# RELATED PARTY TRANSACTIONS POLICY

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## 1. PREAMBLE

This Policy is intended to ensure timely identification of a Related Party Transaction ("RPT"), its salient terms and conditions, detail the approval process, outline the disclosure and reporting requirements thereof and to ensure transparency in the conduct of RPT's, so that there is no conflict of interest. As per the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("**Act**") read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Regulations**"), **ACUTAAS CHEMICALS LIMITED** ("**ACL**" or "the **Company**") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions. This policy was initially adopted by the Board on May 24, 2018 and later revised and adopted by the Board on July 24, 2026.

## 2. OBJECTIVE

The objective of this Policy is mainly (i) determination of the materiality thresholds for related party transactions and; (ii) the manner of dealing with the transactions between the Company and its related parties based on the Act, the Regulations and any other laws and regulations as may be applicable to the Company.

## 3. DEFINITIONS

**"Act"** means the Companies Act, 2013.

**"Arm's length basis"** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

**"Associate Company"** shall have the same meaning as defined in Section 2(6) of the Companies Act, 2013 and shall mean any company in which the Company has significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture Company. Explanation – For the purposes of this clause, "significant influence" means Control of at least twenty per cent of total share capital, or of business decisions under an agreement and the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

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

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

**"Company"** means Acutaas Chemicals Limited.

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

**“Industry Standards”** shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by SEBI vide its circular dated June 26, 2025, and subsequently as amended from time to time.

“**Key Managerial Personnel**” or “**KMP**” shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time

“**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.

“**Policy**” means this Policy on Related Party Transactions along with regulatory amendments in its respect..

**“Related Party”,** with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and sub regulation 2(zb) of the SEBI (LODR) Regulations, 2015.

Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.

**“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.

**“Related Party Transaction” (RPT)** means: (a) for the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub- section 1 of Section 188; (b) for the purpose of Regulation 2 (zc) of SEBI (LODR), Regulations, 2015 transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged and (c) a transaction with a Related Party including a single transaction or a group of transactions in a contract.

**"Related Party Transaction"** shall 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:

- 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 –

a. sale, purchase or supply of any goods or materials;
b. selling or otherwise disposing of, or buying, property of any kind;

c. leasing of property of any kind;
d. availing or rendering of any services;
e. appointment of any agent for purchase or sale of goods, materials, services or property;
f. appointment to any office or place of profit in the Company, its subsidiary or associate company
g. underwriting the subscription of any securities or derivatives thereof, of the Company.

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) corporate actions which are uniformly applicable/offered to shareholders in proportion of their shareholding such as payment of dividend, subdivision or consolidation of securities by the Company, issuance of securities by way of a rights issue or a bonus issue and buy-back of securities.
(c) retail purchases from Company or any of its subsidiaries by its directors or key managerial personnel or its subsidiary, and relatives of such directors or key managerial personnel, without establishing any 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.

Further, remuneration and sitting fees paid by Company 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.

***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 or any other applicable law or regulation.***

## 4. MATERIALITY THRESHOLDS

### 4.1 MATERIALITY THRESHOLDS IN TERMS OF COMPANIES ACT 2013:

Section 188 of Companies Act, 2013 and rules framed thereunder provides that all companies to which the Regulations are applicable must provide materiality thresholds for transactions beyond which the approval of the company by resolution and the prior approval of the audit committee shall be required. The aforesaid regulation provides for a materiality threshold at ten percent (10%) of the annual consolidated turnover of the Company as per last audited financial statements of the company for the purpose of the Regulations.

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 (5%)

percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity

4.1.1 The materiality thresholds as prescribed under the Act are as under**:**

| Sr. No. | Nature of the Transaction | *Limits for the time being in force (as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. |
|---|---|---|
| i. | Sale, purchases or supply of any goods or materials directly or through appointment of agent. | Amounting to 10% or more of Turnover |
| ii. | Selling or otherwise disposing of, or buying property of any kind directly or through appointment of agent. | Amounting to 10% or more of net worth of the company |
| iii. | Leasing of property of any kind. | Amounting to 10% or more of the turnover of the company |
| iv. | Availing or rendering of any services, directly or through appointment of agent. | Amounting to 10% or more of Turnover of the Company |
| v. | Related Party's appointment to any office or place of profit in the company, its subsidiary company or associate company. | Where monthly remuneration exceeds Rs. 2,50,000/- |
| vi. | Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company | Amount exceeding 1% of Net Worth of the Company. |

***Subject to change as per amendment to the Rules from time to time.***

**Explanation**

- *It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.*
- *The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.*

## 4.2 MATERIALITY THRESHOLD AS PER SEBI (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS) REGULATIONS, 2015

In accordance with the terms of Regulation 23(1) and schedule XII of SEBI LODR "**Material Related Party Transaction**" with a Related Party would be where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the following thresholds, determined based on the last audited financial statements of the listed entity or such limits as may be prescribed either in the Companies Act or the SEBI Listing Regulations, including any amendment or modification thereof, as may be applicable.

| Consolidated Turnover of Listed Entity | Threshold |
|---|---|
| (I) Up to ₹20,000 Crore | 10% of the annual consolidated turnover of the listed entity |
| (II) More than ₹20,000 Crore to upto ₹40,000 Crore | ₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore |
| (III) More than ₹40,000 Crore | ₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower |

*Note: Consolidated Turnover for the purpose of the abovementioned table shall be taken as audited consolidated turnover as on immediately preceding financial year.*

In case of 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 Company as per its last audited financial statements.

