

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions

1. INTRODUCTION

The Board of Directors of Taneja Aerospace and Aviation Limited (“TAAL or Company”) has adopted this Policy on Materiality of Related Party Transactions & Dealing with Related Party Transactions (“Policy”) in accordance with the requirement of Regulation 23(1) of the SEBI (LODR) Regulations, 2015 (“SEBI Regulations”).

SEBI through SEBI (LODR) (Amendment) Regulations, 2018 has amended the aforesaid regulation pursuant to which the Board of Directors of the Company has to review this Policy once in every three years and updated accordingly.

Accordingly, the Board of the Directors of the Company has amended and adopted this Policy in its meeting held on February 09, 2019.

As a matter of practice, the Company follows arm’s length basis in transacting business with its related parties which are in the ordinary course of business.

2. RELATED PARTY TRANSACTIONS

Related Party Transaction means a transaction as defined under Section 188(1) of the Companies Act, 2013 (“Act”) and as amended from time to time.

Pursuant to Regulation 2 (ZC) of the SEBI Regulations, “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 a single transaction or a group of transactions in a contract.

3. MATERIALITY THRESHOLD

A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

The Company shall have in place an internal system to review the dealings with related party transactions in compliance with the provisions of the Act and under SEBI Regulations.

4.1 Audit Committee

Transaction with Related Parties shall require prior approval of Audit Committee unless such transaction is exempted from such approval pursuant to provisions of the Act and SEBI Regulations. The Audit Committee may grant omnibus approval for Related Party Transactions subject to compliance with SEBI Regulations.

4.2. Board of Directors

If the Audit Committee determines that a Related Party Transaction should be brought before the Board or it is mandatory under the Act for the Board to approve such Transaction, then the Board shall consider and approve such Related Party Transaction.

4.3. Shareholders

All the Material Related Party Transaction unless such transaction is exempt from such approval pursuant to the provisions of the Act and SEBI Regulations shall require approval of shareholders. Transactions other than Material Related Party Transactions which are not in the ordinary course of business or at Arm's Length basis shall require the approval of shareholders if so required under the Act.

5. EFFECTIVE DATE

This amended Policy shall come into effect from April 01, 2019.