

## **RAJASTHAN PETRO SYNTHETICS LTD**

REGD. OFFICE: 8, Kushal Bagh, Road No.3, University Road, Udaipur-313001 (Rajasthan) CIN No.L17118RJ1983PLC002658 E-mail address: investors@rpsl.co.in, Website address: www.rpsl.co.in

### **WHISTLE BLOWER POLICY**

#### **1. Objective**

This policy is formulated to provide mechanism to employees & Directors to approach the Audit Committee of the Company and disclose unethical and improper practices or any other alleged wrongful conduct in the Company.

#### **2. Applicability**

This policy applies to all employees & Directors of the Company.

#### **3. Scope of Policy**

The policy intends to cover information in connection with suspected unethical and / or improper practices or wrongful conduct and / or deeds, which employee(s) and directors in good faith believe to exist such as:

- a. Manipulation of Company data / records
  - b. A substantial and specific danger to public health safety.
  - c. An abuse of authority
  - d. Leaking confidential or proprietary information
  - e. Violation of any law or regulations
  - f. Gross wastage or misappropriation of company funds/assets
  - g. Activities violating policies of the Company including Code of Conduct
  - h. Fraudulent representation before the purchaser/ suppliers
- The above list is only illustrative.

#### **4. Procedures**

- a. The Audit Committee will supervise the implementation of this policy including receipt of disclosures and investigation of matters.
- b. Any employee and director who observe any unethical and / or improper practices or alleged wrongful conduct shall make a disclosure to the Audit Committee in writing as soon as possible but not later than 60 days after becoming aware of the same and shall furnish available details and evidence as possible.
- c. The Audit Committee shall appropriately and expeditiously investigate all whistle blower reports received.
- d. The Audit Committee shall have right to call for any information / document and examination of any employee and director of the Company or other persons (s) as they may deem appropriate for the purpose of conducting Investigation under this policy.
- e. After completion of investigation, the Audit Committee shall determine the cause of action and may order for remedies which may inter alia include

- i) Revision of the policies and procedures of the Company to reduce the risk of recurrence.
- ii) Suggest action against concerned persons.

#### **5. Anonymous Allegations**

This policy requires individuals to put their name to any disclosures they make.

#### **6. Confidentiality**

The Company will treat all such disclosures in a sensitive manner and will endeavour to keep the identity of an individual making an allegation confidential. However, the investigation process may inevitably reveal the source of the information and the individual making the disclosure may need to provide a statement which cannot be kept confidential if legal proceedings arise.

#### **7. Untrue / Malicious / Vexations Allegations.**

If an individual makes an allegation, which is not confirmed by subsequent events, and the investigation shows that an individual has made malicious or vexatious allegations for personal leverage, and particularly if he or she persists with making them, disciplinary action may be taken against the individual concerned.

#### **8. Notification**

All departmental heads are required to notify and communicate the existence and contents of this policy to the employees of their department. The new employees shall be informed about the policy by the Personnel & Administration department and Director shall be informed about the policy by the Secretarial Deptt. This policy as amended from time to time shall be made available on the Website of the Company.

#### **9. The contact details of the Chairman of the Audit Committee is as follows:-**

a.	The Chairman, Audit Committee, Rajasthan Petro Synthetics Ltd., 11-K, Gopala Towers, 25, Rajendra Place, New Delhi-110008	Email id :- kng1971@yahoo.com
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#### **10. Protection for the Complainant: -**

- (a) No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this policy. Adequate safeguards against victimization of complainants shall be provided.
- (b) The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- (c) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

**(Effective Date 28.06.14)**

## RAJASTHAN PETRO SYNTHETICS LTD

### NOMINATION AND REMUNERATION POLICY

#### 1. Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management (DGM & Above) has been formulated by the Committee and approved by the Board of Directors.

#### 2. Objectives of the Committee:

##### The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of Independent Director and the Board.
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial Personnel (KMP) and Senior Management positions in accordance with the criteria laid down in this policy.
- v. Recommend to the Board, appointment, re-appointment and removal of Director, KMP and Senior Management Personnel.

#### 3. Effective Date:

The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on. This policy shall be operational with immediate effect.

