

HINDUSTAN TIN WORKS LIMITED

POLICY ON RELATED PARTY TRANSACTION

1. PREAMBLE

The Board of Directors (the “Board”) of Hindustan Tin Works Limited (“The Company”) has adopted the following policy and procedures with regard to Related Party Transactions as defined below.

The Policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. PURPOSE

This policy is framed as per Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and is intended to ensure the proper approval and reporting of transactions between the Company and its related parties.

The Board of Directors of the Company has adopted the following policy and procedures and the Audit Committee will review and may amend the policy as and when required subject to approval of the Board.

3. DEFINITIONS

3.1 Act:

“Act” means the Companies Act, 2013 including any amendment or modification thereof.

3.2 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.

3.3 Audit Committee:

“Audit Committee” means the Committee of the Board formed under section 177 of the Act and Regulation 18 of Listing Regulations.

3.4 Listing Agreement:

As defined under Regulation 2(q) of Listing Regulations, Listing Agreement means an agreement that is entered into between a recognised Stock Exchange and an entity, on the application of that entity to the recognised Stock Exchange, undertaking to comply with conditions for listing of designated securities.

3.5 Company:

“Company” means Hindustan Tin Works Limited.

3.6 Key Managerial Personnel (KMP):

“Key Managerial Personnel” shall mean the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed thereunder.

3.7 Material Related party Transactions:

“Material Related Party Transaction” means a transaction with a Related Party shall be considered material if the transaction / transactions 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”.

3.8 Omnibus Approval

“Omnibus Approval” means a blanket of pre activity approval by the Audit Committee subject to compliance of the conditions as laid in this policy.

3.9 Relative:

“Relative” with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

3.10 Related party:

“Related Party” means a related party as defined under Section 2(76) of the Act and Regulation 2(z)(zb) of the Listing Regulations.

3.11 Related party transactions:

“Related Party Transactions” shall mean such transactions as specified under Section 188 of the Act or rules made thereunder and Regulation 2(z)(zc) of the Listing Regulations including any amendment or modification thereof, as may be applicable.

4. RELATED PARTY TRANSACTION UNDER THE POLICY

4.1 Related Party Transaction means a transfer of resources, services or obligations between the Company and a related party, 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.

4.2 Prohibited Related party transactions

Any transaction with a Related Party can be undertaken only if it is in compliance with the law.

4.3 Approval Process

The Company will enter into any Related Party Transactions only with the prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for the proposed Related Party Transaction subject to the following conditions:

- a) The Audit Committee shall laydown the criteria for granting 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 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:
 - Name(s) of the Related Party;
 - Nature of the transaction;
 - Period of transaction;
 - Maximum amount of transaction that can be entered into;
 - The indicative base price / current contracted price and the formula for variation in the price, if any,
 - Such other conditions as the Audit Committee may deem fit.

- d) The need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1.00 crore per transaction;
- e) The Audit committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given;
- f) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

The Audit Committee will have the discretion to recommend / refer any matter relating to the Related Party Transaction to the Board for the approval.

The following types of transactions also require approval from shareholders:

- Transactions not in the ordinary course of business
- Transactions in the ordinary course of business if not done at an arm's length
- Material Transactions as defined under Regulation 23 of the listing regulations

5. MATERIALITY THRESHOLDS

Subject to the Regulation 23 of the Listing Regulations, a transaction with a related party shall be considered material if the transaction/ transactions to entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per last audited financial statements of the company.

All material related party transaction shall require prior approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the company is a related party to the particular transaction or not.

This threshold limit will be subject to any limit prescribed under section 188 of the Companies Act, 2013.

6. REVIEW OF A RELATED PARTY TRANSACTION

All Related Party Transactions, including Material Related Party Transaction will be put to the Audit Committee for its review and prior approval in a meeting or by way of circular resolution. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits/ loss to the Company, and any other relevant matters.

In determining whether to approve a Related Party Transaction, the Committee may consider all such factors/ or may call such information/ or seek external advice/ opinion as it may consider appropriate in its sole judgment.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary

7. AMENDMENT OF POLICY

In case of any subsequent changes in the provisions of the Act, or any other regulations which makes any of the provisions in the Policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the Policy due to change in the Act or the Regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.

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 matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of 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 for the loss suffered by the related party 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. DISCLOSURES

This Policy is disclosed on the Company's website www.hindustantin.biz and a web link thereto would be disclosed in the Annual Report of the Company.
