

POLICY ON RELATED PARTY TRANSACTION

INTRODUCTION:

The Board of Directors (the "Board") of Choksi Imaging Limited (the "Company") has adopted the following policy and procedures with regard to Related Party Transactions as defined below, in compliance with requirement of Section 188 of the Companies Act, 2013 read along with the Rules made thereunder and Clause 49 of the Listing Agreement.

DEFINITION:

"Company" means Choksi Imaging Limited

"Related party" means 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.

"Related Party Transactions" means a transaction between the Company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188 (1) of the Companies Act 2013, or is a related party transaction as understood under clause 49(VII) (A) of the Listing Agreement.

"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.

"Ordinary course of business" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association.

"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

PROCEDURE:

➤ **Approval of Audit Committee:**

Prior approval of Audit Committee is required to be taken for entering into transaction with a Related Party. The Audit Committee may grant approval or ratification in accordance with provisions of the Companies Act read along with the Rules made thereunder and Clause 49 of the Listing Agreement,

Any member of the Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

➤ **Approval of the Board:**

Consent of the Board would also be taken in respect of all related party transaction as per section 188 of Companies Act, 2013, except in case where the transactions entered into by the Company in its ordinary course of business and are on an arm's length basis.

Any member of the Board who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of such transaction.

➤ **Approval by the shareholders:**

All Material Related Party Transactions and transactions mentioned under sub section (1) of section 188 of the Companies Act, 2013, if exceeds the limit as may be prescribed from time to time, shall require approval of the shareholders through special resolution.

The related parties shall abstain from voting on such resolutions.

➤ **Omnibus Approval:**

Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature subject to their value not exceeding Rs.1 crore per transaction.

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

DISCLOSURE:

Every Related Party Transactions shall be disclosed in the following manner:

- In the Directors' report along with proper justification for entering into such contract or arrangement.
- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- The policy shall be disclosed on the company's website and a web link thereto shall be provided in the Annual Report.

This policy will be communicated to all Directors and Key Managerial Personnel of the Company.

AMENDMENT:

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.