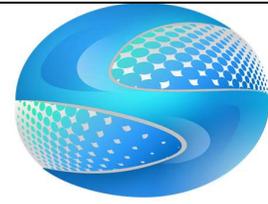


Springform Technology Limited

POLICY ON RELATED PARTY TRANSACTIONS



1. Introduction

Related Party Transactions (“RPTs”) can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“the Act”) read with the Rules framed there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (“SEBI LODR”), The Springform Technology Limited (Springform Technology) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

As per Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (“Regulations”) as amended from time to time, Springform Technology Limited (**the “Company”**) has adopted a Policy namely “**Policy on Related Party Transactions**” (“**the Policy**”) to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

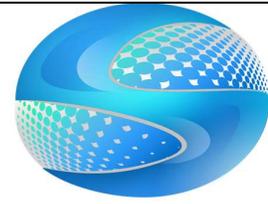
The Board of Directors (the “Board”) of the Company has adopted the Policy to uphold the confidence of the stakeholders and to ensure a transparent mechanism that avoids potential or actual conflict of interest on transactions with related parties.

2. Definitions

“**Act**” means Companies Act, 2013, Rules framed thereunder and any amendments thereto.

“**Arm’s Length Transaction**” means a transaction between two Related Parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

“**Associate Company**” in relation to another Company, means a Company in which that other Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a Joint Venture Company as per sub-section (6) of Section 2



of the Act.

Explanation: For the purpose of Associate Company (i) "Significant Influence" means control of at least 20% (twenty percent) of total voting power, or control of or participation in business decisions under an agreement; and (ii) "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

"Audit Committee or Committee": Audit Committee is the committee which is constituted by the Company pursuant to section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the Regulations.

"Board" means Board of Directors of the Company.

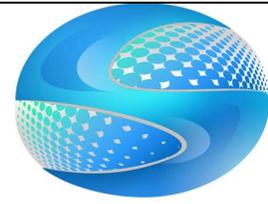
"Body Corporate" or Corporation includes a Company incorporated outside India as per sub-section (11) of Section 2 of the Act, but does not include—

- (i) a co-operative Society registered under any law relating to Co-operative Societies; and
- (ii) any other Body Corporate (not being a Company as defined in this Act), which the Central Government may, by notification, specify in this behalf;

"Control" shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner as per sub-section (27) of Section 2 of the Act.

"Compliance Officer" means Company Secretary of the Company.

"Holding Company" in relation to one or more Companies means a Company of which such Companies are Subsidiary Companies as per sub-section (46) of Section 2 of the Act.



“Key Managerial Personnel” (“KMP”) shall have the same meaning as defined in sub- section (51) of Section 2 of the Act.

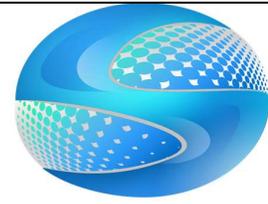
“Material Related Party Transaction” means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10 (ten) percent of the annual consolidated turnover of the Company as per the 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 five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

“Material Modification” to a related party transaction shall mean any change or alteration to the existing related party transaction by an increase in consideration over 20% or an extension of time over 2 years of the Contract / arrangement as approved by Audit Committee or Board of Directors or Shareholders of the Company.

“Materiality Threshold” means limits for Related Party Transactions beyond which the Shareholders' approval will be required as specified in Act and rules thereof and amendments thereto.

“Net Worth” means the aggregate value of the paid-up Share Capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as per sub-section (57) of Section 2 of the Act.



“Ordinary Course of Business (‘OCB’)” means a transaction which / wherein:

- i. is carried out in the normal course of business envisaged in accordance with the Memorandum of Association (‘MoA’) of the Company as amended from time to time, or
- ii. is as per historical practice with a pattern of frequency, or
- iii. is in connection with the normal business carried on by the Company, or
- iv. the income, if any, earned from such activity/transaction is assessed as business income in the Company’s books of accounts and hence is a business activity, or
- v. is common commercial practice, or
- vi. meets any other parameters/criteria as decided by the Board / Audit Committee.

