



Himadri

Himadri Speciality Chemical Ltd

CIN: L27106WB1987PLC042756

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

*Pursuant to Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

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Adopted on	1 December 2015	Board	-
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# Policy on Materiality of and Dealing with Related Party Transactions

## I. PREFACE

Regulation 23(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) requires that a listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits as may be determined by the board of directors.

Himadri Speciality Chemical Limited (“**Company**”) has always been committed towards good corporate governance practices including in matters relating to Related Party Transactions (“**RPTs**”). An endeavor is consistently made to enter into transactions with any related party (“**Related Party**”) only on an arms’ length basis.

All RPTs, as defined in this Policy, shall be subject to review in accordance with the procedures set forth below.

## II. APPLICABILITY

This Policy applies to all RPTs entered / proposed to be entered into by the Company or its subsidiaries.

## III. DEFINITIONS

“**Annual Consolidated Turnover**” means turnover as per the last audited consolidated financial statements calculated in accordance with Applicable Law.

“**Applicable Laws**” means the following laws applicable for the Related Party framework of the Company:

- a. Companies Act, 2013 and rules made thereunder
- b. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- c. Indian Accounting Standard 24 - Related Party Disclosures (“**Ind-AS**”)
- d. Applicable circulars, clarifications, etc. issued by the Ministry of Corporate Affairs (“**MCA**”) and the Securities and Exchange Board of India (“**SEBI**”)

“**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.

“**Audit Committee**” means the Committee of the Board constituted under section 177 of the Act and Regulation 18 of the Listing Regulations.

“**Board**” means the Board of Directors of the Company

“**Key Managerial Personnel**” or “**KMP**” means Key Managerial Personnel as defined in section 2(51) or as designated under section 203 of the Act, as amended from time to time and shall include Compliance Officer under regulation 6 of the Listing Regulations.

**“Material Related Party Transactions” shall mean:**

**A. Under the Listing Regulations**

- a. A transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of Listing Regulations i.e.

<b>Consolidated Turnover of Listed Entity</b>	<b>Threshold</b>
(I) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the Company
(II) More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the Company above Rs. 20,000 Crore
(III) More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 Crore or Rs. 5,000 Crores, whichever is lower

A transaction involving payments made to a Related Party with respect to brand usage or royalty shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

**B. Under the Act**

- b. A transaction, as specified under Section 188(1) of the Act, where the aggregate value of the transaction to be entered into, either individually or taken together with previous transactions, during a financial year (wherever applicable), exceeds the thresholds as prescribed under rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 (**“MBP Rules”**), as amended from time to time.

**“Material modification(s)”** shall mean any modification made in the terms and conditions of any existing Related Party Transaction, as originally approved by the Audit Committee and/ or Shareholders, as the case may be, which, either individually or taken together with previous modifications during a financial year, results in significant impact, including the criteria illustrated below, on the nature, value, tenure, exposure, or financial impact on such transaction, as may be determined by the Audit Committee from time to time;

Inclusive list of rebuttable presumption that a modification is material, if such modification, together with previous modifications during a financial year, results into any of the following:

- A variation in the value of the transaction/ contract as originally approved, by 25% or more or Rs. 150 crores whichever is less;
- The terms of the transaction/ contract cease to be arm’s length or
- Granting of waiver, abatement or any other relief to other party, which results into a financial implication equal to 25% or more of the value of the transaction / contract or Rs. 150 crores whichever is less;

- Extension of tenure of transaction / contract by 25% or more of original tenure, except for completion of any residual performances;
- Any modification which results into the claims of either party being subordinated, or relaxation of security interest:
- Any novation of the transaction / contract or arrangement to a third party.

Provided further that the following shall not be considered as material modification:

- Modifications which may be mandated pursuant to a change in law;
- Modifications pursuant to and in accordance with the terms of the approved transaction/ contract, with mutual consent of parties, as the case may be;
- Modifications resulting from change in constitution of either of parties pursuant to scheme of arrangement (*eg. merger, amalgamation, demerger, etc.*) approved by the appropriate authority;
- Modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;
- Modifications uniformly affected for similar transactions with unrelated parties.

**“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities.

**“Policy”** means this Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions.

**“Related party”** means a related party as defined under section 2(76) of the Act, Regulation 2(1)(zb) of the Listing Regulations or under the applicable accounting standards *i.e.* Ind AS -24, as amended from time to time.

**“Relative”** means as defined under section 2(77) of the Act and Regulation 2(1)(zd) of the Listing Regulations.

**“Related Party Transactions”** or “RPTs” means as defined under section 188 of the Act and clause 2(1)(zc) of the Listing Regulations and applicable IndAS, as amended from time to time.

