



POLICY ON RELATED PARTY TRANSACTIONS

1. Preamble

Frontier Capital Limited (“Company”) recognises that Related Party Transactions (as defined below) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company’s interests. This Policy spelling out the review and approval of Related Party Transactions has been adopted by the Company’s Board of Directors, as recommended by the Audit Committee, in order to set forth the procedures under which such transactions must be reviewed and approved or ratified.

This Policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

The Board of Directors of the Company will review and, if required, may amend this Policy from time to time and such amended Policy shall also be in conformity with the provisions of the Companies Act 2013, including the Rules made thereunder, RBI Guidelines on Corporate Governance and must be approved in the manner as may be decided by the Board of Directors.

2. Purpose

This Policy is framed as per requirement of RBI Guidelines on Corporate Governance intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions may be considered appropriate only if they are in the best interest of the Company and its shareholders.

3. Definitions

- a) **“Audit Committee or Committee”** means the Audit Committee of Board of Directors of the Company;
- b) **“Board”** means the Board of Directors of the Company;
- c) **“Key Managerial Personnel”** means the following managerial personnel as defined under the Companies Act, 2013:
 - (i) the Chief Executive Officer or the managing director or manager ;
 - (ii) the Company Secretary;
 - (iii) the whole-time director;
 - (iv) the Chief Financial Officer and
 - (v) such other officer as may be prescribed under the Companies Act 2013;
- d) **“Policy”** means this Related Party Transactions Policy;
- e) **“Related Party”** means an entity which is a related party as defined in Section 2(76) of the Companies Act, 2013 or if such entity is related party under the applicable Accounting Standards;

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Approved By:	Usha Iyengar - Director





f) **“Related Party Transaction”** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged;

g) A **“transaction”** with a related party shall be construed to include single transaction or a group of transactions in a contract.

h) **“Relative”** means a relative as defined in Section 2(77) of the Companies Act, 2013.

4. Policy

All Related Party Transactions shall require approval of the Audit Committee, unless otherwise specifically exempted in accordance with this Policy.

a) Identification of Potential Related Party and Transactions

Every director and Key Managerial Personnel is responsible for providing notice to the Board or the Audit Committee of the list of related parties as covered under Section 2(76) of the Companies Act, 2013.. Each director as well as KMP shall inform in advance the Company 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.

The Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

b) Prohibitions relating to Related Party Transactions

All Related Party Transactions shall require approval of Audit Committee.

c) Review and Approval of Related Party Transactions

Related Party Transactions will be reported to the Audit Committee for review and approval. The Audit Committee shall be provided with the material facts of all proposed Related Party Transactions and the Committee will then determine whether to approve such Related Party Transactions or not.

In assessing a Related Party Transaction, the Audit Committee shall consider such factors as it deems appropriate, including but without limitation the following:

- i. the business reasons for the Company to enter into the Related Party Transaction;
- ii. the commercial reasonableness of the terms of the Related Party Transaction;
- iii. the materiality of the Related Party Transaction to the Company;
- iv. whether the terms of the Related Party Transaction are fair to the Company and on the same basis as would apply if the transaction did not involve a Related Party; and
- v. the extent of the Related Party’s interest in the Related Party Transaction.

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The following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

- i. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.
- iii Transactions involving aggregate value of less than Rs 1,00,000 in each financial year with the related party.

Mechanism for determining Ordinary course of business and Arm's length basis:

All transactions or activities that are necessary, normal and incidental to the business of the Company shall be deemed to be in the ordinary course of business. These may also be common practices and customs of commercial transactions.

"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. In this regard, Transfer Pricing guidelines issued by the relevant authorities under the provisions of Income-Tax Act 1961 may be used to determine this criteria on a case to case basis.

5. Omnibus approval

Criteria and the need for granting omnibus approval

a) The Audit Committee may, in the interest of the Company to ensure smooth operations, grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature and which are routine and incidental to the general operations of the Company, subject to such conditions as it may deem fit. Such approval shall be valid for a period not exceeding one year and shall specify the following:

- i. The name(s) of the Related Party;
- ii. The nature of the transaction, period of transaction, maximum amount of transaction that can be entered into & iii. The indicative base price/current contract price and the formula for variation in the price, if any.

b) The Audit Committee may also grant omnibus approval, without the above details, for unforeseen transaction subject to a value not exceeding Rs. 1 crore per transaction.

c) Such Omnibus approvals shall be valid for a maximum period of one year.

The Audit Committee shall review the details of Related Party Transactions entered into by the Company pursuant to such Omnibus approvals, on a quarterly basis.

[Handwritten signatures]



