



RELATED PARTY TRANSACTIONS POLICY

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Skipper Limited

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RELATED PARTY TRANSACTIONS POLICY

1. INTRODUCTION

Skipper Limited (hereinafter referred to as “Skipper” or “Company”) has formulated this policy on dealing with Related Party Transactions and materiality of Related Party Transactions in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment or modification thereof) and also to comply with the provisions of Section 188 of the Companies Act, 2013.

The Company believes that any dealings with a related party must be conducted in such a way that no preferential treatment is given and adequate disclosures/ or permissions are made/ sought as required by law and applicable policies of the Company. As such, this policy provides a framework to regulate transactions between the Company and its related parties and also lays down mechanism for identification, approval, review and reporting of such transactions.

This policy is revised version of the Related Party Transaction Policy adopted by the Company from time to time and is effective from 22 May 2019.

2. DEFINITIONS

“**Arm’s length Transactions**” means a transaction between two Related Parties that is conducted as if they are unrelated so that there is no conflict of interest.

“**Audit Committee**” means Committee of Board of Directors of the Company constituted under provisions of the Listing Regulations and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

“**Company**” means Skipper Limited.

“**Key Managerial Personnel**” means Key Managerial Personnel as defined under the Companies Act, 2013.

“**Material Related Party Transaction**” shall mean the following transactions with a Related Party:

Nature of Transactions	Limit for qualifying as Material Related Party Transaction
1. Sale, purchase or supply of any goods or materials, directly or through appointment of agent.	Exceeding 10% of the turnover or Rs. 100 crore, whichever is lower.
2. Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent.	Exceeding 10% of the net worth or Rs. 100 crore, whichever is lower.
3. Leasing of property of any kind.	Exceeding 10% of the turnover or 10% of the net worth, or Rs. 100 crore whichever is lower.

4. Availing or rendering of any services, directly or through appointment of agent.	Exceeding 10% of the turnover or Rs. 50 crore, whichever is lower.
5. Appointment of any related party to any office or place of profit in the Company, its subsidiary company or associate company.	Monthly remuneration exceeding two and half lakh rupees.
6. Underwriting the subscription of any securities or derivatives thereof, of the Company.	Remuneration exceeding 1% of net worth.
7. Payments made with respect to brand usage or royalty.	Exceeding 2% of the annual consolidated turnover of the Company.
8. Any other transaction with related parties, other than those covered above, resulting in transfer of resources, obligations or services.	Exceeding 10% of the annual consolidated turnover of the Company.

Note:

- a. the limits specified in points (1) to (4) and point (7) & (8) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
- b. the turnover or net worth referred in the above points shall be computed on the basis of the audited financial statement of the preceding financial year.

Further, transaction with a related party shall be construed to include single transaction or a group of transactions in a contract.

“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 its Memorandum & Articles of Association. It also includes all such activities which the Company shall undertake in furtherance of the objects as stated in Memorandum of Association of the Company.

“Policy” means this Policy on Related Party Transactions.

“Relative” means relative as defined under the Companies Act, 2013, and Rules prescribed thereunder as amended from time to time.

“Related Party” means a related party as defined under Section 2 of the Companies Act, 2013, Listing Regulations and/or under the applicable accounting standards, as amended from time to time.

“Related Party Transaction” (“RPT”) shall mean such transactions as specified under Section 188 of the Companies Act, 2013 or Rules made thereunder and Regulation 2(1)(zc) of the Listing Regulations, including any amendment or modification thereof.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013/ Listing Regulations as may be amended from time to time and shall have the meaning respectively assigned to them therein.

3. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each director and Key Managerial Personnel is required to give notice of disclosure of interest under section 184 of the Companies Act 2013, along with list of relatives to the Company. The Company shall collate the data and shall at all times maintain database of Company's Related Parties and shall ensure that no transaction is entered into with any Related Party without requisite approvals.

Further each director, KMP is also responsible for providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her relative, including any additional information about the transaction that Board/Audit Committee may reasonably request.

