

ATLAS CYCLES (HARYANA) LIMITED

MATERIAL RELATED PARTY TRANSACTIONS POLICY

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

A. PURPOSE

This Policy aims to determine the Materiality of Related Party Transactions and to Deal with Related Party Transactions.

This Policy is framed in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and Section 188 of the Companies Act, 2013 read with Rules made there under.

B. APPROVAL AND REVIEW

- a) All Related Party Transactions (including any modification/renewal thereof) shall require prior approval of the Audit Committee ("Committee") and the Board of Directors.
- b) The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions in accordance with Clause 49(VII)(D) of the Listing Agreement excepting those transactions which fall under Section 188 of the Companies Act, 2013, subject to the following conditions:
 - i. transaction is repetitive in nature;
 - ii. the Committee is satisfied of the need of the transaction.
 - iii. the omnibus approval shall specify (i) the name 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 Committee may deem fit;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Committee may grant omnibus approval for such transactions

subject to their value not exceeding Rs.1 crore per transaction.

- iv. Transaction may be ratified by the Board in its next meeting
- c) All Related Party Transactions which are 'Material' as defined in para C of this Policy, shall also require prior approval of the shareholders by way of special resolution and all Related Parties shall abstain from voting, irrespective of whether they are party to the particular transaction or not. Provided that if the legal requirement is relaxed or made stringent on this requirement, then the same be followed.
- d) All Related Party Transactions prescribed under Section 188 of the Companies Act, 2013 which are either not in the ordinary course of business or are not at arm's length, shall require prior approval of :
 - (i) Board ; and
 - (ii) Shareholders by way of Special Resolution if amount of such transactions exceeds the limits prescribed in Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014. The concerned Related Party shall abstain from voting on such resolution. Where such transaction is with a wholly owned subsidiary, the resolution passed by the Holding company shall be sufficient.
- e) All Related Party Transactions, post facto, shall be reviewed by the Committee on quarterly basis.

C. MATERIAL RELATED PARY TRANSACTION

Subject to the provisions of Clause 49 of the Listing Agreement, 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% of the annual consolidated turnover of the Company as per the last audited financial statement of the Company.

D. TRANSACTIONS WITH WHOLLY OWNED SUBSIDAIRIES

Provisions of Para B (a to c) of this Policy shall not be applicable to any

transaction with a wholly owned subsidiary.

However, Committee's post facto approval to such transaction (including any modification/renewal thereof) will be mandatory.

E. DISCLOSURES

Particulars of Related Party Transaction shall be disclosed in such a manner as may be prescribed under Clause 49 and/or the Companies Act, 2013 (including rules made there under), from time to time.

This policy shall be disclosed on the Company website www.atlasbicycles.com and a web link thereto shall be provided in the Annual report of the Company.

F. REVIEW/ AMENDMENT

The Board may amend, modify and revise any or all clause of this policy.