



POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

AND

ON DEALING WITH RELATED PARTY TRANSACTIONS

Version 3.0
(Amended on May 19, 2025)

1. Introduction and Background

Carysil Limited (the "Company" or "Carysil") recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

2. Purpose

This Policy is framed in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") (as amended from time to time) and Companies Act, 2013 and is intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

3. Scope & Inclusion

This policy sets definition of materiality of related party transactions, definition of material modification in related party transactions and dealing with related party transactions.

4. Terms and references

4.1 Related Party

"Related Party" shall have the meaning ascribed to such term under Regulation 2(1) (zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and under sub-section (76) of Section 2 of the Companies Act, 2013 ('Act')..

4.2 Related Party Transaction

"Related Party Transaction" means related party transaction as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

4.3 Related Party Transaction(s) of the Company

Related Party Transaction(s) where the Company is a party to the transaction(s) / contract(s) / arrangement(s) with a related party.

4.4 Related Party Transaction(s) of the Subsidiary

Related Party Transaction(s) where the Subsidiary of the Company is a party to the transaction(s) / contract(s) / arrangement(s) with a related party but the Company

is not a party.

4.5 Materiality of Related Party Transaction(s)

4.5.1. Contracts / arrangements with a related party shall be considered as material related party contracts / arrangements if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceed rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statement or such sum or limit as may be prescribed under the Listing Regulations.

4.5.2. A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction 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 the last audited financial statement of the Company.

4.5.3 Material Modifications - Material modifications in relation to the Related Party Transaction(s) shall mean any change / variation / modification in an existing related party transaction / contract / arrangement, the financial effect of which is an increase in the per annum value of the relevant related party transaction / contract / arrangement by 10% or rupees fifty crore, whichever is higher.

4.6 Subsidiary “Subsidiary” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013 (‘Act’).

All other terms and references used but not defined herein shall have the same meaning as is assigned to them under the Act, the Listing Regulations and rules, regulations, notifications and circulars issued thereunder.

5. Policy

“Policy” means the current Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions, including amendments, if any from time to time.

6. Approval for Related Party Transactions

All Related Party Transaction(s) of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Companies Act, 2013 and the Listing Regulations.

All Related Party Transaction(s) of the Subsidiary exceeding the threshold of material related party transactions as specified in Regulation 23 of the Listing Regulations and

subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Shareholders of the Company, as the case may be.

Members of the audit committee, who are independent directors, shall only approve related party transactions.

Provided that prior approval of the Audit Committee of the Company and/or shareholders of the Company shall not be required for Related Party Transaction(s) where listed subsidiary is a party but the Company is not a party, if regulation 23 and 15 (2) of the Listing Regulations are applicable to such listed subsidiary.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries, taking into account the repetitive nature of such transactions. These approvals shall be based on pre-defined criteria formulated in accordance with Applicable Laws. Omnibus approvals, once granted, shall remain valid for one financial year. While granting such approvals, the Audit Committee shall ensure compliance with the specified criteria and satisfy itself that the transactions adhere to the prescribed parameters.

In case, any transaction is entered into without obtaining the approval of the Audit Committee and is not ratified by the members of the Audit Committee who are Independent Directors within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the Related Party to any director or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

7. Amendment

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy

8. Review

This Policy will be reviewed as and when required but atleast once in three years.
