

ASTRAL LIMITED

Policy on Materiality of Related Party Transactions and dealing with Related Party transactions

TITLE:

This Policy shall be called '**Policy on materiality of Related Party Transactions and dealing with Related Party Transactions**'.

OBJECTIVE:

Related Party Transactions have been one of the major areas of focus for the corporate governance reforms being initiated by Indian legislature.

The changes introduced in the Corporate Governance norms through the Companies Act, 2013 (Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations require the companies to have enhanced transparency and due process for approval of the Related Party Transactions.

One such requirement is that the companies are required to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

DEFINITIONS:

"Policy" means this Policy, as amended from time to time.

"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 audit committee constituted by the Board of Directors of the Company in accordance with applicable law, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations and the Companies Act, 2013.

"Board" means the Board of Directors of Astral Limited.

"Company" means Astral Limited.

"Related party" means a related party as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations read with sub-section (76) of section 2 of the Companies Act, 2013 or the applicable accounting standards.

"Related Party Transaction" means transactions as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations including any modification(s) / amendment(s) / re-enactment(s) thereof.

"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.

"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 February 14, 2025.

"Material Related Party Transaction" in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions with a Related Party during a financial year, exceeds Rs. 1000 crore or ten percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

However, 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.

All material related party transactions and subsequent material modifications shall require prior approval of the shareholders through resolution. Provided that (1) transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval and (2) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, shall not require approval of the Shareholders.

no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Identification of Related Parties:

- ❖ Each Director and Key Managerial Personnel (KMP) is responsible for providing notice to the Board regarding persons and entities to be considered as “Related Parties” by virtue of his/her being 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 in every financial year and whenever there is any change in the disclosures already made.
- ❖ The Company will identify potential transactions with Related Parties based on written notices of concern or interests received from its Directors / KMP in the manner prescribed in the Companies Act, 2013 and the rules thereunder.

APPROVAL OF RELATED PARTY TRANSACTIONS:

Under provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, all Related Party Transactions and subsequent material modifications shall require prior approval of the Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

Provided further that:

- a related party transaction 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 whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;
- with effect from April 1, 2023, a related party transaction 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 whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

Provided further that (1) transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval and (2) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, shall not require approval of the Audit Committee.

Under the provisions of the Act, the related party transaction shall not require approval of the Audit Committee, where the transactions are other than transactions referred to in section 188, between holding company and its wholly owned subsidiary.

Subject to compliance with Rule 6A of the Companies (Meetings of the Board and its Powers) Rules, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company which are repetitive in nature subject to compliance of the following conditions as contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations as amended from time to time:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
- c. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) 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 Transaction 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.

- d. Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

The Board shall approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or transactions referred to it by the Audit Committee.

All Related Party Transactions pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business or not an Arms' length transaction and cross the threshold limits prescribed under Companies Act, 2013 shall also require the prior approval of shareholders of the Company through ordinary resolution and the Related Party shall abstain from voting on such resolution(s).

DISCLOSURES

Every Related Party Transaction with proper justification shall be disclosed in the Directors Report.

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

The Company shall disclose policy on dealing with Related Party Transactions on its website and web link thereto shall be provided in the Annual Report.

The Company shall also make specific disclosures for the review and approval of Related Party Transactions in the Audit Committee Meeting and/or General Meeting as the case may be, as prescribed in the Industry Standard Note issued by the Industry Associations under the aegis of the Stock Exchanges from time to time, in this regard.