“Related Party”

A. As per Regulation 2(1) (zb) of the Regulations:

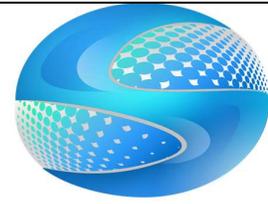
As defined under sub-section (76) of Section 2 of the Act or under the applicable Accounting Standards.

B. As per sub-section (76) of Section 2 of the Act as amended from time to time:

- (i) A Director or his/her Relative;
- (ii) A KMP or his/her Relative;
- (iii) A firm, in which a Director, Manager or his/her Relative is a partner;
- (iv) A Private Company in which a Director or Manager or his/her Relative is a member or Director;
- (v) A Public Company in which a Director or Manager is a Director and holds along with his/her Relatives, more than 2 (two) per cent of its paid-up sharecapital;
- (vi) Any Body Corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager; except advice, directions or instructions given in a professional capacity;
- (vii) Any person on whose advice, directions or instructions a Director or Manager is accustomed to act; except advice, directions or instructions given in a professional capacity;

Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;

- (viii) Any body corporate which is—



- (A) a holding, subsidiary or an associate company of such company;
- (B) a subsidiary of a holding company to which it is also a subsidiary; or
- (C) an investing company or the venturer of the company

Explanation.—For the purpose of this clause, “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- (ix) A Director, other than an Independent Director, or KMP of the Holding Company or his/her Relative with reference to a company.

“Relative”

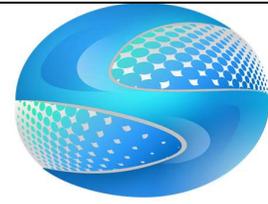
means any person as per sub-section (77) of Section 2 of the Act and rules prescribed there under and as per Regulation 2(1) (zd) of the Regulations as amended from time to time, means anyone who is related to another, if

- (i) They are members of a Hindu Undivided Family; or
- (ii) They are husband or wife; or
- (iii) One person is related to the another in the following manner, namely:
 - (a) Father, includes step-father
 - (b) Mother, includes step-mother
 - (c) Son includes step-son
 - (d) Son’s wife
 - (e) Daughter
 - (f) Daughter’s husband
 - (g) Brother includes step-brother
 - (h) Sister includes step-sister

“Related Party Transaction”

A. As per Regulation 2(1) (zc) of the Regulations:

A transfer of resources, services or obligations between the Company 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:



B. As per Section 188 of the Act and rules made thereunder:

Contracts or arrangements with Related Party with respect to

- (i) Sale, purchase or supply of any goods or materials;
- (ii) Selling or otherwise disposing of, or buying, property of any kind;
- (iii) Leasing of property of any kind;
- (iv) Availing or rendering of any services;
- (v) Appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) Such Related Party's appointment to any Office or Place of Profit in the Company, its Subsidiary Company or Associate Company; and
- (vii) Underwriting the subscription of any Securities or derivatives thereof, of the Company.

Collectively the Related Party Transaction shall constitute the above.

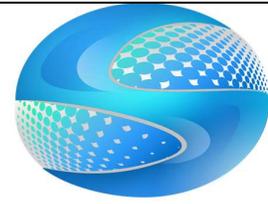
“Securities” means the Securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulations) Act, 1956.

“Subsidiary Company” or **“Subsidiary”**, as per the sub-section (87) of Section 2 of the Act, in relation to any other Company (that is to say the Holding Company), means a Company in which the Holding Company

- (i) Controls the composition of the Board of Directors; or
- (ii) Exercises or controls more than 1/2 (one-half) of the total voting power either at its own or together with one or more of its Subsidiary Companies.

“Office or Place of Profit” as per Section 188 of the Act means any office or place:

- (i) where such office or place is held by a Director, if the Director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as Director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a Director or by any firm, Private Company or other Body Corporate, if the individual, firm, Private Company or Body Corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission,



perquisites, any rent-free accommodation, or otherwise.