“Words and expressions used but not defined in this Policy shall have the same meaning as respectively assigned to them in the Applicable Laws.

#### **IV. IDENTIFICATION OF RELATED PARTY AND RPTs**

1. Each Director and KMP shall be responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as "*Related Party*" by virtue of him /her being a Director/KMP in the Company. Such notice shall be provided to the Company at the time of appointment and also at the time of first board meeting of every financial year and immediately whenever there is any change in the disclosures already made.
2. Each Director and KMP shall be responsible for providing a notice to the Board or Audit Committee, of any potential RPTs involving him or her or their Relatives, including any additional information about the transaction that the Board /Audit Committee may reasonably request.

3. Such notice shall be given to the Company well in advance so that the Board / Audit Committee has adequate time to obtain and review information about the proposed transaction.
4. In addition to the above, the Board / Audit Committee is required to identify other Related Parties based on control exercised by the Company on them and *vice-versa* within the meaning of Companies Act, 2013, Listing Regulations and applicable Accounting Standards.
5. The Company Secretary and/or Secretarial Department shall prepare and maintain the database of Related Parties on the basis of aforesaid information/declaration including any revisions therein.
6. The Company Secretary and /or Secretarial Department shall also maintain a list of Related Parties of its subsidiaries, which may be sourced from respective subsidiaries on a periodic (preferably quarterly or earlier) basis or as and when needed.
7. The list of Related Parties of the Company and its subsidiaries maintained by the Company Secretary and/or Secretarial Department shall be placed before the Board / Audit Committee, as and when updated and shall be reviewed at regular intervals.
8. Adequate systems must be in place to ensure that the RPTs to which the Company is not a party, but the subsidiary is a party, shall be brought to the information of the Company in a timely manner, for necessary approvals, wherever required.
9. The Company shall also endeavor to determine the transactions which are entered into with unrelated parties, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries
10. The Audit Committee shall identify such managers, departmental heads and such other employees (“Designated Employees”) who are authorised for entering into contracts/ arrangements/ agreements with entities for and on behalf of the Company and its subsidiaries and circulate the list of Related Parties to all such Designated Employees of the Company and its subsidiaries along with the approval thresholds for entering into transactions with such Related Parties
11. The Secretarial Team shall make disclosures to the Audit Committee / Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.

**12. Exclusions from RPTs**

Following transaction shall not be considered as a RPT

- a. Issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- b. The following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. Payment of dividend
  - ii. Subdivision or consolidation of securities

- iii. Issuance of securities by way of a rights issue or a bonus issue
- iv. Buy-back of securities.
- c. Retail purchases from the Company or its subsidiary by the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.
- d. Reimbursement of expenses incurred by a Related Party for business purposes of the Company.

## V. APPROVAL FRAMEWORK

### AUDIT COMMITTEE APPROVAL

1. All Related Party Transactions proposed to be entered and subsequent Modification thereto shall require prior approval of the Audit Committee including the transactions to be entered into in the ordinary course of business. Any modification other than material modification may be subsequently ratified by the audit committee. The Audit Committee may at its discretion recommend any Related Party Transaction for the approval of Board of Directors / Shareholders as per the terms of this Policy and in accordance with the applicable laws.

*Note: Only those members of the Audit Committee, who are independent directors, shall approve RPT.*

2. A related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction, exceeds the lower of the following:

(i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or

(ii) the threshold for material related party transactions of listed entity as specified hereunder:

<b>Consolidated Turnover of Listed Entity</b>	<b>Threshold</b>
(I) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the Company
(II) More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the Company above Rs. 20,000 Crore
(III) More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 Crore or Rs. 5,000 Crores, whichever is lower

3. In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:
- (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
  - (ii) the threshold for material related party transactions of listed entity as specified hereunder:

<b>Consolidated Turnover of Listed Entity</b>	<b>Threshold</b>
(I) Up to Rs. 20,000 Crore	10% of the annual consolidated turnover of the Company
(II) More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover of the Company above Rs. 20,000 Crore
(III) More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover of the Company above Rs. 40,000 Crore or Rs. 5,000 Crores, whichever is lower

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

4. Prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary
5. Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of regulation 23(1) of Listing Regulations.
6. The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company or its subsidiary subject to the following conditions:
- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and as per Applicable Laws and such approval shall be applicable in respect of transactions which are repetitive in nature and are on an arm's length basis;
  - b. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: -
    - i. repetitiveness of the transactions (in the last 3 years or future);
    - ii. justification for the need of omnibus approval;
  - c. volume of transactions, if any, undertaken with such Related Party in the last 3 years.

