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**CEIGALL INDIA LIMITED
POLICY ON RELATED PARTY TRANSACTIONS**

1. Introduction:

Ceigall India Limited (the "Company") recognizes that related party transactions ("RPT") can present a potential or actual conflict of interest which may raise questions about whether such transactions are consistent with the best interests of the Company and its stakeholders. The Board of Directors ("Board") of the Company has adopted the policy on Related Party Transactions in its meeting held on 04TH February, 2025 with regard to related party transactions (RPT) pursuant to the provisions of Memorandum and Articles of Association of the Company, Section 177, 188 and other applicable provisions of the Companies Act, 2013 ("Act") and the Rules framed thereunder and the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulation") as amended from time to time and any other laws and regulations as may be applicable to the Company.

2. Objective:

The objective of this policy is to set out the basis of identifying related parties of the Company as well as related party transactions, the materiality thresholds for related party transactions (RPTs), the manner of entering into transactions between the Company and its related parties and dealing with the RPTs based on the Act, SEBI LODR and any other laws and regulations that may be applicable.

3. Applicability:

This policy shall come into force with immediate effect and shall be applicable to transactions made with-

- a. Board of Director & their relatives.
- b. Key Managerial Personnel (KMP) of the Company and their relatives, and
- c. Other related parties, as defined hereinafter

4. Definitions:

"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.

"Board" means Board of Directors of the Company.

"Audit Committee or Committee" means the Committee of the Board formed under section 177 of the Act and Regulations 18 of Listing Regulations 2015.

"Control" means control as defined in Section 2 (27) of the Act and shall have the same meaning as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"Key Managerial Personnel" shall mean the officers of the Company as defined in Section 2(51) of the Act.

"Relative" shall have the meaning described to it under Section 2(77) of the Act and Rule 4 of

the Companies (Specification of Definitions Details) Rules, 2014, as amended from time to time.

“Policy” means Related Party Transaction Policy. “Related party” means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

Provided that: -any person or entity forming a part of the promoter or promoter group of the listed entity; or any person or any entity, holding equity shares: of twenty per cent or more; or of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

4.1 “Related Party Transactions” have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:

- a. the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;

the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023. regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

- sale, purchase or supply of any goods or materials.
- 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 agent for purchase or sale of goods, materials, services or property.
- appointment to any office or place of profit in the company
- underwriting the subscription of any securities or derivatives thereof, of the Company.

The following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:

- a) the 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 shareholders in proportion of their shareholding such as –
 - i. payment of dividend,
 - ii. subdivision or consolidation of securities by the Company,
 - iii. issuance of securities by way of a rights issue or a bonus issue and
 - iv. buy-back of securities.
- c) retail purchases from Ceigall India Limited or any of its subsidiaries by its directors or employees, without establishing any business relationship and at the terms which are uniformly

applicable/offered to all employees and directors.

- d) *retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/ offered to all employees and directors:*

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange.

Further, remuneration and sitting fees paid by Ceigall India Limited or its subsidiaries to its directors, key managerial personnels 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 of the Listing Regulations.

4.2 “Material Related Party Transaction” shall means and includes:

- 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 Rs. 1,000 crore or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company, whichever is lower.
- Transactions which exceed the threshold limits as defined under Section 188 of Act read with rules made thereunder.
- Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

5. Policy:

The Audit Committee shall review and approve all Related Party Transactions proposed to be entered into by the Company in conformity with this Policy. The Audit Committee may, however, grant omnibus approval in the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company.

In order to ensure the independence of the decision of the Audit Committee with respect to Related Party Transactions, in the event any member of the Audit Committee has a potential interest in any Related Party Transaction, such member shall not remain present at the meeting or abstain from discussion and voting on such Related Party Transaction. Further, in accordance with the SEBI Listing Regulations, all entities that fall under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular Transaction or not.

It shall be the responsibility of the director and the Company to file the requisite form(s) as mandated under the Act or the relevant rules, containing the particulars of the Related Party Transactions before the prescribed authority.

6. Identification of Related Party:

Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as “related Party” by virtue of his/her being Director/KMP in the entity or holding certain shareholding percentage. Such notice shall be provided to the company at the time of appointment and also at the time of first board meeting in every financial year and whenever there is any change in the disclosures already made.

The Board shall record the disclosure of interest as per Companies Act, 2013. The Company shall identify Related Party Transaction with Directors or Key Managerial Personnel of the Company or their relatives.

7. 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.

8. Review and Approval of Related Party Transactions:

8.1 Approval of the Audit Committee:

A. Prior approval of the Audit Committee shall be required for:

All Related Party Transactions and subsequent material modifications as defined by the Audit Committee.

