

HYGIENE PLUS LIMITED

POLICY ON RELATED PARTY TRANSACTION AND MATERIALITY

[Pursuant to provisions of Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 & amendments made thereto]

Regd. Office:

Plot No. - 417, KA ME- 417, KHA ME- 418, 418, KHA ME- 423, 424, Village Nagla Chamru, Tehsil-Dadri, Gautam Buddha Nagar, Sikandrabad, Uttar Pradesh- 203205

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TITLE

POLICY ON RELATED PARTY TRANSACTIONS AND MATERIALITY

This Policy shall be called 'Policy for Preservation of Documents'.

INTRODUCTION AND PURPOSE

Hygiene Plus Limited ("Company") is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

Accordingly, the Company has formulated this policy ("Policy") on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties (as defined below). This Policy shall come into force from the date of listing of equity shares of the Company on the stock exchanges.

The Board of Directors of the Company ("Board") on recommendation of the Audit Committee of the Company ("Audit Committee") shall review the Policy once in three years and may amend the same from time to time.

DEFINITIONS

1. Associate Company: Associate Company in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
2. Audit Committee or Committee: A Committee constituted by the Board of Directors of the Company, from time to time, under provisions of the Companies Act 2013 and the Regulations.
3. Board of Director or Board: Means the Board of Directors of Hygiene Plus Limited, as constituted from time to time.
4. Independent Director: A director of the Company, as appointed in terms of Section 149 of the Companies Act, 2013 and who also qualifies as Independent Director in terms of the Regulations.
5. Related Party: A Related Party shall have the same meaning as defined under the Act.
6. Related Party Transaction ("RPT"): shall mean all transactions as per Regulation 2(1)(zc) of the SEBI Listing Regulations as may be amended from time to time. A related party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –
 - a. sale, purchase or supply of any goods or materials;
 - b. selling or otherwise disposing of, or buying, property of any kind;
 - c. leasing of property of any kind;
 - d. availing or rendering of any services;
 - e. appointment of any agent for purchase or sale of goods, materials, services or property;
 - f. appointment to any office or place of profit in the company
 - g. underwriting the subscription of any securities or derivatives thereof, of the company.
7. Materiality: The materiality of any RPT will be ascertained as per the thresholds prescribed under the Act and the Listing Regulations.
8. Arm's Length Basis: RPT will be treated to be on 'Arm's Length Basis' if the key terms, taken as a whole, are comparable with those of similar transactions if they would have been undertaken with non-related

- parties.
9. Ordinary Course of Business: RPT will be considered in ordinary course if they are entered in the normal course of the business pursuant to the objects of the Company as per the charter documents of the Company.

IDENTIFICATION OF RELATED PARTY AND RELATED PARTY TRANSACTION

Each Related Party will be brought to the attention of the Management of the Company and the Board/Audit Committee by the Company's Secretarial Department at least on an annual basis. The Secretarial Department of the Company needs to inform any change in the list of Related Parties to Functional teams i.e. Finance & Accounts teams of the Company to identify the Related Party Transactions. The Compliance Officer of the Company is responsible for administration and compliance of this Policy.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

Approval of Audit Committee

All the transactions which are identified as Related Party Transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction will rescue himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is

- (i) not in the ordinary course of business, or
- (ii) not at arm's length price, would require approval of the Board or of shareholders as discussed subsequently.

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(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the 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 per transaction.

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.

A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

Board of Directors

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being

- (i) not in the ordinary course of business, or
- (ii) not at an arm's length price, or
- (iii) requires shareholder approval as specified below, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the

Board who has any interest in any Related Party Transaction will rescue himself and abstain from discussion and voting on the approval of the Related Party Transaction

Shareholders

If a Related Party Transaction is

- (i) a material transaction as per Regulation 23 of the Listing Regulations, or
- (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a resolution.

In such a case, any member of the Company who is a Related Party, shall not vote on resolution passed for approving such Related Party Transaction.

The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy. The Audit Committee shall consider all 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. In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval; the Audit Committee, as appropriate, may direct additional actions, including but not limited to, immediate discontinuation or rescission of the transaction.

Reporting of Related Party Transactions

Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

The details of all transactions with related parties shall be submitted on a consolidated basis, in the format specified in the relevant accounting standards, within 30 days of publishing its standalone and consolidated financial half yearly to the stock exchanges and the same shall be published on the Company's website.

The Company shall also provide details of the Material Related Party Transactions to the stock exchanges on a quarterly basis.

LIMITATION AND AMEDMENT

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

DISCLOSURE OF THE POLICY

This Policy will be uploaded on the website of the Company.
