **Omnibus approval by Audit Committee/Board**

a. The Company has formulated guidelines for granting the omnibus approval by the Audit Committee respect of repetitive nature of Related Party transactions. One-time transactions will not qualify for omnibus approval. Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the company.

b. The 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 cost or 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 aggregate value does not exceed value set for material RPT and value not exceeding rupees one crore per transaction.

c. The Audit Committee, shall review at least on a quarterly basis, the details of RPT entered into by the Company pursuant to each of the omnibus approval given.

d. The omnibus approval shall be valid for one financial year only and shall require fresh prior approval on or before expiry.

- **Approval by the Shareholders**

If any RPT is a material transaction as per Regulation-23 of SEBI(LODR) Regulation or in the opinion of the Board it is not in ordinary course of business or not at arm's length price then Shareholders may on recommendation of Board approve such Related Party transaction in the General Meeting or Annual General Meeting provided same is not prejudiced to the interest of the company or its shareholders.

- **Post Facto Approval**

In the event that the company becomes aware of RPT that has not been approved, the company may obtain post facto approval from the Audit Committee, the Board and/or Shareholders as the case may be and such a transaction shall not be deemed to violate the policy and shall be valid and enforceable so long as post facto approval is obtained as early as possible.

## **5. Disclosures**

a. The Company shall submit disclosures of related party transactions along with the Standalone financial results / consolidated financial results in accordance with the requirements of Companies Act, 2013 and rules made thereunder and as required by the SEBI/Stock Exchanges quarterly / halfyearly and annually in prescribed form and manner and publish the same in the Annual Report / on its website.

b. As prescribed under Regulation-62 of Listing Regulations, this Policy shall be hosted on the Company's website at <http://aplmetsltd.com>

## **6. Review of the Policy**

This Policy shall be reviewed by the Board as and when it is felt necessary due to change in applicable law and shall be updated accordingly on the recommendations of the Audit Committee.

Provisions of this Policy would be subject to revision / amendment in accordance with the applicable changes in law notified by appropriate statutory authorities from time to time. In case of any such changes not being consistent with the provisions laid down under this Policy, this Policy shall stand amended/modified to the extent of such changes notified from time to time and shall be deemed to have the approval of the Audit Committee / Board of Directors of the company.