

REGENT ENTERPRISES LIMITED

(Formerly Spine Traders Limited)
Registered Office:-E-205 (LGF)
Greater Kailash II, New Delhi-110048
CIN: L15500DL1994PLC153183

RELATED PARTY TRANSACTION POLICY

1) PURPOSE OF THE POLICY

- a) This policy is framed as per the requirements of Clause 49 of the Listing Agreement (as amended by SEBI Circulars dated April 17, 2014 and September 15, 2014) on materiality of related party transactions and also on dealing with related party transactions. **Regent Enterprises Limited (“The Company”)** has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.
- b) In light of the above, the Company has framed this Policy on Related Party Transactions (“**Policy**”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee of the Board of Directors (Audit Committee). The Audit Committee will review and amend the Policy, as and when required, subject to the approval of the Board.

2) OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties as prescribed under Clause 49 of the Listing Agreement.

3) MATERIALITY THRESHOLDS

Clause 49 of the Listing Agreement requires a company to provide materiality thresholds for transactions beyond which the shareholders’ approval will be required by way of a special resolution. A transaction with a related party is considered material if the transaction/transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year exceeds ten percent of the consolidated annual turnover as per the last audited financial statements of the Company.

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4) MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

a) Identification of related parties

The Company shall identify Related Parties as per the definition provided in the applicable laws and regulations, including the Act and the SEBI Equity Listing

Agreement, as amended from time to time. The Company shall regularly verify and update the Related Party list and review and confirm (at least once a quarter) in accordance with the applicable laws as prevalent.

b) Procedure for approval of related party transactions

i) Approval of the Audit Committee

All Related Party transactions require prior approval of the Audit Committee. However, the Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

- ➡ The Audit Committee shall lay down the criteria and Guidelines for granting the omnibus approval in line with the Policy and such approval shall be applicable in respect of repetitive transactions;
 - ➡ The Audit Committee shall assure itself of the need for such omnibus approval and that such approval is in the interest of the Company;
 - ➡ The omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any (for e.g.: +/- 5%) and (iii) such other conditions as the Audit Committee may deem fit.
- However, in case of Related Party transactions which cannot be foreseen and where the above details are not available, management is permitted by the Audit Committee to enter into

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transactions provided the value of the group of identical transactions does not exceed Rs. 1 Crores per quarter;

- 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;
- Such omnibus approval shall be valid for 1 year and shall require fresh approvals after the expiry of one year.

While assessing a proposal put up before the Audit Committee/Board for approval, the Audit Committee/Board may review the following documents/seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:

- ✚ Nature of the transaction i.e. details of goods or property to be acquired/transferred or services to be rendered/availed - including description of functions to be performed, risks to be assumed and assets to be employed under the proposed transaction;
- ✚ Key terms (such as price and other commercial compensation contemplated under the arrangement) of the proposed transaction, including value and quantum;
- ✚ Key covenants (non-commercial) as per the draft of the proposed agreement/contract to be entered into for such transaction;
- ✚ Special terms covered/to be covered in separate letters or undertakings or any other special or sub arrangement forming part of a composite transaction;
- ✚ Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
 - third party comparables, valuation reports, price publications including stock exchange and commodity market quotations;
 - management assessment of pricing terms and business justification for the proposed transaction;
 - comparative analysis, if any, of other such transaction entered into by the company.

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ii) [Approval of the Board of Directors and Shareholders of the Company \(as may be required\)](#)

The Company ensures that all transactions in the ordinary course of business with related party/ies are at an Arm's length applying the principals of governance and good practice and related control. In the event such contracts or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the rules framed thereunder and obtain approval of the Board or its Shareholders, as applicable, for such contracts or arrangement.

Any related party transaction above the materiality threshold as mentioned above shall be placed for approval of the Shareholders of the Company.

For the purpose of Clause 49 (VII), all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is party to particular transaction or not.

5) DISCLOSURE AND REPORTING

- a. Details of Related Party Transactions during each quarter shall be reported in the Audit Committee and Board meetings.
- b. The Company shall report to the Stock Exchange along with the compliance report on corporate governance on a quarterly basis, details of all material transactions with related parties.
- c. Director's report shall contain details of Related Party Transactions as required under applicable law.
- d. This Policy shall be communicated to all concerned employees and other persons of the Company at all locations for implementation and reporting.

6) RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

- In the event the Management of the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy, the matter shall be reviewed by the Audit Committee. The

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Audit Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.

- In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc.

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