RPTs where subsidiary is a party, but the Company is not a party shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds-

- i. 10% of the annual consolidated turnover as per the last audited financial statements of the Company w.e.f. April 1, 2022
- ii. 10% of the annual standalone turnover as per the last audited financial statements of the subsidiary w.e.f. April 1, 2023

Information to be reviewed by the Audit Committee for approval of RPTs :

The following information shall be provided for review of the audit committee for approval of a proposed RPT:

- a. Type, material terms and particulars of the proposed transaction
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)
- c. Tenure of the proposed transaction (particular tenure shall be specified)
- d. Value of the proposed transaction
- e. The percentage of the listed entity'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 calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary
 - i. details of the source of funds in connection with the proposed transaction.
 - ii. where any financial indebtedness is incurred to make or give loans, interoperate deposits, advances or investments-
 - nature of indebtedness.
 - cost of funds; and
 - tenure.
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the listed entity.
- h. A copy of the valuation or other external party report, if any such report has been relied upon.
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the

- proposed RPT on a voluntary basis.
- j. Any other information that may be relevant.

The Audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis. Further, an RPT for which the audit committee has granted omnibus approval shall continue to be placed before the shareholders if it is material in terms of regulation 23(1) of the LODR Regulations.

Members of the Audit Committee, who are independent directors, shall alone approve Related Party Transactions.

- B.** However, the Company may obtain omnibus approval from the Audit Committee for all Related Party Transactions subject to compliance with the conditions prescribed in paras 1 to 8 below.
1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:
 - i Maximum value of the transaction, 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 omnibus approval made.
 - v transactions which cannot be subject to omnibus approval by the Audit Committee.
 2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - i repetitiveness of the transactions (in past or in future).
 - ii justification for the need of omnibus approval.
 3. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of a repetitive nature and that such approval is in the interest of the Company.
 4. The omnibus approval shall provide details of (i) the name/s of the related party and its relationship with the Company or its subsidiary, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into, (ii) basis of arriving at 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 Transactions 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 Rs. 1 crore per transaction.
 5. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions entered into by the Company or its Subsidiaries pursuant to the each omnibus approval given;
 6. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after expiry of one year.
 7. Omnibus approval can be granted by the audit committee for related party transactions of the Company as well as of its subsidiaries.

- C. Transaction of the following nature will not be subject to the omnibus approval of the Audit Committee:
1. Transactions which are not at arm's length or not in the ordinary course of business.
 2. Transactions which are not repetitive in nature.
 3. Transactions exceeding materiality thresholds as laid down in the Policy
 4. Transactions in respect of selling or disposing of the undertaking of the company
 5. Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
 6. Any other transaction as the Audit Committee may deem not fit for omnibus approval
- D. Audit Committee has defined "**material modifications**" as following:
Material Modifications of Related Party Transaction" in relation to the Company means and includes any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

8.2 Approval of Board of Directors:

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- a) Transactions which may be in the ordinary course of business and at arm's length basis, but which are, as per the Policy, determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval.
- b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
- c) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval.
- d) Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

8.3 Approval of Shareholders:

All the transactions with related parties exceeding the materiality thresholds, laid down in the Policy, are placed before the shareholders for approval.

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolutions irrespective of whether the entity is a related party to the particular transaction or not. (RP's can cast only negative votes to reject the shareholders resolution of material RPT).

In addition to the above, all kinds of transactions specified under Section 188 of the Act which are not at Arm's Length or not in the ordinary course of business; and exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

The shareholders' approval of omnibus RPTs approved in an AGM shall be valid up to the date of the next AGM for a period not exceeding fifteen months. 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.

However, the requirement of shareholders' prior approval for Material Related Party Transactions shall not be applicable for the following cases:

- i. Transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the

- resolution plan being approved.
- ii. Related Party Transactions, where the listed subsidiary of the Company is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
 - iii. Related Party Transactions of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the shareholders of the listed subsidiary is obtained.
 - iv. 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.

9. Disclosures:

- The Company shall disclose, in the Board's Report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in an ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.
- The Company shall place all the information as specified by the SEBI from time to time for review of the Audit Committee while seeking prior approval of the RPTs.
- The Company shall provide all the information as specified by the SEBI from time to time in the explanatory statement to the notice being sent to shareholders seeking their approval for proposed RPTs.
- The Company shall provide disclosure of the Related Party Transactions to stock exchanges where the Company's securities are listed in the format as specified by the SEBI/stock exchanges from time to time and within statutory timelines. The Company shall simultaneously upload the disclosure at its website.

10. Ratification of Related Party Transactions:

In case any related party transactions are not approved under this policy, the members of the Audit Committee, who are independent directors, may ratify such related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier. Ratification is subject to certain conditions as specified in the Listing Regulations.

The failure to seek ratification of the audit committee shall render related party transactions voidable at the option of the audit committee and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

11. Scope:

In the event of any conflict between the provision of this Policy and of the SEBI LODR/ Act or any other statutory enactments, rules, the provisions of such SEBI LODR/Act or statutory enactments, rules shall prevail over this Policy.

12. Review of the Policy:

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and at least once in three years and appropriate recommendations shall be made by the Audit Committee to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise. However, the Board of Directors on its own as and when deem fit, may make necessary amendments in this policy in accordance with the relevant Rules, Regulations, Notifications etc. as notified from time to time.

