

S Kumar Online Limited
(Formerly Known as S kumar.Com Limited)

| |
|---|
| <p>POLICY ON MATERIALITY</p> <p>OF</p> <p>RELATED PARTY TRANSACTIONS</p> <p>AND</p> <p>ALSO ON DEALING WITH RELATED PARTY TRANSACTIONS</p> |
|---|

1. SHORT TITLE AND COMMENCEMENT

1.1 This Policy shall be called “Policy on materiality of Related Party Transactions and dealing with Related Party Transactions.”

1.2 The Policy shall come into effect from 1st October 2014.

2. OBJECTIVE:

Related Party Transactions have been one of the major areas of focus for the corporate governance reforms being initiated by Indian legislature.

The changes introduced in the Corporate Governance norms through the Companies Act, 2013 and *{Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 “[SEBI (LODR) Regulations, 2015]}”} require the companies to have enhanced transparency and due process for approval of the Related Party Transactions.

One such requirement is that the companies are required to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

3. DEFINITIONS

3.1. “Act” means Companies Act, 2013;

* Replaced at Board of Directors Meeting held on 11/02/2016 {the revised clause 49 of the listing agreement}

S Kumar Online Limited
(Formerly Known as S kumar.Com Limited)

3.2. **“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”** means the audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the listing agreement and the Companies Act, 2013.

3.4. **“Board”** means the Board of directors of S Kumar Online Limited.

3.5. **“Company”** means S Kumar Online Limited.

3.6. **“Material Related Party Transaction”** means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company.

3.7. **“Policy”** means this Policy, as amended from time to time.

3.8. **“Related Party”** in relation to the Company means a party related with the Company in any of the ways as are laid down in section 2(76) of the Companies Act, 2013 and clause 49 of the listing agreement as amended from time to time.

3.9. **“Related Party Transaction”** in relation to the Company means a transaction with a Related Party under the relevant provisions of the Companies Act, 2013 or the listing agreement or any other related law, regulation, standard etc.

3.10. **“Relative”** means relative as defined as per Section 2(77) of the Companies Act, 2013 and The Companies (Specification of definition details) Rules, 2014, and/or any modification or re-enactment therein.

*[3.11. **“SEBI (LODR) Regulations, 2015”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

4. APPROVAL OF RELATED PARTY TRANSACTIONS:

Every Related Party Transaction entered into with effect from 1st October 2014 shall be subject to approval of the Audit Committee. The approval of the Audit Committee can be granted by way of a circular resolution.

* Added at Board of Directors Meeting held on 11/02/2016.

S Kumar Online Limited
(Formerly Known as S kumar.Com Limited)

***{“Omnibus approval for related party transactions on annual basis: -** All related party transactions shall require approval of the Audit Committee and the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to the following conditions, namely:-

(1) The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:-

(a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;

(b) the maximum value per transaction which can be allowed;

(c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

(d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;

(e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

(2) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -

(a) repetitiveness of the transactions (in past or in future);

(b) justification for the need of omnibus approval.

(3) The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the company.

(4) The omnibus approval shall contain or indicate the following: -

(a) name of the related parties;

(b) nature and duration of the transaction;

(c) maximum amount of transaction that can be entered into;

(d) the indicative base price or current contracted price and the formula for variation in the price, if any; and

(e) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

S Kumar Online Limited
(Formerly Known as S kumar.Com Limited)

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

(5) Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

(6) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

(7) Any other conditions as the Audit Committee may deem fit.”}

The Board shall approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or listing agreement and/or transactions referred to it by the Audit Committee.

Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.

Further, all Material Related Party Transactions shall require approval of shareholders of the Company through special resolution (unless it is exempted pursuant to the provisions of listing agreement) and the Related Parties shall abstain from voting on such resolution(s).

All Related Party Transactions (other than Material Related Party Transactions) pursuant to Section 188 of the Companies Act, 2013 which are not in the ordinary course of business or not an Arms' length transaction and cross the threshold limits prescribed under Companies Act, 2013 shall also require the approval of shareholders of the Company through special resolution and the Related Parties shall abstain from voting on such resolution(s).

The approval mechanism for Related Party Transactions shall be as stipulated in SEBI (LODR) Regulations, 2015 and/or Companies Act, 2013, as amended from time to time.

5. DISCLOSURES

S Kumar Online Limited shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

* Added at Board of Director Meeting held at 11/02/2016 as given under the Rule 6A of the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2015

S Kumar Online Limited
(Formerly Known as S kumar.Com Limited)

6. OTHER MISCELLANEOUS MATTERS

Where the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its implementation, the matter shall be reviewed by the Audit Committee. In such circumstance, the Committee shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction as per the applicable provisions. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In case where the Committee does not deem it fit to ratify a Related Party Transaction that has been commenced without approval, the Committee, may direct additional actions including, but not limited to, immediate discontinuation of the transaction, as appropriate. The Committee shall also have the authority to modify or waive any procedural requirements of the Related Party Transaction to suit the modus operandi of this Policy.

7. REVIEW AND AMENDMENTS:

The Board shall, as may be required, assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, laws applicable and the best practices. Any amendment to this policy will be in writing.

8. INTERPRETATION:

a) Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.

b) In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.
