

UMIYA TUBES LIMITED
(CIN: L28112GJ2013PLC074916)

Registered Office:

208, 2nd Floor, Suman Tower, Sector No. - 11, Gandhinagar -382011 (Gujarat)
Contact No: 9033090051, 9727715568 E-mail Id: info@umiyatubes.in Website: www.umiyatubes.in

POLICY ON RELATED PARTY TRANSACTIONS

INTRODUCTION

Umiya Tubes Limited ("Company"), is a company limited by shares having paid up share capital of Rs 12,95,66,670/- (Twelve Crore Ninety-Five Lakh Sixty-Six Thousand Six Hundred Seventy Only). The Company's equity shares are listed on BSE. The Company becomes a 'listed entity' in terms of section 2(1)(b) of Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (LODR) Regulations, 2015 read with section 2(h)(i) of the Securities Contracts (Regulation) Act, 1956.

Pursuant to Regulation 15(2) of SEBI (LODR) Regulations, 2015, the Company is exempted from formulating a policy on materiality of related party transactions and on dealing with related party transactions in accordance with regulation 23 of SEBI (LODR) Regulations, 2015.

The Company recognizes that Related Party Transactions (as defined below) may pose potential or actual conflicts of interest and may raise questions whether such transactions are in the larger interest of the Company as well as the stakeholders concerned and in compliance with the provisions of the Companies Act, 2013.

Considering the same the Board of Directors (the "Board") of the Company has adopted this Policy based on the recommendation of Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions ("RPT") in compliance with the requirements of Section 188 of the Companies Act, 2013.

SCOPE AND PURPOSE OF THE POLICY

This Policy is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

The Policy envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with the requirements under law.

DEFINITIONS

"Arm's Length Transaction ('ALT')" means, a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

"Audit Committee or Committee" means the Committee of the Board constituted from time to time under the provisions of Section 177 of the Companies Act, 2013.

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“Board” means the Board of Directors as defined under the Companies Act, 2013.

“Key Managerial Personnel” as defined under section 2(51) of the Act, in relation to the Company, shall mean-

- i. Chief Executive Officer or the Managing Director or the Manager;
- ii. Company Secretary;
- iii. Whole-time Director;
- iv. Chief Financial Officer;
- v. Such other officer as may be prescribed.

“Ordinary course of business” means the usual/ routine/ regular business transactions undertaken by the Company in normal course of conducting its business operations and activities.

“Related Party” means related party as defined under the sub-section (76) of Section 2 of Companies Act, 2013 read with Regulation 2(1)(zb) of SEBI LODR and as amended from time to time.

“Related Party Transactions” means transfer of resources, services or obligations between a listed entity and a related party, regardless of whether price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract, as defined in Section 188(1) of the Companies Act 2013 read with regulation 2(1) (zc) of SEBI LODR and as amended from time to time.

“Relative” means a relative as defined under sub-section (77) of Section 2 of the Companies Act, 2013 and the rules prescribed there under.

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

(a) Approval of the Audit Committee:

All the transactions with the related party require the prior approval of the Audit Committee, in terms of Section 177(4)(iv) of Companies Act, 2013. Further, subsequent modification of such transaction also require the approval of the Audit Committee as provided under section 177(4)(iv) of the Act. The Audit committee shall consider the proposal along with requisite details as stipulated under the relevant statutory provisions.

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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:

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.

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

(b) Approval of the Board of Directors:

The Company shall enter into any contract or arrangement with a related party with respect to a transaction as specified under Section 188(1) of the Act, only with prior consent of the Board of Directors given by way of a resolution of the Board, and subject to such conditions as may be prescribed under the Act from time to time.

All Related Party Transactions, which are proposed to be entered by the Company

(i) other than in ordinary course of business; and / or (ii) other than on arm's length basis, shall require prior approval of the Board of Directors of the Company, by means of passing of resolution at a meeting of the Board.

Where any director is interested in any contract or arrangement with a related party, such director shall not participate on the subject matter of the resolution relating to such contract or arrangement.

(c) Approval of the Shareholders of the Company:

The prior approval of the shareholders of the Company shall be required in case of ;

(i) All material related party transactions.

(ii) All other related party transactions, which are not in ordinary course of business and/or not entered on arm's length basis, whose value exceeds the threshold limits as prescribed under provisions of Companies Act, 2013 read with Rule 15 of the Companies (Meetings of the Board & its Powers) Rules, 2014, as given below through an Ordinary resolution.

S.No.	Nature of transaction as per Section 188 of the Companies Act, 2013	Threshold limit for seeking approval of shareholders
a)	sale, purchase or supply of any goods or material, directly or through appointment of agent	Ten percent or more of the turnover of the Company.
b)	selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent	Ten percent or more of net worth of the company
c)	leasing of property any kind	Ten per cent or more of the turnover of the company
d)	availing or rendering of any services, directly or through appointment of agent	Ten percent or more of the turnover of the company

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e)	appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding two and a half lakh rupees
f)	remuneration for underwriting the subscription of any securities or derivatives thereof, of the company	Exceeding one percent of the net worth of the company.

Explanation:-

a. the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

b. The turnover or net worth referred in the above points shall be computed on the basis of the audited financial statement of the preceding financial year.

DISCLOSURE REQUIREMENT

The transaction entered into with the related party/ies shall be disclosed in the Annual Report/Accounts as per the disclosure requirement of the Companies Act, 2013.

The particulars of all the Related Party Transaction entered into with the approval of the Audit Committee / Board of Directors / Shareholders shall be entered into the Register of Contract or Arrangements in which Directors are interested, maintained by the Company and all the compliance related thereto shall be done by the Company Secretary as per the provisions of the Companies Act, 2013.

The Company shall disclose the policy on dealing with Related Party Transactions on its website.

RATIFICATION

Any Related Party Transaction entered into without obtaining the prior approval of the Audit/ Board/ Shareholders(respective authority/ies) may be ratified, subject to the applicable provisions of the Companies Act, 2013, if post review of the said transaction / contract, the appropriate authority is satisfied, that the said Related Party Transaction is not detrimental to the interest of the Company, however, the appropriate authority may also ratify such transaction or contracts, with or without the modification(s).

If the appropriate authority decides, not to approve a particular transaction, it may require the Related Party to reimburse the benefits which might have accrued to it and / or indemnify the Company with regard to the subject Related Party Transaction which is not approved by the appropriate authority.

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However the Related Party transaction which are entered into without the approval of the appropriate authority and subsequently not ratified by the appropriate authority, the applicable provisions of the Companies Act, 2013 shall apply.

LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/modification in Companies Act and rules & regulation thereof/ applicable laws in this regard shall automatically apply to this Policy.

POWER TO REVIEW

The Audit Committee may review this policy from time to time and recommend any changes to the Board for approval.