

SAMTEL COLOR LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE

The Board of the Directors (the “Board”) of Samtel Color Limited (the “Company”) has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions in compliance with the requirements of Section 188 of the Companies Act, 2013 and SEBI (LODR) Regulations 2015. This Policy shall be applicable to the Company w.e.f 01.04.2016. The Audit Committee, from time to time will review and may recommend amendment, if any required to this policy for the consideration and approval of the Board.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions.

~~2.~~ OBJECTIVE

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

~~3.~~ DEFINITIONS

- a. “Audit Committee” means Committee of Board of Directors of the Company constituted under provisions of Listing Agreement and Companies Act, 2013.
- b. “Board” means Board of Directors of the Company.
- c. Control” is defined as follows:
 - i As per Revised Listing Agreement: shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 which is:
“control” includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or

indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner:

Provided that a Director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position;

- ii. As per Section 2(27) of the Act: shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
- d. "Key Managerial Personnel" means key managerial personnel as defined under the Companies Act, 2013 and includes:
 - (i) Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Whole-time Director;
 - (iii) the Chief Financial Officer; and
 - (iv) the Company Secretary;
 - (v) such other officer as may be prescribed;
- e. "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.
- f. "Policy" means Policy on dealings with Related Party Transactions.
- g. "Related Party" means related party as defined in under section 2 (76) of the Act 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 or his relative is a member or Director;
 - v. a public company in which a Director or Manager is a Director and holds along with his relatives, more than two per cent of its paid-up share capital;
 - vi. any body 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 on whose advice, directions or instructions a Director or Manager is accustomed to act;
 - viii. any company which is-
 - (i) a holding, subsidiary or an associate company of such company; or
 - (ii) a subsidiary of a holding company to which it is also a subsidiary;
 - (iii) such other person as may be prescribed from time to time:

- i. a Director or key managerial personnel of the holding company or his relative;
- h. "Related Party" means related party as defined in SEBI (LODR) Regulations/ the Listing Agreement, an entity shall be considered as related to the company if:
- i. Such entity is a related party under Section 2(76) of the Companies Act, 2013; or
 - ii. Such entity is a related party under the applicable accounting standards
- i. "Related Party Transaction" transactions/ contracts/ arrangement between the Company and its related parties which fall under one or more of the following headings:
- i. As per LODR & Listing Agreement: A related party transaction is a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged. A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract."
 - ii. As per Section 188 of the Act:
 - 1) Sale, purchase or supply of any goods or materials;
 - 2) Selling or otherwise disposing of, or buying, property of any kind;
 - 3) Leasing of property of any kind;
 - 4) Availing or rendering of any services;
 - 5) Appointment of any agent for purchase or sale of goods, materials, services or property;
 - 6) Such related party's appointment to any office or place of profit* in the Company, its subsidiary Company or associate Company; and
 - 7) Underwriting the subscription of any securities or derivatives thereof, of the Company;
*“Office or place of profit” means any office or place—
 - where such office or place is held by a Director, if the Director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as Director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
 - where such office or place is held by an individual other than a Director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- j. "Relative" means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if –
- (i) They are members of a Hindu undivided family ;
 - (ii) They are husband and wife ; or
 - (iii) Father (including step-father)

- (iv) Mother (including step-mother)
- (v) Son (including step-son)
- (vi) Son's wife
- (vii) Daughter
- (viii) Daughter's husband
- (ix) Brother (including step-brother)
- (x) Sister (including step-sister)

k. "Transactions on arm's length basis" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

l. "Associate company "in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company. Explanation.—For the purposes of this clause, "significant influence" means control of at least twenty per cent of total share capital, or of business decisions under an agreement;

4. Manner of Dealing with Related Party Transactions

All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

4.1 Identification of Related Parties

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit & Ethics Committee regarding persons and entities to be considered as "Related Party" by virtue of his/her being Director/KMP in the entity or holding certain shareholding percentage. Such notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

4.2 Identification of Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

4.3 Approval Requirements for Related Party Transactions

All Related Party Transactions shall require prior approval of the Audit Committee. Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions. All Related Party Transactions which are neither in the ordinary course of business nor at arm's length price require Board approval. Also the shareholders approval is required through special resolution if the transaction value exceeds the threshold given under the Companies Act 2013.

4.4 Review and Approval of Potential Related Party Transactions

Potential Related Party Transactions shall be referred to the Audit Committee for review and approval. To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (i) Whether the terms of the Related Party Transaction are at arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- (ii) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- (iii) Whether the Related Party Transaction would affect the independence of an independent Director;
- (iv) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- (v) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- (vi) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director or other Related Party, the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction, and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.
- (vii) If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for the Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Any member of the Committee who has an interest in the transaction under discussion will abstain from voting. Upon completion of its review of the transaction, the Committee may determine to permit or to prohibit the Related Party Transaction.