All other words and expressions used but not defined in the Policy but defined in the SEBI Act, 1992, the Act, the Regulations, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

Purpose

The purpose of the policy is to:

- Regulate transactions between the Company vis-à-vis its related parties with a view to ensure that such transactions are executed on an arm's length basis and in a transparent and fair manner as per the Act and Rules made there under and the Listing Regulations as amended from time to time.
- Seek necessary approvals of the Audit Committee/Board/Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner.
- Outline the procedures for identification, review, disclosure, and reporting of such transactions.

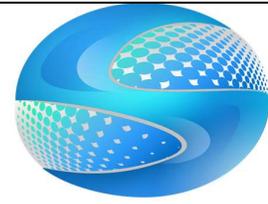
Approving Authority

A. By the Audit Committee:

➤ Under the Regulations

All Related Party Transactions as per the Regulations shall require the prior approval of the Audit Committee at a Meeting of the Audit Committee or by way of circulation. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions, 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.

Further, following transactions shall require prior approval of audit committee:



- a) a related party transaction to which the subsidiary of a Company is a party but the Company itself is not a party to the transaction, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten per cent) of the annual consolidated turnover, as per the last audited financial statements of the Company.
- b) with effect from April 1, 2023, a related party transaction to which the subsidiary of a Company is a party but Company itself is not a party to transaction, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten per cent) of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- c) prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of LODR are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (c) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

➤ **Under the Act**

Any transaction or any subsequent modification of transactions of the Company with related parties shall require the approval of the Audit Committee at a Meeting of the Audit Committee or by way of circulation.

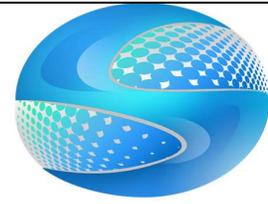
B. By the Board:

➤ **Under the Regulations**

All Material Related Party Transactions under the Regulations which are subject to approval of the Shareholders shall require the approval of the Board of Directors at a Meeting of the Board.

➤ **Under the Act**

All "Related Party Transactions which are not in Ordinary Course of Business or not at an Arm's



Length” shall require the prior approval of the Board of Directors at a Meeting of the Board and required compliances prescribed under Section 188 of the Companies Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

Transactions which may be in the ordinary course of business and at arm’s length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;

Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm’s length basis and decides to refer the same to the Board for approval;

Transactions meeting the materiality thresholds laid down in Clause 8 of the Policy, which are intended to be placed before the shareholders for approval.

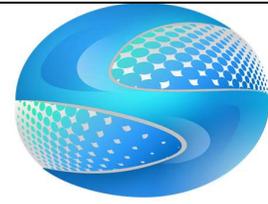
Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement

C. By the Shareholders of the Company:

➤ **Under the Regulations**

All Material Related Party Transactions under the Regulations shall require approval of the Shareholders’ by means of a Resolution passed at a General Meeting or through Postal Ballot. All entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

A related party transaction to which the subsidiary of the Company is a party but the Company



itself is not a party to the transaction and if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten per cent) of the annual consolidated turnover then the prior approval of the shareholders of the Company will be obtained.

Further, prior approval of the shareholders of a Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and Regulation 15(2) of LODR are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

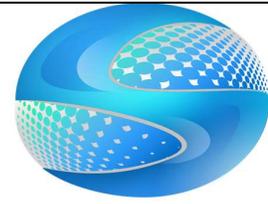
➤ **Under the Act**

All “Related Party Transactions which are not in Ordinary Course of Business or not at an Arm’s Length” and exceeding the prescribed criteria under Section 188 of the Act shall require prior approval of the Shareholders’.

In addition to the above, all kinds of transactions specified under Section 188 of the Act as mentioned below need approval of Shareholders:

- a. are not in the ordinary course of business or not at arm’s length basis; and
- b. exceeds the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time).

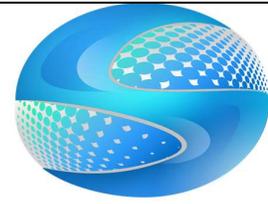
No related party shall vote to approve the resolution whether the entity is a related party to the particular transaction or not.



