

Policy of Chokhani Securities Limited for dealing with Related Party Transactions.

1) This Policy is made pursuant to the requirements of Clause 49(VII)(C) of the Listing Agreements with Stock Exchanges.

2) Definitions:

(1) 'Related Party' with reference to the Company shall mean and include a related party as defined under:

- i) Section 2(76) of the Companies Act, 2013; or
- ii) applicable accounting standards.

(2) A 'Related Party Transaction' (RPT) shall mean and include following transactions with Related Parties :

- i) any contract or arrangement as defined under Section 188(1) of the Companies Act, 2013; or
- ii) transfer of resources, services or obligations between the Company and a Related Party, regardless of whatever a price is charged.

RPT shall be construed to include single transaction or a group of transactions in a contract.

(3) A transaction with a Related Party shall be considered 'Material' (Material RPT) 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.

c) Arm's length principle:

All RPTs are generally entered into by the Company on an arm's length basis, i.e. as if the parties were unrelated, so that there is no conflict of interest.

d) Prior approval of Audit Committee:

(1) All RPTs or any subsequent modification thereof shall require prior approval of the Audit Committee as per the applicable requirements of the Companies Act, 2013 or Listing Agreement, as the case may be.

(2) In case of RPTs which are repetitive in nature, the Audit Committee may grant omnibus approval.

Such omnibus approval may 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; and

(iii) such other conditions as the Audit Committee may deem fit.

While granting such omnibus approvals, the Audit Committee may specify that the omnibus approval shall be valid for a period not exceeding one year or such other period as it may deem fit. Fresh approval of the Audit Committee shall be required after the expiry of the said period;

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction or such other amount as the Audit Committee may deem fit.

e) Prior approval of the Board of Directors

All RPTs within the meaning of the Section 188 shall require prior consent of the Board of Directors given by way of a resolution passed at a meeting of the Board.

While giving such prior consent, the Board of Directors may specify such conditions as it may deem fit.

However, no such approval of the Board of Directors shall be required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.

f) Approval of RPTs by shareholders

(1) All RPTs within the meaning of Section 188 of the Companies Act, 2013 exceeding threshold specified therein shall require prior approval of the shareholders of the Company through special resolution. However, no such approval of the shareholders is required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.

(2) All Material RPTs shall require approval of the shareholders of the Company through special resolution. However, approval of the shareholders of the Company shall not be required in case of Material RPTs between the Company and its wholly owned subsidiaries.

(3) No member of the Company shall vote on such resolution, if such member is a Related Party.

g) Disclosure requirements

(1) All RPTs shall be placed before Audit Committee on a quarterly basis for its review.

(2) Details of all Material RPTs shall be disclosed to the stock exchanges quarterly along with the compliance report on corporate governance.

(4) Disclosures in compliance with the applicable Accounting Standards on RPTs shall be made by the Company in its Annual Report.

(5) Every RPT within the meaning of Section 188 of the Companies Act, 2013 shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

(6) Every RPT within the meaning of Section 188 of the Companies Act, 2013 shall be entered into the register required to be kept under Section 189 of the Companies Act, 2013.

h) This Policy has been adopted by the Board of Directors of the Company at its meeting held on 12th August, 2014

For Chokhani Securities Limited

**Sd/-
Ramakant R Chokhani
Director**