- d. The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company;
- a. Such omnibus approval shall specify the details of information as required by Companies Act, 2013, SEBI Listing Regulations, Circulars issued by SEBI and Stock Exchanges and Minimum information to be provided to the Audit Committee and Shareholders as specified by SEBI Circular on Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions, including any amendment thereof
- b. Criteria for making the omnibus approval shall specify the following:
  - i. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
  - ii. the maximum value per transaction which can be allowed;
  - iii. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
  - iv. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
  - v. transactions which cannot be subject to the omnibus approval by the Audit Committee.

*Provided that where the need for RPTs cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.*

- c. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.
- d. Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of such financial year.
- e. Such omnibus approval shall be granted preferably any time before the beginning of the financial year for which approval of the Audit Committee is sought or any time prior to entering into such transaction and such approvals shall be valid till the conclusion of the immediately following financial year or till conclusion of the financial year respectively.
- f. The transactions for which omnibus approval (for a period not exceeding one financial year) of the Audit Committee has already been sought will not require prior approval of the Audit Committee for each transaction entered into pursuant to the same.
- g. Where the Audit Committee is not convinced on the need for granting omnibus approvals, the Audit Committee may reject the proposal placed before it with reasonable explanation for the same.

- h. Notwithstanding the generality of the foregoing, the Audit Committee shall not grant omnibus approval for the following transactions:
- Transactions which are either not in the ordinary course of business or not on an arm's length basis;
  - Transactions in respect of selling or disposing of the undertaking of the Company;
  - Transactions which are not in the interest of the Company;
  - Such other transactions specified under Applicable Law from time to time.
7. Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting for the approval of the Related Party Transaction.
  8. The Audit Committee shall consider all relevant factors, as mentioned under Part A of Annexure 1 to this Policy or as may be prescribed under the Applicable Laws, while deliberating on the Related Party Transactions for its approval.
  9. The Audit Committee shall be entitled to call for such additional information/ documents in order to understand the scope of the proposed Related Party Transaction and recommend an effective control system for the verification of the supporting documents.
  10. The Audit Committee shall also be entitled to engage the services of external consultants for advisory on continual compliances and reviewing the Related Party Transactions of the Company.
  11. In determining whether to approve a Related Party Transaction, the Audit Committee shall consider (among other aspects it deems relevant), if there are clearly demonstrable reasons from the Company's business point of view, in the interest of the Company, to enter into a transaction with a Related Party.
  12. Approval of the Audit Committee shall not be required for any transaction which has been entered into by the Company with its wholly owned subsidiary, whose accounts are consolidated with the Company and placed before the general meeting for approval and transactions entered into between two wholly-owned subsidiaries of the company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval. However, approval shall be required in case of Related Party Transaction entered into between the Company and its wholly owned subsidiary for transactions referred to in section 188 of the Act.
  13. RPT to which a listed subsidiary of Company is a party but the Company is not a party wherein Regulation 15(2) and 23 of Listing Regulations is applicable to such subsidiary. In such cases prior approval of the audit committee of such listed subsidiary shall suffice
  14. Related Party Transactions that are not on an arm's length basis, irrespective whether the transactions are covered under section 188 or not, shall not be approved by the Audit Committee and shall be recommended to the Shareholders for appropriate action.
  15. The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.
  16. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise not pre-approved by the Audit Committee, shall be placed before the Audit Committee for ratification.

### Ratification by Audit Committee

17. The members of the Audit Committee, who are independent directors, may ratify Related Party Transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:
- 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;
  - the transaction is not a Material Transaction
  - rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification
  - the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23 of the Listing Regulations

Provided that failure to seek ratification of the Audit Committee shall render the transaction voidable at the option of the Audit 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 listed entity against any loss incurred by it.

### Ratification by board/ shareholders

18. Where a Related Party Transaction was required to be approved by the Board or shareholders, as the case may be, such relevant authority may also ratify Related Party Transaction which were entered into/undertaken without the approval of board / shareholder. Such a transaction shall be required to be ratified within 3 months from the date on which such Related Party Transaction was entered into. Where a Related Party Transaction is entered into without obtaining prior approval of board / shareholders, as the case may be, and such transaction is not ratified within 3 months, such transaction shall be voidable at the option of the Board or, as the case may be, of the shareholders
19. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such RPT to the Audit Committee under this Policy and failure of the internal control system and shall take any such actions it deems appropriate.