Approval Process for Transaction with Related Party Omnibus approval by the Audit Committee:

All Related Party Transactions shall require prior approval of the Audit Committee as provided by the Companies Act, 2013, and Rules made thereunder, Secretarial Standards and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (a) As per the terms of reference approved by the Board, the Company may obtain omnibus approval from the Audit Committee for Related Party Transactions in accordance with the Act and the Regulations.
- (b) The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval:
 - (i) Repetitiveness/ frequency of the transaction;
 - (ii) Justification for the need of Omnibus Approval.
- (c) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
- (d) The Audit Committee shall specify the criteria for making the omnibus approval which shall include the following conditions:
 - maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year;
 - the maximum value per transaction which can be allowed;
 - extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - review, at such intervals as the Audit Committee may deem fit, Related Party Transactions entered by the Company pursuant to the each of the omnibus approval made;
 - transactions which cannot be subject to the omnibus approval by the Audit Committee.
- (e) The omnibus approval shall contain the following information:
 - Name(s) of the Related Party;
 - Nature of the transaction;
 - Period of transaction;
 - Maximum amount of transactions that can be entered into;



- The indicative base price/current contracted price and the formula for variation in the price, if any,
- Method and manner of determining the pricing and other commercial terms;
- Whether the transaction is at arm's length; and
- Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.

(f) In such cases where the need for Related Party Transaction cannot be foreseen and details as required above are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 (one) crore per transaction.

^p
(g) The Audit committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given and such transactions shall be placed before the Board within a period of 3 (three) months from the date of transaction for approval/ ratification of the Board, if required.

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

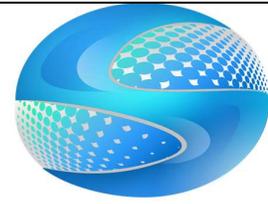
D. Specific Approval by the Audit Committee:

All the transactions that are identified as Related Party Transactions under the scope of this Policy and not covered under Omnibus Approval mechanism shall be placed before the Audit committee for prior approval with the relevant material information of the Related Party Transaction.

Approval by the Board and Shareholders:

The following information shall be provided to the Board pertaining to the approval of Related Party Transaction:

- (a) The name of the Related Party and nature of relationship;



- (b) The nature, duration of the contract and particulars of the contract or arrangement;
- (c) The material terms of the contract or arrangement including the value, if any;
- (d) Any advance paid or received for the contract or arrangement, if any;
- (e) The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (f) Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
- (g) The persons/authority approving the transaction; and
- (h) Any other information relevant or important for the Committee to take a decision on the proposed transaction.

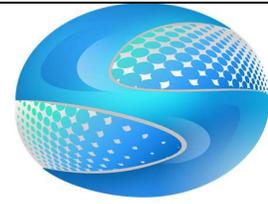
In case of “Related Party Transactions which are not in Ordinary Course of Business or not at an Arm’s Length” and exceeds the prescribed criteria under Section 188 of the Act and in case of Material Related Party Transactions, the following information shall be given in the explanatory statement forwarded to Shareholders after the approval of the Board:

- (a) Name of the Related Party
- (b) Name of the Director or KMP who is related, if any
- (c) Nature of relationship
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement
- (e) Any other information relevant or important for the members to take a decision on the proposed resolution

Exemption from Obtaining Approval for Related Party Transaction under Regulations

The approval of Audit Committee, Board of Directors and Shareholders of the Company for following related party transactions shall not be required:

- a. for transactions entered into between the holding company and its wholly owned subsidiaries.



- b. transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Ratification of the Related Party Transaction

Where any contract or arrangement is entered into by a Director or employee of the Company with Related Party without obtaining the consent of the Board or approval of Shareholders, and if the same is not ratified by the Board or Shareholders as the case may be within 3 (three) months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, at the option of the Shareholders.

Reporting of Related Party Transactions

The Company is required to disclose in its Annual Financial Statements and Directors' Report, certain transactions between the Company and Related Parties as well as Policy relating thereto. The Policy shall also be disclosed on the website of the Company 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 related party transactions 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.

Review

The Policy shall be reviewed by the Board at least once every three years and updated accordingly.

Amendment

The Board shall have power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace the Policy entirely with a new Policy according to subsequent modification(s)/amendment(s) to the Act and Regulations.
