



QUADRANT FUTURE TEK LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS



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1. BACKGROUND

Quadrant Future Tek Limited (“Quadrant” or “Company”) has re-formulated this policy on materiality of Related Party Transactions and on dealing with Related Party Transactions in accordance with the Regulations 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) as amended from time to time and also to comply with the provisions of Section 188 of the Companies Act, 2013 read with the Rules framed there under.

This policy provides a framework to regulate transactions between the Company and its related parties and also lays down mechanism for identification, approval, review and reporting of such transactions.

This policy is revised version of Related Party Transactions Policy as originally adopted by the Company and this policy is effective from 24th May, 2025.

2. DEFINITIONS

- A. **“Act”** means the Companies Act, 2013 as amended time to time;
- B. **“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;
- C. **“Audit Committee”** means Committee of the Board of Directors of the Company constituted under provisions of the SEBI Listing Regulations and Companies Act, 2013 as amended from time to time;
- D. **“Board of Directors”** or **“Board”** means the Board of Directors of the Company;
- E. **“Company”** means Quadrant Future Tek Limited;
- F. **“Key Managerial Personnel”** or **“KMP”** shall have the meaning as defined under Section 2(51) of the Companies Act, 2013;
- G. **“Material Related Party Transaction”** shall mean a transaction with a Related Party, which individually or taken together with previous transactions during a financial year, exceed the threshold of:
- In case of transactions involving payments made with respect to brand usage or royalty, 5% of the annual consolidated turnover of the Company as per its last audited financial statements, or
 - In case of any other transaction(s), Rs. 1,000 Crore or 10% of the annual consolidated turnover of the Company, whichever is lower, as per its last audited financial statements.



- H. **“Material Modification”** means any subsequent change / variation / modification to an existing Related Party Transaction which were approved by the Audit Committee or Board or the Shareholders of the Company, as the case may be, and having variance of 10% of the existing limit/value;
- I. **“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 its Memorandum & Articles of Association.
- J. **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder;
- K. **“Related Party”** shall have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations and under the applicable Accounting Standards, as amended from time to time.
- L. **“Related Party Transaction”** have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended from time to time.
- M. **SEBI Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

3. **INTERPRETATIONS**

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the Listing Regulations, as amended from time to time. In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

4. **IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

The Company shall identify Related Parties as per requirement of the Act and SEBI Listing Regulations.

Every director and key managerial personnel shall at the beginning of the financial year or whenever there is any change in the disclosures already made, provide information by way of written notice to the Company regarding his concern or interest in any Company or bodies corporate, firms or other Association of Individuals and shall also provide the list of relatives which are regarded as related party.



5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

5.1 Approval of Audit Committee:

(a) The Company shall place all Related Party Transactions before the Audit Committee for its review and approval. The Company shall not enter into any Related Party Transaction or undertake material modifications to such transactions without obtaining prior approval of the Audit Committee.

Furthermore, only those members of the Audit Committee who are Independent Directors shall approve Related Party Transactions.

The Audit Committee shall consider all the relevant factors while deliberating and granting approval in relation to the Related Party Transactions which inter alia include the following:

- (i) Name of party and details explaining nature of relationship;
- (ii) Duration of the contract/arrangement and particulars of the contract and arrangement;
- (iii) Maximum Amount of Transaction with Related Parties
- (iv) Nature of transaction and material terms thereof including the value, if any;
- (v) Any other information as required under the Act read with Rules framed thereunder and SEBI Listing Regulations and any Circulars/Notifications/Guidelines/Industry Standards time to time issued by SEBI/Stock Exchanges/Ministry of Corporate Affairs and any other information relevant or important for the Board to take a decision on the proposed transaction.

(b) The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23 of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy.

The Audit Committee shall satisfy itself the need for granting omnibus approval and that such approval is in the best interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. However, in case of Related Party Transactions which cannot be foreseen and in which the conditions set out in Regulation 23(3) of the Listing Regulations are not available, the Audit Committee may grant omnibus approval provided the value does not exceed INR 1,00,00,000 (Rs. One Crore) per transaction. Such omnibus approval shall 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;

(c) The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

(d) Remuneration and sitting fees paid by a listed entity to its directors, key managerial personnel, or senior management excluding those who are part of the promoter or promoter group do not require prior approval from the Audit Committee, provided such payments are not considered material.