In case, where the Audit Committee determines not to ratify a RPT that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the Audit committee) to the Related Party or the Company as the case may be, etc.

### Board Approval

1. Where it is mandatory under the Applicable Law for the Board to approve a RPT or the Audit Committee determines that a RPT should be brought before the Board, then such RPTs shall be approved by the Board.

Prior approval of the Board of Directors shall be obtained for following events where:

- a. Related Party Transaction or any modification thereto u/s 188 of the Act, except where the RPT is in the ordinary course of business or on an arm's length basis;

- b. Audit Committee determines that a Related Party Transaction should be brought before the Board;
  - c. Board in any case elects to review any Related Party Transaction suo-moto; or
  - d. Related Party Transaction needs to be approved by the Board under any law for the time being in force.
2. The Board shall, prior to/ while reviewing the RPTs, consider factors such as:
    - a. Name of the related party and nature of relationship;
    - b. Nature, duration and particulars of the transaction;
    - c. Material terms of the contract or arrangement, including the value;
    - d. Any advance paid or received for the contract or arrangement;
    - e. The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract; and
    - f. The business rationale for entering into such a transaction;
    - g. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
    - h. Such other information relevant or important for the Board to take a decision on the proposed transaction.
  3. In addition to the aforesaid, the Board shall consider all relevant factors, as mentioned under Part A of Annexure 1 to this Policy.
  4. Subject to the Audit Committee's approval, the Board may require modifications to the terms of transactions as they deem appropriate under the circumstances.
  5. The considerations set forth above in case of the Audit Committee shall also apply to the Board's review and approval of the proposed Related Party Transaction with such modification as may be necessary or appropriate under the circumstances.
  6. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting for the approval of the Related Party Transaction.
  7. All Material Related Party Transactions and subsequent Material Modifications as approved and referred by the Audit Committee for Shareholder's Approval shall be placed before the Board for its consideration and approval.

### **Shareholder Approval**

1. All Material Related Party Transactions (including subsequent Material Modifications thereto) or, Related Party Transactions which are not in the ordinary course of business or not at an arm's length basis and exceeds the thresholds as prescribed under Rule 15 of (Meeting of Board and its Powers) Rules, 2014 i.e. a Material Related Party Transaction under the Act, shall require prior approval of the Shareholders.

2. Shareholders' approval of omnibus RPTs approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months.
3. In case of omnibus approvals for material RPTs, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.
4. No Related Party shall vote to approve such Related Party Transactions whether the concerned person / entity is a Related Party to the particular transaction or not.
5. A Related Party Transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Shareholder of the Company if the value of such transaction, whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent (10%) of the annual consolidated turnover, as per the last audited financial statements of the Company or or 1000 crores, whichever is lower.
6. For Related Party Transactions of unlisted subsidiaries of a listed subsidiary of Company, the prior approval of the shareholders of the listed subsidiary shall suffice.
7. The Shareholders shall be provided with the information as provided in Part B of Annexure 1 to this Policy or as may be prescribed under the Applicable Laws.
8. Omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval

**Exception to approvals:**

The above approval of Audit Committee, Board and Shareholders as the case may be is not required if:

- (a) Subject to transactions covered u/s 188 of the Act, RPTs, entered into between the Company and its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the Shareholders at the general meeting for approval.
- (b) transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the Shareholders at the general meeting for approval.
- (c) Approval of Audit committee shall not be required for remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23(1) of Listing Regulations.

### **Ratification by the Board/Shareholders**

1. For transactions that are required to be approved by the Board, but not approved prior to its consummation, the same shall also be required to be ratified by the Board within a period of three months from the date of entering into such a transaction. Furthermore, if the said transaction is a Material Related Party Transaction or a Material Modification thereto, then the same will also be required to be placed before the Shareholders for their approval.
2. Each Director / KMP who is a Related Party with respect to a particular RPT shall disclose all material information to the Board/ Audit Committee concerning such RPT and his or her interest in such transaction(s).
3. Wherever the Board consent / Shareholders' approval is required, a) the agenda of the Board meeting at which the resolution is proposed to be moved and b) explanatory statement to be annexed to the notice of such general meeting, shall disclose all such details / information about the contract as are prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014.