#### 4. Definitions:

- "Board":- Board means Board of Directors of the Company.
- "Director":- Directors means Directors of the Company.
- "Committee":- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company":- Company means Poddar Pigments Limited.
- "Independent Director":- As provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, 'Independent director' shall mean a non-executive director of the company: Following are the criterions for appointment of independent Directors as per Clause 49 of the listing agreement:-
  - a. Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and Experience;
  - b. (i) Who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) Who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - c. Apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or

directors, during the two immediately preceding financial years or during the current financial year;

- d. None of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. Who, neither himself nor any of his relatives —
  - i. Holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three Financial years immediately preceding the financial year in which he is proposed to be appointed;
  - ii. Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) Any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - iii. Holds together with his relatives two per cent or more of the total voting power of the Company; or
  - iv. Is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
- f. Who is not less than 21 years of age.

• **“Key Managerial Personnel”:- Key Managerial Personnel (KMP) means-**

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The Company Secretary;
- (iii) The Whole-Time Director;
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

• **“Senior Management”:-**

The expression “senior management” means DGM & Above of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## 5. **Applicability :-**

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel ( DGM & above)

## 6. **Constitution of the Nomination and Remuneration Committee:**

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

- i. Mr. B.R.Goyal (Independent Director)
- ii. Mr. S.S.Shaktawat (Independent Director)
- iii. Ms. Sunita Rana (Independent Director)

## 7. **General Appointment Criteria:**

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.

## 8. **Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of clause 49 of the Listing Agreement (as amended from time to time ) and Companies Act, 2013.

## 9. **Term / Tenure:**

The Term / Tenure of the Directors shall be governed as per provisions of the of the Companies Act, 2013 and rules made there under as amended from time to time.

## 10. **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

## **11. Criteria for Evaluation of Independent Director and the Board:**

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

### **1. Executive Directors:**

The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time.

### **2. Non Executive Director:**

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) Refrain from any action that would lead to loss of his independence
- (f) Inform the Board immediately when they lose their independence,
- (g) Assist the company in implementing the best corporate governance practices.
- (h) Strive to attend all meetings of the Board of Directors and the Committees;
- (i) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the company;
- (k) Keep themselves well informed about the company and the industry in which the company operates in external environment;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) Moderate and arbitrate in an unbiased manner in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (n) Abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines pursuant to Insider Trading Regulation.

## **12. Policy on Board diversity:**

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least some members who are financially literate.

## **13. Committee Members' Interests**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **14. Remuneration:**

The Committee will recommend the remuneration to be paid to the Managing Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

##### **1. Director/ Managing Director**

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

##### **2. Non-executive Independent Directors**

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

##### **3. KMPs / Senior Management Personnel etc.**

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise and time devoted of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

##### **4. Directors' and Officers' Insurance**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

**(Effective 15.12.14)**

## **RAJASTHAN PETRO SYNTHETICS LTD**

### **PERFORMANCE EVALUATION POLICY**

#### **INTRODUCTION**

The Company conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association, listing agreement with stock exchanges, internal code of conduct and policies formulated by the Company for its internal execution.

The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis and in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides that a policy is to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

With an aim to maintain a proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Board Performance Evaluation process aims to ensure that individual directors ("Directors") and the Board of Directors of the Company ("Board") as a whole work efficiently and effectively in achieving Company's objectives. This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

#### **EFFECTIVENESS OF THE BOARD**

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

#### **RESPONSIBILITY OF BOARD/INDEPENDENT DIRECTOR**

It shall be the duty of the Company to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis:-

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, consistent with the varying nature and requirements of Company's business.
- II. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of all the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent Directors are required to evaluate the performance of non – independent directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to exercise the functions as mentioned in Act and its applicable Schedules.

<b>EVALUATION FACTORS</b>
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The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties. The evaluation scale is a simple three point scale i.e. Below Expectations (1), Meets Expectations (2) and Surpasses Expectations (3).

Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned herein below.

**Rating Scale**

Scale	Performance
3	Surpasses Expectations
2	Meets Expectations
1	Below Expectations

The Company has chosen to adopt the following Board Performance Evaluation Process:

<b>INDEPENDENT DIRECTORS AND NON-INDEPENDENT DIRECTORS (INCLUDING MD)</b>
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Some of the specific issues and questions that should be considered in the performance evaluation of an Independent and non-Independent Directors, (the exercise in which the concerned director being evaluated shall not be included) are set out below:-

S. No.	Assessment Criteria
1	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings.
2	Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest.
3	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.
4	Interpersonal relations with other directors and management.
5	Objective evaluation of Board’s performance, rendering independent, unbiased opinion.
6	Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
7	Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information.

