

FOCUS

LIGHTING & FIXTURES LTD.

**RELATED PARTY
TRANSACTIONS POLICY**

RELATED PARTY TRANSACTIONS POLICY

This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

1. The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be obtained for all Related Party Transactions other than those with Exempted Wholly Owned Subsidiaries (whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval).
2. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:
 - Maximum value of transactions, in aggregate, which can be allowed under the omnibus approval in a year;
 - Maximum Value per transaction which can be allowed;
 - Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
 - Review, at such intervals as the Audit Committee may deem fit, Related Party Transactions entered into by the Company pursuant to each of the omnibus approval made;
 - Transactions which cannot be subject to the omnibus approval by the Audit Committee.
3. Based on the aforementioned criteria, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions that are repetitive in nature and are transacted at arm's length
4. The Audit Committee may also, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available.
5. While assessing a proposal for approval under the omnibus route, the Audit Committee to satisfy itself on the need for such approval and that the same is in the interest of the Company.
6. Transactions of the following nature are not to be subjected to the omnibus approval mechanism:
 - Transactions which are not in the ordinary course of business or not at arm's length.
 - Transactions which are not repetitive or unforeseen in nature.
 - Transactions exceeding the threshold limits specified for omnibus approval.
Purchase / sale of investments from / to related parties.
 - Transactions in respect of sale or disposal of the undertaking of the Company.

- Any other transaction as may be specified by the Audit Committee.
7. Such omnibus approval referred to in (3) and (4) above shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
 8. The Audit Committee shall review, at least on a yearly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given. The Audit Committee reserves right to ratify related party transactions entered by the Company if any without prior approval within three months from the date of transaction which are at arm's length and not repetitive in nature.
 9. In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.
 10. This clause shall be effective from the date from which the Regulation 23 of SEBI (LODR) Regulations, 2015 becomes applicable to the Company.

All material Related Party Transactions, other than those with Exempted Wholly Owned Subsidiaries, will be placed for approval of the shareholders of the Company.

A transaction with a related party will be considered material if the transaction / transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds 10% (or such other limit as may be specified under applicable laws / regulations, as the case may be) of the annual consolidated turnover as per the last audited financial statements of the Company.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into, either individually or taken together with previous transactions during a financial year, exceeds 5% of the annual consolidated turnover as per the last audited financial statements of the Company.