### **Handling of RPT not approved under this Policy**

1. If any employee, officer or Director of the Company becomes aware of any transaction with a Related Party inconsistent with the Policy or Applicable Law, such a person shall promptly inform the Compliance Officer.
2. The Compliance Officer shall ensure that such transactions are brought to the notice of the Audit Committee as early as possible but not later than the first Audit Committee meeting held after the date of such intimation.
3. The Audit Committee shall evaluate facts and circumstances pertaining to the failure of reporting of such transaction and decide on the further course of action to be taken as it may consider appropriate in accordance with the Applicable Law. The Audit Committee may ratify, revise or terminate such RPTs.
4. In connection with any review of a Related Party Transaction, the Audit Committee has the final authority to modify or waive any procedural requirements of this Policy, which in any manner, shall not be inconsistent with the provisions of the Applicable Laws.

## **VI. DISCLOSURES**

1. As required under section 188 of the Companies Act, 2013 read with the Rules made thereunder, all transactions under section 188 of the Act, which are not on arm's length basis or are material RPT under the Act, shall be disclosed in the Board's Report of the Company.
2. The Company shall submit half yearly disclosures of RPTs, including ratifications, if any, to the Stock Exchanges along with the publication of financial results on standalone or consolidated basis in such format as may be prescribed by SEBI under regulation 23(9) of the Listing Regulations and publish the same on its website.
3. Provided remuneration and sitting fees paid by the Company or its subsidiary to its director, KMP or senior management, except who is part of promoter or promoter group, shall not require disclosure in half-yearly disclosure under reg. 23(9) provided that the same is not material in terms regulation 23(1) of the Listing Regulations."

4. The Company shall maintain a record of contracts or agreements entered with any Related Party or where the director of the Company is concerned or interested under section 188 of the Act in Form MBP-4 *i.e.* Register of contracts with related parties and contracts and Bodies etc. in which directors are interested.
5. In addition to the above-mentioned disclosures, all Related Party Transactions including Material Related Party Transactions, agreements, arrangements and contracts will be disclosed from time to time as required under the Companies Act, 2013 (as amended from time to time), Listing Regulations (as amended from time to time) and as per the applicable Indian Accounting Standards.
6. The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report of the Company.

## **VII. REVIEW/AMENDMENT**

The Audit Committee and Board shall periodically review this Policy atleast once in every 3 years. The Audit Committee may, as it deems appropriate and reasonable, establish from time-to-time guidelines regarding the review of RPTs.

In the event of any conflict between the provisions of this Policy and Applicable Laws for the time being in force, the provisions of such Applicable Laws 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.

**Dated: 23 April 2026**

Sd/-

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Anurag Choudhary  
Chairman Cum Managing  
Director & CEO

## ANNEXURE- 1

<b>Part A:</b>	<b>Information to be provided to the Audit Committee / Board in relation to the proposed Related Party Transaction (to the extent relevant to the transaction)</b>
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1. Name of the Related Party and nature of relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
2. Nature and duration of the contract/transaction and particulars thereof;
3. Material terms of the contract or arrangement or transaction including the value, if any;
4. In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
5. Any advance paid / received or to be paid / received for the contract or arrangement, if any;
6. Manner of determining the pricing and other commercial terms, whether or not included as part of contract;
7. The percentage of the Company's Annual Consolidated Turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction and for a RPT involving a subsidiary, such percentage of the subsidiary's annual turnover on a standalone basis shall also be additionally provided;
8. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company/ subsidiary(ies)
  - a. Details of the source of funds in connection with the proposed transaction;
  - b. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
    - Nature of indebtedness;
    - Cost of funds; and
    - Tenure;
  - c. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - d. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction.
9. Justification as to why the RPT is in the interest of the Company;
10. A copy of the valuation or other external party report, if any such report has been relied upon;
11. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis; and
12. Any other information relevant or important for the Committee / Board to take a decision on the proposed transaction.

<b>Part B:</b>	<b>Information to be provided to the Shareholders in relation to the proposed Related Party Transaction:</b>
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The explanatory statement to be annexed to the notice being sent to the shareholders seeking approval for any proposed related party transaction shall include the following information:

1. Name of the related party;
2. Name of the director or key managerial personnel who is related, if any;
3. Nature of relationship;
4. Nature, material terms, monetary value and particulars of the contract or arrangements;
5. A summary of the information provided by the management of the Company to the Audit Committee;
6. Justification for why the proposed transaction is in the interest of the Company;
7. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company/ subsidiary(ies)
  - a. Details of the source of funds in connection with the proposed transaction;
  - b. Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,
    - i. Nature of indebtedness;
    - ii. Cost of funds; and
    - iii. Tenure;
  - c. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - d. The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the Related Party Transaction.
8. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
9. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
10. Any other information that may be relevant or important for the members to take a decision on the proposed resolution.