Based on the above criteria each of the Independent Directors has to be assessed by the other directors (including other Independent Directors) by giving a rating of Surpasses Expectations (3) or Meets

Expectations (2) or Below Expectations (1). The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating.

This process of evaluation shall be done by Independent Directors only. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

BOARD OF DIRECTORS
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Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by the Independent Directors are set out below:-

S. No.	Assessment Criteria
1	Is the composition of the board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy ?
2	Members of the board meet all applicable independence requirements.
3	The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
4	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
5	The Company's systems of control are effective for identifying and mitigating material risks and reporting material violations of policies and law and The Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.
6	The Board receives regular financial updates and evaluates whether the company's activities are sustainable and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.
7	Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues?
8	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.
9	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.
10	The Chairman of the Board effectively and appropriately leads and facilitates the Board 4 meetings and the policy and governance work of the Board.
11	Nomination and appointment of Board members and their Remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee.
12	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance (through its Audit Committee).
13	Company has a proper system for Corporate Social Responsibility, Stakeholder Relationships and for prohibition of insider trading.
14	Company has necessary Committees which are required and these Committees are discharging its functions effectively.

Based on the above criteria Board has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by Independent Directors only. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

The performance of Committees of Board shall also be reviewed from time to time.

#### REVIEW

The performance evaluation process and related tools will be reviewed by the “Nomination and Remuneration Committee” on need basis.

The, committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee.

#### DISCLOSURE

RPSL will disclose details of its Board Performance Evaluation processes in its Board’s Report and the key features of this Policy would also be included in the corporate governance statement contained in the annual report of the Company.

Further, the Board’s report containing such statement will be made available to shareholders at the general meeting of the Company. The Policy shall remain available in the public domain i.e. on the website of the Company.

**(Effective date 15.12.2014)**

# **Rajasthan Petro Synthetics Limited**

## **POLICY ON MATERIALITY AND DEALING WITH RELATED PARTY TRANSACTION**

### **1. Title:**

The Policy shall be called as "RPT on materiality and dealing with Related Party Transaction".

### **2. Purpose and Objectives:**

The amended Clause 49 (VIII) (A) (2) has made it mandatory for a listed Company to disclose the policy on dealing with related Party Transaction on its website. Keeping in view of these requirements, the Company has drawn up a policy document which was considered and approved by the Board of Directors at their meeting held on 15<sup>th</sup> December, 2014

This policy is framed as per requirement of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

### **3. Definitions**

**"Audit Committee or Committee"** means Committee of Board of Directors of the Company constituted under provisions of Listing Agreement and Companies Act, 2013.

**"Board"** means Board of Directors of the Company.

**"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**"Key Managerial Personnel"** means Key Managerial Personnel as defined under the Companies Act, 2013.

**"Material Related Party Transaction"** means a transaction with a related party 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.

**"Policy"** means Related Party Transaction Policy.

**"Related Party"** means related party as defined in Clause 49 of the Listing Agreement which is as follows:

An entity shall be considered as related to the Company if:

- (i) Such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) Such entity is a related party under the applicable accounting standards."

**"Related Party Transaction"** means any transaction directly or indirectly involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

Explanation: A "transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

#### **4. Applicability:**

##### **The Policy shall be applicable to the following:**

**4.1:** All Related Party Transactions must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

##### **4.2: Identification of Potential Related Party Transactions**

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

##### **4.3: Prohibitions related to Related Party Transactions**

All Related Party Transactions shall require prior approval of the Audit Committee. However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the Company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c) 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;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Further, all Material Related Party Transactions shall require approval of the shareholders through special resolution and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not..

#### **4.4: Review and Approval of Related Party Transactions**

Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. In determining whether to approve a Related Party Transaction, the Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- Whether the Related Party Transaction would affect the independence of an independent director;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and
- Whether the Related Party Transaction would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval given. Notwithstanding the foregoing, the following Related Party Transactions shall not require prior approval of Audit Committee or Shareholders:

- i. Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- ii. Any transaction that involves the providing of compensation to a director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- iii. Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

**5. Related Party Transactions not approved under this Policy**

The Board of Directors shall have the power to amend the said policy or replace it with a new one as and when necessary.

