

EMERGENT INDUSTRIAL SOLUTIONS LIMITED

Related Party Transactions Policy

Emergent Industrial Solutions Limited (formerly Emergent Global Edu and Services Limited) has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions (RPTs). Endeavour is consistently made to have only arm's length transactions with all parties including Related Parties. The Board of Directors of the Company has adopted the following policy regarding materiality of related party transactions and also on dealings with Related Parties in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 188 of the Companies Act, 2013.

Related Party

A party will be considered 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.

Material Subsidiaries

Material subsidiary in a year shall be a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively of the Company and its subsidiaries, in the immediately preceding accounting year.

Related Party Transaction

Under Regulation 2 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, "related party transaction" means "a transfer of resources , services or obligations between a listed entity and a related party, regardless of whether a price is charged And a "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract" and such related party transaction shall not include reimbursement of any expense incurred in the ordinary course of business.

Materiality of Related Party Transactions

Transaction with a related party shall be considered material 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. Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Dealing with Related Parties

All related party transactions shall require prior approval of the Audit Committee.

In the event such contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013, the Rules framed thereunder, provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

All material related party transactions shall require approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The aforesaid provisions, other than the provision relating to approval of the Audit Committee, shall not be applicable in the case of transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders and the general meetings for approval.

All entities falling under the definition of related parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.