



LEAP INDIA LIMITED
POLICY ON RELATED PARTY TRANSACTIONS

1. Purpose

This policy aims to determine the materiality of Related Party Transactions ('RPTs') and to set out the framework for dealing with RPTs of LEAP India Limited and/or its subsidiaries (the 'Company'). This policy is prepared in accordance with Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations') as amended from time to time, and Section 177 and 188 of the Companies Act, 2013 (the 'Act') read with Rules made thereunder, as amended from time to time.

2. Commencement

The Policy shall come in to force with effect from the date of listing of the equity shares of face value of ₹ 1 each of the Company on BSE Limited and National Stock Exchange of India Limited.

3. Definitions

In this Policy, unless the context otherwise requires:

"Act" means the Companies Act, 2013 including any statutory modification or re-enactment thereof;

"Audit Committee" means the committee of Board constituted in pursuance of Section 177 of the Act and Regulation 18 of Listing Regulations;

"Board" means the Board of Directors of the LEAP India Limited;

"Company" means LEAP India Limited;

"Key Managerial Personnel" means the person(s) appointed as such in pursuance of Section 203 read with Section 2(51) of the Act;

"Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended or replaced from time to time;

"Material Modification" in relation to a Related Party Transaction shall include any: (i) variation, deviation, modification or amendment to the terms of such transaction (in part or in whole) monetary impact of which is 20% or more of the original annual value of such Related Party Transaction; and / or (ii) variation, deviation, modification or amendment to the terms of such transaction (in part or in whole), that are non-monetary in nature and / or monetary impact of which is not quantifiable, which is reasonably likely to have a material impact on the Company and/or its Subsidiaries;

"Ordinary Course of Business" with reference to a transaction with a Related Party means a transaction which is:

- (i) carried out in the normal course of business of the Company as envisaged in the Memorandum of Association of the Company as amended from time to time;
- (ii) repetitive/ frequent in nature;
- (iii) normal and otherwise routine to business as carried out by the Company;
- (iv) common and normal in a particular industry;
- (v) in furtherance of business objectives and/ or business purposes of the Company; and
- (vi) meets any other parameters / criteria as decided by the Board/Audit Committee in this regard, from time to time.

“Related Party”, means a party related in any of the ways as laid down in Section 2(76) of the Companies Act, Listing Regulations or under applicable accounting standards, each as amended, as applicable.

“Relative” with reference to any person, means anyone who is related to another person as defined under Section 2(77) of the Act and applicable Accounting Standards

“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) the Company or any of its subsidiaries on one hand and a Related Party of the Company or any of its subsidiaries on the other hand; or
- (ii) the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a Related Party of the Company or any of its subsidiaries;

regardless of whether a price is charged and a “transaction” with a Related Party shall be construed to include: (i) a single transaction or a group of transactions in a contract, and (ii) all transactions as defined as a “related party transaction” under the relevant provisions of the Act, the Listing Regulations or any other related law, regulation, standard, each as amended;

Provided that the following shall not be a Related Party Transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- (c) acceptance of fixed deposits and payment of interest thereon by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board:

(d) acceptance of current account deposits and payment of interest thereon and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time

“Relevant Laws” means the Act, the Rules and Listing Regulations;

“Rules” means the Rules framed under the Act, as amended from time to time; and

“Specified RPT” shall have the meaning as ascribed to it in Clause 5.3.6 hereof.

4. Interpretation

4.1 Any capitalized words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder including the Listing Regulations, the applicable accounting standards or any other relevant legislation/law applicable to the Company.

5. Procedure

5.1. Identification of Related Parties

On the basis of the disclosures made by Directors and Key Managerial Personnel and considering the applicable provisions under the Relevant Laws and this policy, the Company shall maintain a list of Related Parties, to be updated quarterly or such other periodicity that the Board may determine.

5.2. Material Related Party Transaction

A Related Party Transaction shall be considered material if the transaction or transactions to be entered into individually or taken together with previous transactions during a financial year, exceed the lower of (i) ten per cent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company; and (ii) INR 1000,00,00,000 (Indian Rupees One Thousand Crores).

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 transaction(s) during a financial year, exceed the lower of: (i) five per cent (5%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company; and (ii) INR 1000,00,00,000 (Indian Rupees One Thousand Crores).

All Material Related Party Transactions and Material Modifications to a Material Related Party Transaction (provided that such Material Modification has a monetary impact of 20% or more of the original annual value of such Related Party Transaction) shall require prior approval of the shareholders of LEAP India Limited (by ordinary resolution), provided that no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not. It is clarified that the omnibus approval for Material Related Party Transactions obtained from the shareholders at (i) the annual general meeting shall be valid upto the date of the next

annual general meeting for a period not exceeding 15 (fifteen) months; and (ii) general meetings other than the annual general meeting shall be valid only for one year.

