

## Policy on Related Party Transactions (RPTs)

The objective of this policy is to assist Board identifies and recognizes certain transactions as Related Party Transactions in fulfilling its responsibilities to the stakeholders as mandated under the provisions of Companies Act, 2013 and SEBI Regulations.

The Board of Seven recognizes the following transactions as Related Party Transactions:

- Sale, purchase or supply of any goods or material
- Selling or otherwise disposing of, or buying, property of any kind;
- Leasing of property of any kind;
- Availing or rendering of any services;
- Appointment of any agents for
- Purchase or sale of goods, materials, services or property;
- Related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; or
- Underwriting the subscription of any shares in or derivatives thereof.

Related Party Transaction covers transfer of resources, services or obligations between a company and a related party, regardless, of whether a price is charged

Related Party Transaction will be considered material if the transactions entered into individually or collectively during a financial year exceeds:

10% of the Annual Turnover or such other limit as amended by SEBI and/or by the Central Government under the provisions of Companies Act, 2013 and the Rules made thereunder from time to time.

While recognizing the above said transactions, the Board will decide the Arm's length transactions in the ordinary course of business on a case to case basis. Arms length transaction means, any transaction between unrelated parties and there is no conflict of interest.

Arm's length transactions will require only Audit Committee approval. Whereas the transactions which are not at Arm's length transaction and also not in the ordinary course of business would require prior approval of Audit Committee, Board of Directors approval and also prior approval of Shareholders. All transactions which are not at Arm's length shall be disclosed in Board's Report.

### ***Procedures for RPTs:***

- Identifying Related Parties: Persons covered under Section 188 of the Companies Act, 2013 shall be treated as Related Parties as per **Annexure**. KMPs shall ensure Updating/ maintaining the database of such persons / entities
- During the course of discussion with the management, the KMPs shall start Identify whether the proposed related party transaction is in the ordinary course of business in relation to the company and such person / entity and the management shall be informed accordingly.

- the management should be advised that Related Parties shall obtain internal clearance before entering into any transaction with such persons / entities

**Disclosure:**

- Details of all material Related Party Transaction to be disclosed quarterly along with the compliance report on corporate governance
- Policy on dealing with Related Party Transaction to be disclosed on the Company's website and Annual Report

**Penalties for non-compliance**

- Company may proceed against a director / employee, who had entered into contract or arrangement in contravention of the provisions, for recovery of any loss sustained by it as a result of such contract or arrangement.
- Such a director shall be disqualified for a period of 5 years.
- Such director / employee may be punishable with imprisonment for a term up to 1 year and/or with fine of ₹25,000 – ₹5,00,000.

**Amendment**

Any amendment to the policy would require approval of the Audit Committee.

## Related Party List – Annexure

**"Related Party"** means related party as defined in Clause 49 of the Listing Agreement which is as follows:

A 'Related party' is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

A person or a close member of that person's family is related to a company if that person is a related party under Section 2(76) of the Companies Act, 2013 which are as follows:

- (i). a director or his relative;
- (ii). a key managerial personnel or his relative ;
- (iii). a firm, in which a director, manager or his relative is a partner ;
- (iv). a private company in which a director or manager is a member or director ;
- (v). a public company in which a director or manager is a director or holds along with his relatives, more than two per cent of its paid-up share capital;
- (vi). anybody corporate whose Board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii). any person under whose advice, directions or instructions a director or manager is accustomed to act :  
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii). any company which is –
  - (a) a holding, subsidiary or an associate company of such company; or
  - (b) a subsidiary of a holding company to which it is also a subsidiary;
- (ix) Director or key managerial personnel of the holding company or his relative With reference to a company; or
  - (a) has control or joint control or significant influence over the company; or
  - (b) is a key management personnel of the company;