5.2 Approval from Board of Directors: -

(a) The Board shall approve such RPT as are required to be approved under section 188 of the Act and/or SEBI Listing Regulations and/or Transactions referred to it by the Audit Committee.

However, approval of the Board will not be required in case of transactions entered into by the Company in its ordinary course of business and at arm's length.

(b) Any member of the Board who has a potential interest in any Related Party Transaction will excuse himself and abstain from discussion and voting on the approval of such Related Party transaction.

(c) To approve a Related Party Transaction, the Board shall be provided with the necessary information as prescribed under the Act, to the extent relevant, with respect to actual or potential Related Party Transactions.

(d) The Company may, if considered necessary, and if required by the Board of Directors, seeks external opinion in order to determine if the Related Party Transaction is in the Ordinary Course of Business and/or is at Arm's Length Price.



5.3 Approval by the Shareholders:

(a) The following Related Party Transactions shall, after the approval of Board, shall also be placed before the shareholders for their prior approval:

- (i) All Material Related Party transactions and subsequent material modifications as defined in this policy.
- (ii) 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.

(b) The Board of Directors shall, decide whether the approval of the Related Party Transactions by the shareholders shall be sought at the General Meeting or through Postal Ballot in accordance with the Act and Rules thereunder.

(c) All entities falling under the definition of Related Parties shall not vote to approve such resolutions whether the entity is a Related party to the particular transaction or not.

(d) The Information as prescribed under the Act and/or SEBI Listing Regulations, from time to time, shall be provided in the Notice to the shareholders for Consideration of RPTs.

6. RATIFICATION OF RELATED PARTY TRANSACTIONS IN EXCEPTIONAL CASES

Subject to the provisions of the Act and SEBI Listing Regulations, any Related Party Transaction that is not covered under an omnibus approval and is entered into by the Company without prior consent of the Audit Committee/Board of Directors/Shareholders, as the case may be, may under genuine and exceptional circumstances be ratified subsequently by the Audit Committee, the Board, or the shareholders, as permitted under applicable laws.

The Audit Committee/Board shall consider all of the relevant facts and circumstances regarding the Related Party Transaction and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction.

The members of the Audit Committee, who are Independent Directors, may ratify related party transactions within three months from the date of transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:-



- (a) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (b) the transaction is not material in terms of the SEBI Listing Regulations;
- (c) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (d) the details of ratification shall be disclosed along with the disclosures of related party transactions
- (e) any other condition as specified by the audit committee.

While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Act, Listing Regulations and any other laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.

The failure to seek ratification of the Audit Committee/Board/Shareholder, as the case may be, shall render the transaction voidable at the option of the committee and if the transaction is with a related party to any director or is authorised by any other director, the director(s) concerned shall indemnify the company against any loss incurred by it.

7. DISCLOSURES

The disclosures regarding Related Party Transactions and/or Material Related Party Transactions shall be made in the Company's Annual Report, including in its Financial Statements. These disclosures shall also be published on the Company's website and submitted to the Stock Exchanges where the Company's equity shares are listed, as well as to any other regulatory authority as may be prescribed from time to time.

8. AMENDMENTS

This Policy shall be reviewed by the Audit Committee as and when changes are necessitated due to amendments in applicable regulations or as deemed appropriate by the Committee. Any changes or modifications to the Policy recommended by the Audit Committee shall be submitted to the Board of Directors for their final approval.

Furthermore, the Policy shall be reviewed by the Board of Directors at least once in every three years and updated accordingly.



9. VERSION

VERSION	APPROVAL DATE	EFFECTIVE DATE	DESCRIPTION
1	Approved by Board of Directors on 01 st March, 2024	From the date of Listing of Securities on Stock Exchanges i.e. 14 th January, 2025	Original Policy
2	Approved by Board of Directors on 24th May, 2025	24th May, 2025	Revised Policy in line with changes in regulatory requirements.