Further, all existing Material Related Party Transactions entered into prior to the date of effectiveness of this Policy, and which may continue beyond such date shall be placed for approval of the shareholders (by ordinary resolution) in the first General Meeting subsequent to the coming into effect of this Policy.

5.3. Review and approval of Related Party Transactions

5.3.1. All Related Party Transactions and Material Modifications thereto shall require prior approval of the Audit Committee (where only Independent Directors on the Audit Committee shall be permitted to vote to approve such Related Party Transactions and/or Material Modifications).

It is clarified that (notwithstanding what is set out elsewhere in the Policy), a Related Party Transaction to which the subsidiary of LEAP India Limited is a party but LEAP India Limited is not a party (and any Material Modification thereto), shall require prior approval of the Audit Committee, if the value of such Related Party Transaction whether entered into individually or taken together with previous transactions during a financial year exceeds the lower of: (i) INR 1000,00,00,000 (Indian Rupees One Thousand Crores); and (ii) 10% (ten per cent) of the annual standalone turnover of such subsidiary, as per the last audited financial statements of such subsidiary.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

5.3.3. The Audit Committee may grant omnibus approval to one or more proposed Related Party Transactions. Such omnibus approval shall be subject to the following conditions: -

a) The proposed Related Party Transaction(s) is/ are repetitive in nature and the Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company;

b) The maximum value of the Related Party Transactions, in aggregate, which can be allowed under the omnibus route in a financial year shall not exceed ten percent (10%) of annual consolidated turnover of the Company as per the last audited financial statements of the Company. Further, the maximum value per Related Party Transaction which can be allowed under the omnibus route shall not exceed five percent (5%) of annual consolidated turnover of the Company as per the last audited financial statements of the Company.

c) Such omnibus approval shall specify (i) the name(s) of the Related Party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price, if any; and (iii) such other conditions as the Audit Committee may deem fit; Provided 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 the transaction value not exceeding Rs. 1 crore per transaction.

d) Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company and/or its subsidiaries pursuant to each omnibus approval.

e) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of one year.

f) Omnibus approval shall not be granted by the Audit Committee for the following:

(i) Related Party Transaction(s) in respect of selling or disposing off the undertaking of the Company and/or its subsidiaries; and

(ii) Related Party Transaction(s) with respect to brand usage or royalty payments.

5.3.4. Each Related Party Transaction and subsequent Material Modifications shall require prior approval of the Audit Committee or Board of Directors or shareholders of the Company, as the case may be as required under and subject to the Act and the Listing Regulations. The information in respect of proposed Related Party Transaction(s) along with complete details including nature and amount of transaction, period of contract, justification for entering transaction with such party shall be placed before the Audit Committee, the Board and/or the shareholders (as applicable), in accordance with the Relevant Laws.

5.3.5. While assessing the proposal, the Audit Committee may seek such information / supporting documents or get clarifications, as it may consider necessary.

5.3.6. A contract, arrangement or transaction, between a related party (as defined under the Act) and the Company, as specified under Section 188(1) of the Act, which is either not on an 'arm's length basis' or not in the Ordinary Course of Business ("Specified RPT"), shall also require approval of Board as per the provisions of Section 188(1) of the Act and the applicable provisions of the Rules.

Where any Director is interested in the Related Party Transaction being considered for approval at the Board meeting, such Director shall not be present during discussions pertaining to such transaction.

Further, subject to the provisions of the Act and Rules, the following Specified RPTs shall require approval of the shareholders of the Company by a resolution:

a) Sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to ten per cent or more of the turnover of the Company, as mentioned in clause(a) and clause (e) respectively of sub-section (1) of Section 188 of the Act;

b) Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten per cent or more of net worth of the Company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of Section 188 of the Act;

- c) Leasing of property of any kind amounting to ten per cent or more of the turnover of the Company, as mentioned in clause (c) of sub-section (1) of Section 188 of the Act;
- d) Availing or rendering of any services, directly or through appointment of agent, amounting to ten per cent or more of the turnover of the Company, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of Section 188 of the Act;
- e) Appointment to any office or place of profit in the Company, its subsidiary company or associate company at a monthly remuneration exceeding Rs. 2,50,000 (Rupees two lakh fifty thousand only) as mentioned in clause (f) of sub-section (1) of Section 188 of the Act; or
- f) Contract or arrangement in respect of remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one per cent of the net worth of the Company as mentioned in clause (g) of sub-section (1) of Section 188 of the Act;

It is hereby clarified that the limits specified in sub-clause (a) to (f) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

5.3.7. In the event the Audit Committee decides to put up a Related Party Transaction before the Board, or if the Board suo-moto elects to review any Related Party Transaction or if a Related Party Transaction is required to be approved by the Board in pursuance of the Act, Rules or Listing Regulations, the process set forth in this clause 5 shall apply mutatis-mutandis for approval of such Related Party Transaction by the Board.

