



Ladderup

Engineering Growth

For	Ladderup Group
Content	Related Party Transactions Policy
Classification	Internal
Version	2.0
Applicability	Applicable with effect from 23 rd June, 2021

LADDERUP FINANCE LIMITED
(CIN: L67120MH1993PLC074278)

RELATED PARTY TRANSACTIONS - POLICY & PROCEDURES, 2014

❖ **Preamble**

The Company is committed to upholding the highest ethical and legal conduct in fulfilling its responsibilities and recognizes that related party transactions can present a risk of actual or apparent conflicts of interest of the Directors, Senior Management etc. with the interest of the Company.

The Board of Directors (the “Board”) of Ladderup Finance Limited (the “Company” or “LFL”), adopts the following policy and procedures with regard to Related Party Transactions (RPT) as defined below, in compliance with the requirements of Section 188 of the Companies Act 2013 and Rules made thereunder and any subsequent amendments thereto (the “Act”) and SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, in order to ensure the transparency and procedural fairness of such transactions.

❖ **Objective:**

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders.

Provisions of this policy are designed to govern the transparency of approval process and disclosure requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. This Policy shall supplement the Company’s other policies in force that may be applicable to or involve transactions with related persons. Further, the Board may amend this policy from time to time as may be required.

❖ **Definitions**

1. **Act** shall mean the Companies Act, 2013 and includes any amendment thereof.
2. **Rules** shall mean the Companies (Meeting of Board and its Power Rule, 2014) and includes any amendment thereof.
3. **Listing Regulation** shall mean SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and includes any amendment thereof.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

❖ **Review and Approval of Related Party Transactions:**

(A) Audit Committee:

1. All the transactions which are identified as Related Party Transactions should be Pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
2. If any member of the committee are interested in any particular related party transaction, such member should intimate about such interest to the committee in advance and he should not participate in the discussion and voting upon approval of such related party transaction.
3. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned in the Act, Rules and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 including any amendment thereof and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company as well its stakeholders.

Such Omnibus approval is valid for one year and shall require fresh approval of the committee after the expiry of one year.

4. Such 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 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;

Provided that if the 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.

5. The Audit Committee shall review, on Quarterly basis the details of Related Party Transaction entered into by the company pursuant to the omnibus approval. In connection with any review of a related party transaction, the committee has the authority to modify or waive any procedural requirements of this policy.
6. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification

(B) Board Approval:

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

(C) Shareholder Approval:

If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval. In such a case, any member of the Company who is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction.

(D) The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of 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.

(E) In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

❖ **Disclosures -**

1. Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
2. The details of all transactions with related parties shall be submitted on a consolidated basis, in the format specified in the relevant accounting standards, half yearly to the stock exchanges and the same shall be published on the Company's website.

❖ **LIMITATION:**

In the event of any conflict between the provisions of this Policy and any Act or Regulation or any other Laws as applicable to company with regard to Related Party Transactions, then such Act, Regulation or law shall prevail over this Policy. Any subsequent amendment / modification in the, Act or Regulation and/or applicable laws in this regard shall automatically apply to this Policy.

❖ **AMENDMENT:**

The Audit Committee will review the Policy periodically and may propose to amend the same from time to time and no alternation in the policy will be made without prior approval of Board of Directors of the company.