In case, there is any conflict between this policy and the applicable laws including clarifications etc, the matter shall be considered in view of the applicable laws including clarifications etc.

In the case of Transactions which are frequent and regular in nature and are in the normal course of business of the Company, the Audit Committee may grant omnibus approval for such transactions, provided that the Audit Committee shall lay down criteria for granting such approval, the Committee shall satisfy itself of the need for such omnibus approval and it is in the interest of the Company, and such omnibus approval shall specify:

- The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
- The indicative base price / current contracted price and the formula for variation in the price if any and
 - Such other conditions as the Audit Committee may deem fit.

Provided that 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.

The Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The requirement of obtaining Audit Committee and shareholder's approval for related party transactions (as referred to under the provisions of SEBI (LODR) Regulations, 2015) is exempted under following circumstances:-

- (i) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

4.5 Approval by Circular Resolution of the Committee

In the event the Company Management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a Related Party Transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval must be ratified by the Committee at its next scheduled meeting.

4.6 Approval by the Board

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

5. Committee / Board to seek details

While reviewing any Related Party Transaction, the Committee and/or the Board shall be at liberty to call for more information/details/advise/opinion from the following persons:

- Any employee
- Internal Auditor
- Statutory Auditor
- Cost Auditor
- Secretarial Auditor
- Legal Advisor
- External Expert/Consultant

6. Determination of Arm's Length Price

The arm's length principle and the transfer pricing methodologies prescribed under the Indian Income Tax Act, 1961 ('IT Act') as well as associated domestic and international guidance shall be referred to determine arm length price relating to all related party transactions.

7. Disclosure & Reporting of Related Party Transactions

Every Related Party Transaction entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction. The Company Secretary and the Chief Financial Officer shall be, responsible for such disclosure. The Company Secretary shall also make necessary entries in the Register of Contracts required to be maintained under the Companies Act, 2013.

8. Scope Limitation

In the event of any conflict between the provisions of this Policy and of the Listing Agreement / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

9. Dissemination of Policy

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company

NOTICE OF INTEREST BY DIRECTOR / KEY MANAGERIAL PERSONNEL

To,
 The Company Secretary/Compliance Officer “
 Samtel Color Limited,
 501, 5th Floor, Copia Corporate Suites,
 District Centre, Jasola,
 New Delhi - 110125

Dear Sir,

- A. I,, son/daughter/spouse of, resident of, holding Shares (equity or preference) of Rs. 10/- each (..... percent of the paid-up Capital) in the Company in my name, being a in the Company, hereby give notice that I am interested directly/through my Relatives (Schedule) in the following company or companies, body corporate, firms or other association of individuals:

Sr. No.	Name of the Companies/Bodies Corporate/Firms/ Association of Individuals	Nature of Interest or concern / Change in Interest or Concern	Shareholding	Date on which Interest or Concern arose/ changed

- B. The Following are the Bodies Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with any advice, directions or instructions;

Sr. No.	Name of the Body Corporate

- c. I am accustomed to act on the advice, directions or instructions of the following persons (other than advice, directions or instructions obtained in professional capacity).

Sr. No.	Name of the person	Relation

Signature:
 Name:
 Designation:

Place:

Date:

SCHEDULE

LIST OF RELATIVES

No.	Relationship	Full Name	Address	Shareholding in Samtel Limited Color
1	Spouse			
2	Father (including Step-Father)			
3	Son (including Step,,			
4	Daughter			
5	Daughter's Husband			
6	Brother (Including Step-Brother)			
7	Sister (Including Step-Sister)			
8	Mother (including Step-Mother)			
9	Son's Wife			
10	Members of HUF			

INFORMATION TO BE PROVIDED TO THE AUDIT COMMITTEE / BOARD IN RELATION TO THE PROPOSED RELATED PARTY TRANSACTION (TO THE EXTENT RELEVANT TO THE TRANSACTION):

- ~~1.~~ Name of the Related Party and nature of relationship;
- ~~2.~~ Nature and duration of the contract/transaction and particulars thereof;
- ~~3.~~ Material terms of the contract or arrangement or transaction including the value, if any;
- ~~4.~~ In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
- ~~5.~~ Any advance paid / received or to be paid / received for the contract or arrangement, if any;
- ~~6.~~ Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
7. Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any.
- ~~8.~~ Applicable statutory provisions, if any;
- ~~9.~~ Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
- ~~10.~~ Justification as to the arm's length nature of the proposed transaction;
- ~~11.~~ Declaration whether the transaction is in the ordinary course of business;
- ~~12.~~ Persons / authority approving the transaction; and
- ~~13.~~ Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.