POLICY FOR
RELATED PARTY TRANSACTIONS

ARIGATO UNIVERSE LIMITED

1. INTRODUCTION

Arigato Universe Limited (hereinafter referred to as "The Company") recognizes that Related Party Transactions (as defined below) may have potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company and its shareholders' best interests and in compliance to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. & rules framed there under, the Accounting Standards.

2. SCOPE AND PURPOSE OF THE POLICY

The Board of Directors of the Company has adopted the following policy and procedures with regard to Related Party Transactions. The Audit Committee will review and may amend the policy as and when required subject to approval of the Board.

The objective of this policy is to regulate transactions between the Company and its Related Parties as determined based on the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company. This policy covers all types of transactions with Related Parties including

- Domestic transactions
- Cross-Border transactions

The policy & procedures defined herein are applicable to ABC and its subsidiary companies

3. DEFINITIONS

3.1 "Act" means the Companies Act, 2013 including any amendment or modification thereof.

3.2 "Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated.

3.3 "Associate" in relation to the Company shall mean an entity in which the Company has a significant influence, but which is not a subsidiary of the Company and not a joint venture of the Company.

As per Section 2(6) of the Companies Act, 2013, "significant influence" means control of at least 20% of the total voting power or control of or participation in business decisions under an agreement.

As per Ind AS 28, "significant influence" is the power to participate in the financial and/or operating policy decisions of the investee but not control or joint control of those policies.

3.4 "Audit Committee" means the Committee of the Board formed under section 177 of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.5 "Body Corporate" means an entity as defined in Section 2(11) of the Companies Act, 2013.

3.6 "Control and joint control" means the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when a party owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when a party owns half or less of the voting power of an entity when there is:

a) power over more than half of the voting rights by virtue of an agreement with other investors;
b) power to govern the financial and operating policies of the entity under a statute or an agreement;
c) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body;
d) power to cast the majority of votes at meetings of the board of directors or equivalent governing body, and control of the entity is by that board or body.

Joint control is the contractually agreed sharing of control over an economic activity.

3.7 "Close family members" means Close members of the family of an individual are those family members who may be expected to influence or be influenced by, that individual in their dealings with the entity.

They may include:

a) the individual's spouse, unless legally separated,
b) the children and other dependents of the individual, or the individual's spouse, unless legally separated.

3.8 "Company" means Arigato Universe Limited.

3.9 "Director" means a person as defined in Section 2(34) of the Companies Act, 2013.

3.10 "Employees" means the employees and office-bearers of the Company, including but not limited to Whole Time Directors.

3.11 "Independent Director" means a director other than a managing director or a whole-time director or a nominee director.

3.12 "Key Managerial Personnel" means the officers of the Company as defined in Section 2(51) of the Companies Act, 2013 and rules prescribed there under and includes

a) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
b) Company Secretary; and
c) Chief Financial Officer.

In other words, Key Managerial Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that company.

3.13 "Material Related Party Transactions" shall be considered material as defined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other law or regulation including any amendment or modification thereof, as may be applicable and in particular consider **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.

Threshold Limits mentioned under Companies Act, 2013:

Transactions covered	Transaction value
sale, purchase or supply of any goods or materials directly or through appointment of agents *	> 10% of Turnover
selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents *	> 10% of Net Worth
leasing of property of any kind*	> 10% of Turnover
availing or rendering of any services directly or through appointment of agents *	> 10% of Turnover
such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company	monthly remuneration > Rs. 2.5 Lakh
Remuneration for underwriting the Subscription of any securities or derivatives thereof, of the company*	> 1% of Net Worth

** The limits shall apply for these transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year*

3.14 "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 Memorandum & Articles of Association.

3.15 "Relative" with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed there under and includes anyone who is related to another, if –

a) They are members of a Hindu undivided family;
b) They are husband and wife; or
c) Father (including step-father)
d) Mother (including step-mother)
e) Son (including step-son)
f) Son's wife
g) Daughter
h) Daughter's husband
i) Brother (including step-brother)
j) Sister (including step-sister)

3.16 "Related Party" means an individual, entity, firm, body corporate or person as defined in Section 2(76) of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is as follows:

An entity shall be considered as related if the following condition is satisfying:

i. The entity is related party under Section 2(76) of the Companies Act, 2013 means:
   a) a director or his relative;
   b) key managerial personnel or his relative;
   c) a firm, in which a director, manager or his relative is a partner;
   d) a private company in which a director or manager is a member or director;
   e) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
   f) anybody corporate whose Board of directors, managing director, or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;

g) any person under whose advice, directions or instructions a director or manager is accustomed to act:
h) Provided that nothing in sub-clauses (f) and (g) shall apply to the advice, directions or instructions given in a professional capacity;
i) any company which is –
j) a holding, subsidiary or an associate company of such company; or
k) a subsidiary of a holding company to which it is also a subsidiary;
l) Director or key managerial personnel of the holding company or his relative with reference to a company; or
m) has control or joint control or significant influence over the company; or
n) is a key management personnel of the company or of a parent of the company;

ii. The entity is a related party under the applicable accounting standards

3.17 "Related Party Transactions" shall mean such transactions as specified under Section 188 of the Act or rules made there under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment or modification thereof, as may be applicable. Related Party Transaction covers the transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

It would broadly cover the following:

- sale, purchase or supply of any goods or material;
- selling or otherwise disposing of, or buying, property of any kind;
- leasing of property of any kind;
- availing or rendering of any services;
- appointment of any agents for purchase or sale of goods, materials, services or property;
- related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; or
- underwriting the subscription of any shares in or derivatives thereof.
- mergers, spin-offs for absorption, if undertaken with related parties;
- any decision relating to the grant of remuneration and economic benefits, in any form, to the Company's directors, or members or its key managerial personnel.

3.18 "Significant influence" is the power to participate in the financial and operating policy decisions of an entity but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.

If an investor owns, directly or indirectly (e.g. through subsidiaries), 20% or more of the voting power of the investee, it is presumed to have significant influence, unless it can be clearly demonstrated otherwise. Conversely, if the investor owns, directly or indirectly (e.g. through subsidiaries), less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

The existence of significant influence by an investor is usually evidenced in one or more of the following ways:

(a) representation on the board of directors or equivalent governing body of the investee;
(b) participation in policy-making processes, including participation in decisions about the dividend or other distributions;
(c) material transactions between the investor and the investee;
(d) interchange of managerial personnel;
(e) the provision of essential technical information.

3.19 "Subsidiary" means a company as defined in Section 2(87) of the Companies Act, 2013. A subsidiary is an entity that is controlled by another entity, either by itself and/or through one or more subsidiaries, the composition of its board of directors or holds more than one-half in nominal value of its total share capital.

3.20 "Unrelated Directors" means the directors who are not counterparties to a particular transaction and are not its related parties;

3.21 "Unrelated Shareholders": are the parties with the right to vote who are not counterparties to a particular transaction and are not related to either the counterparty to a particular transaction or to the Company;

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contract Regulation Act or any other applicable law or regulation.

4. RELATED PARTY TRANSACTIONS UNDER THE POLICY

Any transfer of resources, services or obligations between the company and a related party, would get covered as a 'Related Party Transaction', whether or not, there is an element of consideration or price.

Prohibited Related party transactions

Any transaction with a Related Party can be undertaken only if it is in compliance with the applicable laws and this policy.

Approval Process

The Company will enter into any Related Party Transactions only with the prior approval of the Audit Committee. The Audit Committee may grant omnibus approval for the proposed Related Party Transaction subject to the following conditions:

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

iii. Such omnibus approval shall specify the following:
   - Name(s) of the Related Party;
   - Nature of the transaction;
   - Period of transaction;
   - Maximum amount of transactions that can be entered into;
   - The indicative base price / current contracted price and the formula for variation in the price, if any, and;
   - Such other conditions as the Audit Committee may deem fit.

iv. In such cases where the need for Related Party Transaction cannot be foreseen and details, as required above, are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1.00 crore per transaction;

v. The Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approvals given;

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

The Audit Committee will have the discretion to recommend/refer any matter relating to the Related Party Transaction to the Board for approval.

In the case of Material Related Party Transaction, the approval of the shareholders by way of special resolution is also required irrespective of the fact whether the transaction, contract or arrangement is in the ordinary course of business or at arm's length or both and the Related Party shall abstain from voting on such resolutions.

In the event transaction, contract or arrangement with the Related Party is either not in the ordinary course of business or is not at arm's length or both, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed there under and obtain approval of the Board and its shareholders, as applicable subject, however, to third Proviso to the sub-section 1 of section 188 of the Act.

The following types of transactions require approval from shareholders:

- Transactions not in the ordinary course of business
- Transactions in the ordinary course of business if not done at an arm’s length
- Material Transactions as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The following cases shall not require approval of the audit committee and shareholders and also related party can vote on material related party transactions:

- Transactions entered into between two government companies;
- 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.