4. FACTORS TO BE CONSIDERED WHILE GRANTING APPROVAL TO RELATED PARTY TRANSACTIONS

The Audit Committee/Board will consider the following factors, among others, to the extent relevant to the RPT while granting the approval-

-) Whether the terms of the RPT are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
-) Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
-) Whether the RPT would affect the independence of an independent director;
-) Whether the transaction qualifies to be a transaction in ordinary course of business;
-) Whether the transaction is in the interest of the Company;
-) Whether the RPT would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the terms and size of the transaction, the purpose and timing of the transaction, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction.

5. APPROVAL OF RELATED PARTY TRANSACTIONS

(a) AUDIT COMMITTEE APPROVAL

-) All RPT shall require prior approval of the Audit Committee whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 and Rules made thereunder or by Secretarial Standards.
-) The Committee may grant an omnibus approval for RPT which are repetitive in nature and subject to such criteria/conditions as mentioned under the Companies Act, 2013 and Rules made thereunder and Regulation 23 (3) of Listing Regulations and such other conditions as it may consider necessary in the interest of the Company. 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 basic criteria for providing omnibus approval shall be that the proposed transactions are repetitive in nature and are in the interest of the Company.
-) In case the need for related party transaction cannot be foreseen, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
-) Any member of the Audit Committee who has a potential interest in any RPT shall recuse himself and abstain from discussion and voting on the approval of RPT.
-) The Audit committee shall review on a quarterly basis, the details of RPT entered into by the Company pursuant to each of the omnibus approvals given. In connection with any review of RPT, the committee has authority to modify or waive any requirement of this policy.
-) The Audit Committee shall recommend the RPT for approval of Board of Directors/ Shareholders as may be required.

(b) APPROVAL OF BOARD OF DIRECTORS

-) The Board shall approve such RPT as are required to be approved under section 188 of the Companies Act 2013 and/or Listing Regulations and/or transactions referred to it by the Audit Committee.

However approval of the Board will not be required in case of transactions entered into by the company in its ordinary course of business and at arm's length.

-) Material RPT shall require prior approval of the shareholders.
-) Any member of the Board who has a potential interest in any RPT shall recuse himself and abstain from discussion and voting on the approval of Related Party Transaction.

(c) APPROVAL OF SHAREHOLDERS

-) All the Material RPT as defined in this Policy shall be approved by the shareholders through a resolution.
-) All entities falling under the definition of "related parties" shall not vote to approve such resolution whether the entity is a party to the particular transaction or not.
-) In case the shareholders decide not to approve a RPT, the Board/Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate

discontinuation or recession of the transaction, or modification of the transaction to make it acceptable to shareholders for approval.

6. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a RPT with a Related Party that has not been approved as per this Policy, the matter shall be reviewed by the Audit Committee. The Committee shall consider all of the relevant facts and circumstances regarding the RPT, and shall evaluate all options available to the Company, including ratification by it or recommending the Board for their ratification or seeking approval of Shareholders, revision or termination of the RPT. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Committee under this Policy, and shall take any such action it deems appropriate.

The Committee has authority to modify or waive any procedural requirements of this Policy.

7. DISCLOSURES & REPORTING

-)] Particulars of contracts or arrangements with related parties referred to in Section 188 of the Companies Act, 2013 shall be disclosed in the Director's Report in the prescribed format along with justification for entering into such contracts or arrangements.
-)] Details of all Material RPT shall be disclosed in the Corporate Governance report on a quarterly basis.
-)] The Company shall disclose the policy on dealing with RPT on its website and a web link thereto shall be provided in the Annual Report of the Company.
-)] The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of RPT on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.
-)] The Company shall disclose transactions with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, in the format prescribed in the relevant accounting standards for annual results.
-)] The Company shall make such other disclosures as may be required in compliance with the accounting standards on RPT.
-)] The Company shall keep one or more registers as specified under Companies Act, 2013 giving separately the particulars of all contracts or arrangements with any related party and shall make the same available for inspection in accordance with the Companies Act, 2013.

8. REVIEW AND AMENDMENT OF THE POLICY

Any subsequent amendment/modification in the Companies Act, 2013 or the Rules framed thereunder or the Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

The Board of Directors on recommendation of the Audit Committee shall review the policy at least once in every three years. However, the Board of Directors reserves its right to amend or modify the policy in whole or in part, at any time without assigning any reason whatsoever.