



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) (Fifth Amendment) Regulations, 2025 on December 19, 2025 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 above one crore 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 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;

ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.

However, in case 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 Schedule XII of these regulations:

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.

However, 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 SEBI (LODR) 2015 are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as mentioned above, the prior approval of the audit committee of the listed subsidiary shall suffice.

- 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 threshold as provided in Schedule XII of SEBI (LODR), 2015 as amended;

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. transactions 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.	If consolidated turnover of the Company is upto ₹20,000 crore, then threshold will be 10% of the annual consolidated turnover of the Company.
Selling or otherwise disposing of or buying of any property including by way of leave and license arrangement.	
Availing or rendering of any services.	
Other matters	<p>More than ₹20,000 Crore to upto ₹40,000 Crore, then threshold will be ₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore</p> <p>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.</p>
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.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

Shareholders may grant omnibus approval for related party transaction, however, 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.

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.
