VIRGO
POLYMERS
(INDIA) LTD

Virgo Polymers (India) Ltd.
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POLICY ON RELATED PARTY TRANSACTIONS OF VIRGO POLYMERS INDIA LIMITED

1. PREAMBLE

This Policy on Related Party Transactions ("Policy") has been framed in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time.

The Policy aims to ensure proper approval, disclosure and reporting of transactions between the Company and its related parties and to ensure that such transactions are undertaken on an arm's length basis and in the ordinary course of business.

2. OBJECTIVE

The objectives of this Policy are:

a) To regulate transactions between the Company and its Related Parties;
b) To ensure transparency and good corporate governance practices;
c) To ensure compliance with applicable laws and regulations governing related party transactions;
d) To ensure that related party transactions are conducted on arm's length basis and in the ordinary course of business;
e) To lay down procedures for approval, review and disclosure of related party transactions.

3. DEFINITIONS

"**Act**" means the Companies Act, 2013 and rules made thereunder.

"**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company.

"**Board**" means the Board of Directors of Virgo Polymers India Limited.

"**Related Party**" shall have the meaning assigned under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI LODR Regulations.

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"**Related Party Transaction**" or "RPT" means any transaction involving transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged.

"**Material Related Party Transaction**" means a transaction with a related party which exceeds the thresholds prescribed under the SEBI LODR Regulations.

4. POLICY

All Related Party Transactions shall be entered into only after obtaining necessary approvals in accordance with the Policy and applicable laws.

All Related Party Transactions shall:

a) be in the ordinary course of business;
b) be conducted on arm's length basis;
c) comply with the provisions of the Companies Act, 2013, SEBI LODR Regulations and applicable accounting standards;
d) be in the best interest of the Company and its stakeholders.

5. APPROVAL OF AUDIT COMMITTEE

All Related Party Transactions and subsequent material modifications thereto shall require prior approvals of the Audit Committee in accordance with applicable laws.

The Audit Committee may grant omnibus approval for repetitive transactions subject to the following:

a) maximum value of transactions;
b) maximum value per transaction;
c) nature and duration of transactions;
d) review mechanism and reporting requirements;
e) such other conditions as may be prescribed by the Audit Committee.

The omnibus approval shall be valid for a period not exceeding one financial year and fresh approvals shall be obtained thereafter.

The Audit Committee shall review the details of related party transactions on a quarterly basis.

6. TRANSACTIONS REQUIRING BOARD OR SHAREHOLDERS' APPROVAL

Related Party Transactions which are not in the ordinary course of business or not at arm's length shall require approval of the Board and/or shareholders, as applicable under the Companies Act, 2013.

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All Material Related Party Transactions and subsequent material modifications thereto shall require prior approval of the shareholders of the Company through resolution in accordance with applicable laws.

7. MATERIALITY THRESHOLD

A Related Party Transaction shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the threshold prescribed under Regulation 23 of the SEBI LODR Regulations or any amendment thereto.

Transactions involving payments towards brand usage or royalty shall also be considered material if they exceed the prescribed threshold under applicable laws.

8. MATERIAL MODIFICATION

Any subsequent material modification to an approved Related Party Transaction shall require prior approvals of the Audit Committee and/or shareholders, as applicable.

For the purpose of this Policy, "material modification" shall mean any modification resulting in an increase exceeding ten percent (10%) of the originally approved transaction value or such other threshold as may be prescribed by the Audit Committee or applicable law.

9. RATIFICATION OF RELATED PARTY TRANSACTIONS

In exceptional circumstances, where prior approvals of the Audit Committee could not be obtained, the transaction may be placed before the Audit Committee for the ratification within the timelines prescribed under applicable laws.

The Audit Committee shall consider:

a) nature and necessity of the transaction;
b) justification for not obtaining prior approval;
c) arm's length nature and ordinary course assessment;
d) impact on the Company and stakeholders.

10. DISCLOSURE AND REPORTING

The Company shall make necessary disclosures relating to Related Party Transactions in:

a) Financial Statements;
b) Board's Report;
c) Stock Exchange filings;

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d) Website disclosures;
e) Any other statutory filings as required under applicable laws.

The disclosures shall be made in accordance with the Companies Act, 2013, SEBI LODR Regulations and applicable accounting standards.

11. EXEMPTIONS

The following transactions shall not require separate approval of the Audit Committee to the extent exempted under applicable laws:

a) Transactions between the Company and its wholly owned subsidiary;
b) issue of securities on preferential basis;
c) corporate actions uniformly applicable to all shareholders including dividend, rights issue, bonus issue, stock split and buyback;
d) payment of remuneration and sitting fees to Directors and Key Managerial Personnel as approved by the Board or Nomination and Remuneration Committee.

12. REVIEW AND AMENDMENT

The Board may review and amend this Policy from time to time subject to applicable laws.

Any amendment, clarification, circular or notification issued by SEBI, MCA or other statutory authority shall automatically become applicable to this Policy and shall prevail in case of any inconsistency.

For **VIRGO POLYMERS (INDIA) LIMITED**

Managing Director