THRESHOLD LIMITS OF TRANSACTIONS WITH RELATED PARTIES

As per amendment to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions **including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once in every three years and updated accordingly.**

(A) – Limits under the Companies Act, 2013

Subject to provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Company shall not enter into below transactions with related parties unless prior approval of shareholders obtained by way of resolution passed at a general meeting:

Sr.	Nature of Transaction(s)	S Statutory Limits for all transactions during a financial year per related party	Upper Monetary Ceiling for all transactions during a financial year per related party
1	Sale, purchase or supply of any goods or materials or services	For Wholly Owned Subsidiary The transactions with Wholly Owned Subsidiary are exempted from obtaining shareholder's approval For other related parties Upto 10% of Turnover (on standalone basis)	For Wholly Owned Subsidiary Upto Rs. 50 Crores For other related parties Upto 10% of Turnover (on standalone basis)
2	Selling or otherwise disposing of, or buying, property of any kind	Upto 10% of Networth (on standalone basis)	Upto 10% of Networth (on standalone basis)
3	Leasing of property of any kind	Upto 10% of Turnover (on standalone basis)	Upto 10% of Turnover (on standalone basis)
4	Such related party's appointment to any office or place of profit in the company	Upto to 2.50 lacs per month, as per performance assessment by the Company and industry standards	Upto to 2.50 lacs per month, as per performance assessment by the Company and industry standards

(B) – Limits under the SEBI (Listing Obligations and Disclosure Requirements) Regulations

Subject to provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements), the Company shall not enter into below transactions with related parties unless prior approval of shareholders obtained by way of resolution passed at a general meeting:

Sr.	Nature of Transaction(s)	S Statutory Limits for all transactions during a financial year per related party	Monetary Ceiling for all transactions during a financial year per related party
1	Any transaction by the Company with Wholly Owned Subsidiaries as related parties	The transactions with Wholly Owned Subsidiary are fully exempted	Upto Rs. 50 Crores
2	Any transaction by the Company with related parties other than Wholly Owned Subsidiaries	Upto 10% of Turnover (on consolidated basis) or Rs. 1000 cr, whichever is lower	Upto 10% of Turnover (on consolidated basis) or Rs. 1000 cr, whichever is lower, subject to respective threshold limits specified in Rules framed under section 188(1).
3	Any transactions entered into between two Wholly Owned Subsidiaries/fellow subsidiaries of the Company	Transactions entered into between two Wholly Owned Subsidiaries/fellow subsidiaries of the Company are fully exempted	Upto Rs. 50 Crores
4	Any transactions by Subsidiaries of the Company with its related parties (other than Wholly Owned subsidiaries/fellow subsidiaries of the Company)	Upto 10% of Turnover (on consolidated basis) or Rs. 1000 cr, whichever is lower	Upto 10% of Turnover (on consolidated basis) or Rs. 1000 cr, whichever is lower, subject to respective threshold limits specified in Rules framed under section 188(1).

CRITERIA FOR APPROVING RELATED PARTY TRANSACTIONS

The Board shall take into account the following, in determining whether to approve, ratify, disapprove or reject a Related Party Transaction and assessing the Related Party transactions:

- I. whether the Related Party Transaction is entered into on terms no less favorable to the Company than terms generally available to an unrelated third-party under the same or similar circumstances;
- II. The terms of such transaction;
- III. The Related Person's interest in the transaction;
- IV. The purpose and timing of the transaction;
- V. Whether the Company is a party to the transaction, and if not, the nature of the Company's participation in the transaction;

- VI. If the transaction involves the sale of an asset, a description of the asset, including date acquired and costs basis;
- VII. Information concerning potential counterparties in the transaction;
- VIII. The approximate rupee value of the transaction and the approximate rupee value of the Related Person's interest in the transaction;
- IX. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction and
- X. Any other relevant information regarding the transaction.

Related Party Transactions not approved under this Policy

- ❖ If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction. The Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

INTERPRETATION:

a) Any words used in this policy but not defined herein shall have the same meaning as prescribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, Accounting Standards or any other relevant legislation / law applicable to the Company.

b) In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final. In interpreting such term/provision, the Audit Committee may seek the help of any of the officers of the Company or an outside expert as it deems fit.

AMENDMENTS:

In case of any subsequent changes in the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations or any other regulations ("the Regulations") which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations would prevail over the Policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

The Policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the Regulations or as may be felt appropriate by the Committee. Any changes or modification on the Policy as recommended by the Committee would be presented for approval of the Board of Directors.

The Policy was reviewed by the Board of Directors of the Company at its Meeting held on 21st May 2025.