

RESURGERE MINES & MINERALS INDIA LIMITED

Policy on Related Party Transactions

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1. Preamble

The Board of Directors (The “Board”) of Resurgere Mines & Minerals India Limited (“Company” or “RMMIL” “Resurgere”) 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 is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable on the Company.

2. Purpose

This policy is amended as per requirement of the Companies Act, 2013 vide MCA notification no. GSR 971 (E) dated 14th December, 2015 and new SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (“**SEBI LODR**” “**Listing Regulations**”) effective from 1st December, 2015 and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

3. DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 and the Rules framed there under, including any modifications, clarifications, circulars or re-enactment thereof.

“**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. For determination of Arm’s Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company under the provisions of the Listing Regulations / SEBI LODR and the Companies Act, 2013, as amended from time to time.

“**Associate Company**” means any other company in which RMMIL has a significant influence but which is not a subsidiary company of RMMIL and includes a joint venture company of RMMIL.

Explanation – For the purpose of this clause, “significant influence” means control of at least twenty per cent of total share capital, or business decisions under an agreement.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

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

“**Key Managerial Personnel**” means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules Made there under.

“Material Related Party Transaction” means transaction / transactions with the related party 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”, means an entity which –

- a) Is a related party under Section 2 (76) of the Companies Act, 2013 and the rules framed there under;
- b) Is a related party under the applicable accounting standards.

“Related Party Transaction” means a transaction in the nature of contract involving transfer of resources, services or obligations between the Company and the Related Party, regardless of whether a price is charged.

Explanation – A transaction with a Related Party shall be construed to include single or a group of transactions is a contract.

“Relative”, shall have the same meaning as defined in section 2(77) of the Companies Act, 2013, namely with reference to any person, means anyone who is related to another, if:

1. They are members of a Hindu Undivided Family;
2. They are husband and wife; or
3. If he or she is related to another in the following manner:
 - a. Father including step-father;
 - b. Mother including step-mother;
 - c. Son including step-son;
 - d. Son’s wife;
 - e. Daughter;
 - f. Daughter’s husband;
 - g. Brother including step-brother;
 - h. Sister including step-sister

The words and phrases used in this Policy and not defined here shall derive their meaning from the Applicable Law.

4. Policy and Procedure

- **Policy**

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

- **Procedures**

A. Identification of Related Party Transactions

Every director shall at the beginning of the financial year provide information by way of written notice to the company regarding his concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy. Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy.

The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / Key Managerial Personnel in the manner prescribed in the Company Act, 2013 and the rules there under.

B. Review and approval of Related Party Transaction

- **Audit Committee**

- a) Every Related Party Transaction shall be subject to the prior approval of the Audit Committee.
- b) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature subject to compliance of the conditions contained in the Companies Act, 2013 and SEBI LODR as amended from time to time.

The Committee shall also satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

If any additional Related Party Transaction is to be entered by the Company post omnibus approval granted by the Audit Committee, then the Company shall present such transaction before the Audit Committee in its next meeting for its prior approval.

- The Audit Committee shall also review the statement of significant related party transactions submitted by management as per its terms of reference.
- Any member of the 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.

- To review a Related Party Transaction, the Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions.
- The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders as per terms of this policy.

- **Approval of the Board and the Shareholders**

- All Related Party Transactions (other than Material Related Party Transactions) which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.

Further, all such related party transactions exceeding threshold limits prescribed in the Act as per **Annexure 1** shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and related party / ies shall abstain from voting on such resolution.

- All the material Related Party Transactions shall require approval of the Board and shareholders through Ordinary Resolution and the Related Party / ies shall abstain from voting on such resolution.

Provided that the Material Related Transactions entered into by the Company with its wholly owned subsidiary (ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

5. Transactions which do not require approval

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

6. Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction. The Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

7. Disclosures

- Every Related Party Transaction with proper justification shall be disclosed in the Directors Report.

- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- The Company shall disclose policy on dealing with Related Party Transactions on its website and also in the Annual Report.

This Policy will be communicated to all operational employees and other concerned persons of the company.

8. Policy Review

This policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of the SEBI LODR.

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations ("The Regulations") which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

ANNEXURE 1

Transactions that require previous approval of Shareholders of the Company, as prescribed under rule 15 (3) of the Companies (Meeting of Board and its Powers) Rules, 2014, includes the transactions / contracts / arrangements as follows:

As contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of Section 188, with criteria as mentioned below:

- Sale, purchase or supply of any goods or materials, directly or through appointment of agent, exceeding ten per cent of the turnover of the company or rupees on hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013;
- Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, exceeding ten per cent of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013;
- Leasing of property of any kind exceeding ten per cent of the net worth of the company or ten percent of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188 of Companies Act, 2013;
- Availing or rendering of any services, directly or through appointment of agent, exceeding ten percent of the turnover of the Company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013.

These limits shall however, apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
