



## **Policy on Materiality of & Dealing with Related Party Transactions (RPT Policy)**

### **Background:**

ASI Industries Limited (the Company or ASI) recognized that related party transactions can present potential or actual conflict of interest and may raise questions about such transactions are consistent with the Company's and its stakeholders' best interest.

As per Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulation-2015, as amended from time to time, the Company need to formulate a policy on materiality of related party transactions and on dealing with related party transactions.

The Securities and Exchange Board of India ("SEBI") has issued the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024, on December 12, 2024 making several changes with regard to the said policy.

Accordingly, taking into account the aforesaid provisions, Mr. Deepak Jatia, Chairman of the Board of Directors of ASI Industries Limited (hereinafter referred to as the "Company" or "Listed Entity") in consultation with Mr. Manish Kakrai, Company Secretary and Compliance Officer, has adopted the following revised policy on materiality of related party transactions and on dealing with related party transactions which will be placed at the next audit committee meeting and next meeting of the Board of Directors for its information and ratification.

### **Policy:**

In supersession of the existing Policy, the Policy on Materiality of & dealing with Related Party Transactions, which is to be read together with Regulation 23 of the said Regulations and relevant provisions of the Companies Act, 2013 is accordingly being revised as under:

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material RPTs', 'Arms' length transaction', 'Omnibus Approval' & such other terms will carry the meaning as stated under the Companies Act, 2013 or SEBI Listing Regulations as amended from time to time.
2. Related Party Transactions (RPTs), including subsequent material modifications thereof of the Company covered under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations will be approved by the audit committee of the Board from time to time, subject to such exceptions as are provided herein.

For the above purpose, 'material modifications' as defined by the Audit Committee would refer to the following:

Material modification will mean & include any modification to an existing RPT having variance of fifty per cent of the existing limit, as sanctioned by the Audit Committee or Shareholders, as the case may be.

Provided further that:

- 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 audit committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten (10) per cent of the annual consolidated turnover, as per the last audited financial statements of the Company;
- with effect from April 1, 2023, 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 audit committee 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 (10) per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- remuneration and sitting fees paid by the listed entity 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 related party transaction.

3. Prior Consent of the Board and the Shareholders would be taken in respect of all RPTs, including material modifications thereof, except in the following cases:

- i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules thereunder or the SEBI Listing Regulations, as may be applicable;
- ii. Where the transactions are entered into by the Company in its ordinary course of business and are on arms' length basis;
- iii. Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the Company;
- iv. Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed Rs.1000 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;
- v. Transactions entered into between the Company & any of its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;
- vi. 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.
- vii. ttransactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

4. Notwithstanding the above, approval of the Board & shareholders would be necessary, where the RPTs exceed the following threshold limits:

Description	Threshold limits
Sale, purchase or supply of any goods or materials.	Rs.1000 crore or ten percent of the annual consolidated turnover as per the last audited financial statements, whichever is less or such other limits as may be prescribed by the Regulatory Authorities.
Selling or otherwise disposing of or buying of any property including by way of lease and license arrangement.	
Availing or rendering of any services.	
Other matters	
A transaction involving payments made to a related party with respect to brand usage or royalty	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. Related Party Transactions not approved under this Policy:** In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the audit committee. The audit committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision, or termination of the related party transaction.

In any case, where the audit committee determines not to ratify a related party transaction that has been commenced without approval, the audit committee, as appropriate, may direct additional actions including, but not limited to, 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.

The Chairman of the Board and Audit Committee of the Company are jointly authorized to make changes to this Policy as they may deem fit and expedient, taking into account the law for time being in force.

The above policy is subject to review from time to time and at least once in every three years.

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