

Policy on dealing with Related Party Transactions

Introduction

Redington over the period developed its expertise in the area of its core competencies such as support services, logistics and warehousing, micro distribution etc., To enable the Company to focus more on the expertise developed, aforesaid businesses are carried out through subsidiary companies. As part of their business activities, the subsidiary companies involved in

- Sale / Purchase of goods
- Rendering or providing services such as warehousing, logistics, support services.
- Taking on lease the property owned by the holding company

Overall the Company's endeavor is to ensure that the transactions are at Arm's length and in the ordinary course of business.

The Companies Act, 2013 and the provisions of the Listing Regulations, brought significant importance to the transactions with related parties. The term Related Party includes subsidiary companies and there is a requirement for getting approval of the members for those transactions which are not at arm's length.

Criteria for Material Related Party Transactions

Criteria for determining materiality of a Related Party Transaction is followed as given in the Listing Regulations.

Accordingly, a transaction with a related party shall be considered material 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.

Dealing with Related Party Transactions

- The Company would enter into Related Party Transactions with the Related Party, only when they are in the Ordinary Course of Business and at Arm's Length.
- The transactions with the Related Party(ies) will only be entered into after taking into account the costs, quality, terms and conditions of the contract etc.,

- The transaction prices will be determined by market forces and subject to the availability of the products /services in the market or at prices similar to those prices for transactions with unrelated third parties including, where appropriate, preferential rates and discounts accorded for bulk purchases (the same as are accorded to third party bulk purchase);
- The Company shall obtain prior approval of the Audit Committee for the transactions to be entered into with the Related parties except with the Wholly Owned Subsidiaries.
- The Company shall obtain the approval of the Board and Shareholders in case the Company enters into any Material transactions with the Related Parties except with the Wholly Owned Subsidiaries.