**"Material Modification"** will mean and include 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 or such modification which would make the transaction less favorable to the Company.

## 5. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS :

### 5.1 Identification of related parties

Each Director and Key Managerial Personnel shall disclose to the Company, its Related Parties. The Board shall record the disclosure of Interest. Each director and Key Managerial Personnel has the responsibility of providing notice to the Board or Audit Committee of any potential Related Party Transaction involving such Director or KMP or his or her Relative. He/she must also share any additional information about the transaction that the Board/Audit Committee may reasonably require. The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2(1)(zb) of the SEBI Listing Regulations.

### 5.2 Identification of related party transactions

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 read with Section 177 of the Act and Regulation 2(1)(zc) of the SEBI Listing Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company will seek external expert opinion, if necessary.

Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

a. Material Related Party Transactions
b. Other Related Party Transactions, but with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest.
c. Residual Related Party Transactions.

The industry standards are not applicable to RPTs with value less than ₹1 crore in a year.

**5.3 Procedure for approval of related party transactions**

5.3.1 **Approval of the Audit Committee**

Every Related Party Transaction and subsequent material modifications shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolutions by circulation. Only the Independent Directors who are members of the Audit Committee shall approve Related Party Transactions in accordance with Regulation 23 of the Listing Regulations However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into with the Company which are repetitive in nature and are in the ordinary course of business and on at Arm's Length basis, subject to compliance of the conditions contained in Companies Act, 2013.

Further, 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 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 exceeds the lower of the following :

(i) ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary; ; or
(ii) the threshold for material related party transactions of listed entity as specified in the Policy.

If 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 in the Policy.

Provided that , the aggregate value of the 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 the Audit Committee

Prior approval of the Audit Committee shall not be required for:

i. Related Party Transactions, where the listed subsidiary 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.

ii. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
iii. 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.
iv. 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.
v. remuneration and sitting fees paid by Company or its subsidiaries to its directors, key managerial personnels 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 the Listing Regulations.

The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company, confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavourable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party. This certificate shall be placed before the Committee in terms of the Industry Standards

5.3.2 However, the Company may obtain omnibus approval from the Audit Committee for all Related Party Transactions subject to compliances with the conditions prescribed Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company. 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 provide –

(i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction and maximum value per transaction that can be entered into,
(ii) the indicative base price / current contracted price and the formula for variation in the price if any
(iii) minimum information about the RPTs as per the provisions of Industry Standards and the 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 the omnibus approval by the Audit Committee.
(vi) 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, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

5.3.3 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); and (ii) justification for the need of omnibus approval.

5.3.4 The threshold for prior approval of the Audit Committee on related party transactions whether entered into individually or taken together with previous transactions during a financial year, undertaken by subsidiaries shall be as follows:

- For a subsidiary with audited financial statements: 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary or the scale-based threshold for material related party transactions of listed entity (as mentioned above), whichever is lower.
- For subsidiaries not having audited financial statements for a period of at least 1 year: 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or the scale-based threshold for material related party transactions of listed entity (as mentioned above), whichever is lower.

5.3.5 The Audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company or its subsidiary pursuant to each of the omnibus approval given. The audit committee shall also review long term or recurring RPTs on annual basis.

5.3.6 Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.

5.3.7 In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

(i) Whether the terms of the Related Party Transaction are fair and on arm's length basis 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 nature of the proposed transaction is something that the Company would have ordinarily done in the course of its business;
(iv) Whether the Related Party Transaction would affect the independence of an independent director;
(v) Where the ratification of the Related Party Transaction is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company or in contravention of any law; and
(vi) Any other factor the Committee deems relevant for reviewing and approving such Related Party Transaction.
(vii) If necessary, the Committee may seek external professional advice in determining whether a transaction is in the ordinary course of business or at arm's length basis.

### 5.4 Approval of the Board of Directors of the Company

5.4.1 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 and at arm's length basis, are placed before the Board for its approval.

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

(i) 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;
(ii) 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;
(iii) Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
(iv) Transactions meeting the materiality thresholds laid down Clause 4 of the Policy, which are intended to be placed before the shareholders for approval.

### 5.5 Approval of the Shareholders of the Company

5.5.1 All Related Party transactions which exceeds the materiality threshold, prior approval of the shareholders of the Company will be required through an ordinary resolution. Prior approval of shareholders is also required in case of any subsequent material modifications to these already approved Related Party Transactions.

5.5.2 None of the related parties of the Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not.

5.5.3 The requirement for seeking shareholders' approval shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies (if any) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

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

5.5.5 Further, 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. 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.

5.5.6 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.
v. 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.

## 6. DISCLOSURES

6.1 Details of all transactions with related parties shall be disclosed to Audit Committee on quarterly basis. Company shall disclose this Policy on its website i.e www.acutaas.com Company shall also disclose the related parties transactions in board's report, in accordance with the provision of Companies Act, 2013 and to the Stock exchanges as per applicable provision of Regulation.

6.2 Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs.

6.3 Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable.

6.4 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.

## 7. 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 under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision termination, or seeking of the approval of the shareholders on the related party transaction.. The Committee may examine the facts and circumstances of the case and take any such action it deems appropriate. The Audit Committee also has authority to modify or waive any procedural requirements under this Policy.

The members of the Audit Committee, who are independent directors, may ratify the 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.

## 8. REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Committee periodically and at least once in three years and appropriate recommendations shall be made to the Board to update the policy based on the changes that may be brought about due to any regulatory amendments or otherwise. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments & rules 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.

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