**Effective Date: 15.12.2014**

## **RAJASTHAN PETRO SYNTHETICS LTD.**

REGD. OFFICE: 8, Kushal Bagh, Road No.3, University Road, Udaipur-313001 (Rajasthan) CIN No.L17118RJ1983PLC002658 E-mail address: investors@rpsl.co.in, Website address: www.rpsl.co.in

### **Risk Management Committee**

#### **Requirement**

It is mandatory to establish a Risk Management Committee in accordance with the amended Clause 49(VI)(C) of the Listing Agreement. In due compliance with this requirement, such a Committee has been constituted by Board of Directors at their meeting held on 07.11.2014 which was re-constituted on 15.12.14.

#### **Purpose**

The Risk Management Committee (the "Committee") shall provide assistance to the Board of Directors in fulfilling its responsibility to the shareholders, potential shareholders and investment community by:

- A. Assessing, and providing oversight to management relating to the identification and evaluation, of major strategic, operational, regulatory, information and external risks inherent in the business of the Company (the "Risks") and the control processes with respect to such risks;
- B. Overseeing the risk management, compliance and control activities of the Company, including without limitation the development and execution by management of strategies to mitigate risks;
- C. Overseeing the integrity of the Company's systems of operational controls regarding legal and regulatory compliance; and
- D. Overseeing compliance with legal and regulatory requirements, including, without limitation, with respect to the conduct of the Company's business.

The Committee shall not have responsibility for matters subject to the jurisdiction of another committee of the Board of Directors pursuant to that committee's charter.

#### **Membership**

The Committee shall be composed of at least three directors. The members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

#### **Chairman**

Unless a Chairman is elected by the Board, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman will chair all regular sessions of the Committee and set the agendas for Committee meetings.

#### **Meetings**

The Committee shall meet at least once annually, or more frequently as circumstances dictate. The Chairman of the Board or any member of the Committee may call meetings of the Committee. All Meetings of the Committee may be held telephonically also.

All directors that are not members of the Committee may attend meetings of the Committee but may not vote. Additionally, the Committee may invite to its meetings any director, management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to carry out its responsibilities.

### **Responsibilities and Duties**

The following functions shall be the common recurring activities of the Committee in carrying out its purposes outlined above. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined above.

1. Review and evaluate management's identification of all major Risks to the business and their relative weight;
2. Assess the adequacy of management's Risk assessment, its plan for Risk control or mitigation, and disclosure;
3. Review and evaluate management's development and execution of certain risk mitigation strategies and opportunities proposed by management and selected by the Committee for further review;
4. Review of the Company's disclosure of Risks in all filings with Securities and Exchange Commission and
5. Together with the Audit Committee, review, assess and discuss with the General Counsel, the Chief Financial Officer and the Independent Auditor (as defined in the Company's Certificate of Incorporation); (i) any significant risks or exposures, (ii) the steps management has taken to minimize such risks or exposures; and (iii) the Company's underlying policies with respect to risk assessment and risk management.

### **Structure and Operation**

The Committee will make regular reports to the Board and will propose any necessary action to the Board. The Committee will review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

### **Company's Powers**

The Company shall have powers to make amendments as may be required or replace it with a new one if so required in view of change in the law or circumstances.

**Effective Date: 15.12.2014**

**FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS OF  
RAJASTHAN PETRO SYNTHETICS LIMITED**

This Familiarization Program ("the Program") for Independent Directors of Rajasthan Petro Synthetics Limited ("the Company") has been adopted by the Board of Directors on 15.12.2014 pursuant to Clause 49 (II)(B)(7) of the Listing Agreement

The features of this Program are as follows:

**1. Purpose**

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business of the Company in depth and contribute significantly to the Company.

**2. Familiarization Process**

- 2.1. The Company shall through its Executive Directors/ Senior Managerial Personnel conduct programs/ presentations periodically to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company, strategy, operations and functions of the Company, etc. through this program.
- 2.2. Such programs/ presentations will provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time;
- 2.3. The programs/ presentations shall also familiarize the Independent Directors with their roles, rights and responsibilities in the Company.
- 2.4. The Company may circulate news and articles related to the industry on a regular basis and may provide specific regulatory updates from time to time; and
- 2.5. The Company may conduct an introductory familiarization program / presentation, when a new Independent Director comes on the Board of the Company.

**3. Disclosure of the Policy**

This Policy shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company.

**4. Review of the Program**

The Board will review this Policy and make amendments as may be required or replace it with a new one if so required in view of change in the law or circumstances.

**Effective date: 15.12.2014**