



THE GROB TEA CO. LTD.

RELATED PARTY TRANSACTION POLICY

1. PREAMBLE

Clause 49 of the Listing Agreement between Listed Companies and the Stock Exchanges, Inter alia, provides for adoption of a Policy by the Board of Directors of a Listed Company ("The Board") on Related Party Transactions, its materiality and on dealing with Related Party Transactions. In view of this requirement and the applicable provisions of the Companies Act, 2013 the Board of The Grob Tea Co. Ltd., ("The Company") has adopted the following Policy and procedures in regard to Related Party Transactions. The Audit Committee of the Board will review the Policy and if it is felt necessary, may amend it from time to time. This Policy has been framed to regulate transactions between the Company and its Related Parties based on the applicable laws and the provisions contained in the Listing Agreement. The objective of the Policy is to ensure proper approval and reporting of the Related Party Transactions.

2. DEFINITIONS

"Audit Committee" means the Committee of the Board of Directors of the Company, constituted in terms of requirements of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges.

"Key Managerial Person" means Key Managerial Personnel as defined in Section 2(51) of the Companies Act, 2013.

"Material Related Party Transactions" means a transaction with a related Party, if the transaction to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual turnover of the Company as per the last audited Financial Statements of the Company.

"Related Party" means Related Party as defined in Section 2 (76) of the Companies Act, 2013 or such entity which is considered to be a Related Party in terms of the applicable Accounting Standards.

“Related Party Transaction” A related party transaction means a transaction, contract or arrangement which may be considered to be a Related Party Transaction in terms of clause 49 of the Listing Agreement read with section 188 of the Companies Act, 2013.

“Relative” means Relative as defined in section 2 (77) of the Companies Act, 2013.

3. APPROVAL OF RELATED PARTY TRANSACTIONS

All transactions identified as Related Party Transactions are to be reported to the Audit Committee. If the Audit Committee approves any transaction it shall forward the same to the Board for its approval, if necessary in terms of the provisions in the Companies Act, 2013. The Board shall consider the transaction in terms of this policy and grant approval if the same is in the best interest of the Company.

4. PROCESS AND PROCEDURE FOR DEALING WITH RELATED PARTY TRANSACTIONS.

1. All Related Party Transactions will require prior approval of the Audit Committee and the Board in terms of the requirements of the Listing Agreement and Section 188 of the Companies Act, 2013 as applicable.
2. All Materials Related Party Transactions and the transactions, the value of which exceeds the limit prescribes in Rule 15 (as amended) of the Companies (Meeting of the Board and its Powers) Rules, 2014 shall require prior approval of the Shareholders by way of a Special Resolution where the concerned Related Party/Parties shall abstain from voting.
3. The Audit Committee may grant omnibus approval and such approval shall be applicable in respect of transactions which are repetitive in nature.
4. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

5. 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.

Provident that where the need for Related Party Transaction cannot be foreseen and 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.

6. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

It is desirable that the Notice of any potential Related Party Transaction to be given well in advance to enable the Audit Committee/Board to have adequate time to obtain and review details in respect of the proposed transaction.

5. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY.

The Audit Committee and the Board will not approve a proposed Related Party Transaction if it considers that the transaction is not the best interest of the Company.

Where in terms of Section 188(3) of the Companies Act, 2013, the Board decides not to ratify a related Party Transaction which has already commenced without prior approval, the Committee and the Board may direct immediate discontinuation or recession of the transaction. The Committee may also ask for modification of the Terms in the best interest of the Company.

In addition to the Directors and Key Managerial personnel, this policy will be communicated to all Operational Heads and the Senior Executives of the Company for overall awareness to facilitate statutory compliances.

DISCLOSURE

The particulars of contracts or arrangement with related parties referred to in section 188(1) of the Companies Act, 2013 shall be disclosed in the Board's Report under Section 134 of the Companies Act, 2013.