5. TRANSACTIONS NOT IN THE ORDINARY COURSE OF BUSINESS

Standard on Auditing 550: Related parties issued by ICAI: In its guidance to auditors, the Institute of Chartered Accountants of India has included the following few examples of transactions that are considered outside the entity's normal (or ordinary) course of business:

- Complex equity transactions, such as corporate restructurings or acquisitions
- Transactions with offshore entities in jurisdictions with weak corporate laws
- The leasing of premises or the rendering of management services by the entity to another party if no consideration is exchanged
- Sales transactions with unusually large discounts or returns
- Rendering of management services by the entity to another party for no consideration,
- Transactions with circular arrangements, for example, sales with a commitment to repurchase
- Transactions under contracts whose terms are changed before expiry

6. TRANSACTIONS AT ARM'S LENGTH

The Company has laid down a framework to assess whether transactions with related parties are done at arm's length and the company adopts generally accepted practices and principles in determining whether the transaction is at "arms' length". The expression "arm's length transaction" means a transaction between two related parties that is being conducted as if they were unrelated so that there is no conflict of interest.

7. DISCLOSURE BY DIRECTORS / KMPS

i. Disclosure of interests

All Directors/ KMPs are required to disclose the entities in which they or their relatives are or deemed to be interested, in the prescribed form. Each Director and KMP of the Company shall promptly notify the Company Secretary of any material transaction or relationship that could reasonably be expected to give rise to any conflict of interest.

ii. Disclosure of Related Party Transactions entered with the company

Each Director and KMPs of the Company is responsible for providing a declaration/ notice in the prescribed Form to the Company Secretary about Related Party Transaction involving the Company and him or her or an entity wherein he/ she or his / her relative is interested, including any additional information about the transaction that the Company Secretary may reasonably request. The Company Secretary in consultation with the management and an independent counsel, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

8. DISCLOSURE BY THE COMPANY

- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- Disclose the policy on its website and
- In Directors Report of the Company giving full particulars as prescribed in Form AOC 2 enclosed as Annexure -I.

9. GUIDING PRINCIPLES FOR APPROVAL OF A RELATED PARTY TRANSACTION

To review a Related Party Transaction, the Board/ Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and any other matter, as may be required. In determining whether approval needs to be accorded to a Related Party Transaction, the Board/ Audit Committee will consider the following factors:

i. Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
ii. 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;
iii. Whether the Related Party Transaction would impair the independence of an otherwise Independent Director;
iv. Whether the Related Party Transaction would present an improper conflict of interest for any Director, or KMP of the Company, taking into account the size of the transaction, the overall interest of the Director, KMP or other Related Party, the direct or indirect nature of the Director, KMP or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Audit Committee deem fit to consider.

In case the Board/ Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Board/ Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Board/ Audit Committee have authority to modify or waive any procedural requirements of this Policy. There is well defined Standard Operating Procedure (SOP) in place for identification, approval and ratification of related parties transactions. Roles and responsibilities have been defined to ensure compliance of the requirement of Companies Act 2013 and rules framed there under, clause 49 of the Listing Agreement as amended up to date and other applicable laws and procedures there under.

10. CONSEQUENCES OF NON-COMPLIANCE OF THE POLICY

Non-compliance of this Policy may lead to initiation of disciplinary proceedings against the employee. Details of such disciplinary proceedings will form part of the personal file of such employee and will be considered as a default on his or her key responsibilities.

The above would be over and above the prescribed penal consequences under Companies Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Securities Contract Regulation Act, 1956 or the employee standing order of the Company.

11. DISSEMINATION OF POLICY

This Policy shall be hosted on website of the Company.

Annexure I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1) Details of contracts or arrangements or transactions not at arm's length basis
   a. Name(s) of the related party and nature of relationship
   b. Nature of contracts/arrangements/transactions
   c. Duration of the contracts / arrangements/transactions
   d. Salient terms of the contracts or arrangements or transactions including the value, if any
   e. Justification for entering into such contracts or arrangements or transactions
   f. Date(s) of approval by the Board
   g. Amount paid as advances, if any:
   h. Date on which the resolution was passed in general meeting as required under first proviso to section 188
2) Details of material contracts or arrangement or transactions at arm's length basis
   a. Name(s) of the related party and nature of relationship
   b. Nature of contracts/arrangements/transactions
   c. Duration of the contracts / arrangements/transactions
   d. Salient terms of the contracts or arrangements or transactions including the value, if any:
   e. Date(s) of approval by the Board, if any:
   f. Amount paid as advances, if an