5.4 Disclosure by Directors / KMP

5.4.1 Every director and KMP of the Company and/or its subsidiaries shall upon their appointment, at the beginning of the financial year and whenever there is any change in the information already submitted, provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as Related Party with respect to the Company and shall also provide the list of Relatives which are regarded as Related Party as per this Policy.

5.4.2 Directors are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as Related Party according to this Policy.

5.4.3 Potential transactions between the Company and/or its subsidiaries with Related Parties, as per the above list provided under 5.4.1 and /or 5.4.2 (and Material Modifications thereto) shall be submitted to the Audit Committee for approval.

6. Related Party Transactions not approved under the policy

In case the Audit Committee becomes aware of any Related Party Transaction or a Material Modification thereto, that has not been approved as per the Policy, the matter shall be reviewed by the Audit Committee (“**Unapproved Transaction**”). The Audit Committee shall consider all the relevant facts and circumstances regarding the Unapproved Transaction and shall evaluate all options available to the Company and/or Subsidiary, including ratification, revision or termination of the said Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take such action as it may deems appropriate. Provided that the ratification of such Unapproved Transaction shall only be permitted if the following conditions are complied with:

- a) Only the members of the Audit Committee, who are independent directors, may ratify Unapproved Transaction;
- b) Such ratification shall occur within three months from the date of execution of the Unapproved Transaction or in the immediate next meeting of the Audit Committee, whichever is earlier;
- c) the value of all the Unapproved Transaction(s), whether entered into individually or taken together, during a financial year shall not exceed INR 1,00,00,000 (Indian Rupees one crore);
- d) the Unapproved Transaction is not a Material Related Party Transaction as defined in Paragraph 5.2 of the Policy;
- e) the rationale for inability to seek prior approval for the Unapproved Transaction shall be placed before the Audit Committee at the time of seeking ratification;
- f) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of Paragraph 7 of this Policy.

Provided that failure to seek ratification of the Audit Committee shall render the Unapproved Transaction voidable at the option of the Audit Committee and if the Unapproved Transaction is with any director of the Company and/or its subsidiaries or a related party to any director, or is authorized by any other director, the director(s) concerned shall indemnify the Company and/or subsidiary against any loss incurred by it.

7. Disclosure of Related Party Transactions

7.1 The particulars of Related Party Transactions shall be disclosed in such manner as may be prescribed under the Relevant Laws.

7.2. The particulars of Related Party Transactions should be entered in the register(s) maintained under the Act, wherever applicable.

7.3 The Company shall host this Policy on its website and a web-link thereto shall be provided in the Annual Report of the Company.

7.4 The Company shall submit within fifteen working days from (or a lesser period as prescribed under the Relevant Laws) the date of publication of its standalone and consolidated financial results for the half year, disclosures of Related Party Transactions, in the format specified in the relevant accounting standards for annual results (or as otherwise prescribed under the Relevant Laws) to the stock exchanges and publish the same on its website.

7.5 Provided that the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure provided that the same is not considered a Material Related Party Transaction.

External Certification:

The Company shall engage independent external auditor to periodically review the compliance of Related Party Transactions (including Material Related Party Transactions), with applicable Indian Accounting Standards, the Companies Act, 2013 and SEBI Listing Regulations.

The Audit Committee/Board may ask for opinion of management or external consultant before it approves any transaction with the Related Party.

The Company shall on an annual basis, at least 45 (forty five) days (or such other frequency as required under law or requested by any Director) prior to the close of each financial year commission a detailed benchmarking study by a Big 4 Accounting Firm, of each of the Related party transactions undertaken by it during the preceding financial year. Such study shall be tabled before and taken on record by the Audit Committee, which shall be afforded the opportunity to seek clarifications (if any) with respect to the study from the Big 4 Accounting Firm or the KMP of the Company.

9. Exemptions

Transactions entered into between LEAP India Limited and its wholly owned subsidiary whose accounts are consolidated with that of LEAP India Limited and placed before its shareholders at the general meeting for approval, shall not require prior approval of the Audit Committee or the shareholders of LEAP India Limited.

Transactions entered into between two wholly-owned subsidiaries of LEAP India Limited, whose accounts are consolidated with LEAP India Limited and placed before its shareholders at the general meeting for approval, shall not require prior approval of the Audit Committee or the shareholders of LEAP India Limited.

10. Policy Amendment and Review

The Board is, subject to applicable laws, entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and of any relevant applicable law, such applicable law in force, from time to time, shall prevail over this Policy.

Notwithstanding the foregoing, this Policy shall be reviewed by the Board at least once every three years and updated accordingly.



Quorum for all such meetings of the Board constituted to consider any amendment to this Policy (other than amendments to the Policy which are required under Applicable Laws), shall be constituted by presence of at least one non-executive, executive and independent director (provided if a director chooses to waive his or her right to participation in any meeting Board the Company, then such meeting may proceed validly so long quorum requirement under Applicable Law is met).

9. Communication of this Policy

This Policy shall be posted on the website of the Company at <https://leapindia.net/>