



## **POLICY ON RELATED PARTY TRANSACTIONS OF SPORTKING INDIA LIMITED**

### **INTRODUCTION**

The Policy on Related Party Transactions has been framed in accordance with the applicable provisions of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended.

Accordingly, the Board of Directors (the “Board”) of Sportking India Limited (the “Company”), has adopted a policy and standard operating procedures to regulate transactions between the Company and Related Parties.

### **OBJECTIVE**

The objective of this Policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company in this regard and to ensure proper approval and reporting of transactions between the Company and its Related Parties.

### **DEFINITIONS**

- **“Act”** means the Companies Act, 2013, together with the Rules notified thereunder including any statutory modifications or re-enactments thereof for the time being in force (hereinafter referred to as “Act”).
- **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no 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.
- **“Audit Committee”** means Committee of Board of Directors of the Company constituted as such under the applicable laws.
- **“Board”** means Board of Directors of the Company.
- **“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 Memorandum & Articles of Association.
- **“Material Related Party Transaction”** 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.



Further, 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.

- **"Materiality Threshold"** means limits for related party transactions beyond which the shareholders' approval will be required as specified in Companies Act, 2013 and rules thereof and amendments thereto.
- **"Policy"** means Policy on Related Party Transactions.
- **"Related Party"** is a person or an entity which is:
  - (i) a related party under Section 2(76) of the Act;
  - (ii) a related party under the applicable Accounting Standards;
  - (iii) a related party under Regulation 2(1)(zb) of the SEBI LODR Regulations.
- **"Related Party Transaction"** means a transaction involving a transfer of resources, services or obligations between a company and a related party, regardless, of whether a price is charged and inter alia include all contracts or arrangements with a Related Party with respect to:
  - a. sale, purchase or supply of any goods or materials;
  - b. selling or otherwise disposing of, or buying, property of any kind;
  - c. leasing of property of any kind;
  - d. availing or rendering of any services;
  - e. appointment of any agent for purchase or sale of goods, materials, services or property;
  - f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
  - g. underwriting the subscription of any securities or derivatives thereof, of the company.
- **"Relative": with reference to any person, means anyone who is related to another if –**
  - (i) They are members of a Hindu Undivided Family;
  - (ii) They are husband and wife; or
  - (iii) One person is related to the other in the following manner, namely: -
    - a) Father including step father
    - b) Mother including step mother
    - c) Son including step son
    - d) Son's Wife
    - e) Daughter
    - f) Daughter's Husband
    - g) Brother including step brother
    - h) Sister including step sister
- **"SEBI Listing Regulations"** means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

## **POLICY**

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.

## **PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS**

### **I. 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 as defined in provisions of different Sections, Rules and Regulations.

However the Audit committee may grant omnibus approval in case of frequent / regular /repetitive transactions with related parties which are in the normal/ordinary course of business of the Company. While granting such approval the Audit Committee shall satisfy itself regarding the need for the omnibus approval and that same is in the interest of the Company.

The omnibus approval shall specify the following:

- a. Name of the related party
- b. Nature of the transaction
- c. Period of the transaction
- d. Maximum amount of the transactions that can be entered into
- e. Indicative base price / current contracted price and formula for variation in price, if any
- f. Such other conditions as the Audit Committee may deem fit.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee. The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year.

### **II. Approval of the Board of Directors of the Company**

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

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



- a) 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.
- b) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval.
- c) Material Related Party Transactions, which are intended to be placed before the shareholders for approval.

### **III. Transactions requiring approval of Shareholders of the Company:**

- a) All Material Related Party Transactions shall require approval of the Shareholders of the Company by way of a resolution passed at the general meeting of the Company; and no related party shall vote to approve such resolutions whether the entity is a party to the particular transaction or not.
- b) All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act requiring the approval of shareholders, shall require an approval of the Shareholders by way of a resolution passed at the general meeting of the Company; and in such cases, the Related Party/(ies) to the transaction shall abstain from voting on such resolution.

### **DISCLOSURES**

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis. The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

### **REVIEW OF POLICY**

This policy may be reviewed by the Board of Directors at least once in every three years and updated due to change in regulations, if any or as may be felt appropriate.

### **AMENDMENT**

The Board of Directors reserves the right to approve any changes in the policy. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

*Review and Amended on 29.04.2023.*