



STERLITE ELECTRIC LIMITED¹

Policy on Materiality of Related Party Transactions & Dealing with Related Party Transactions*

Owner:

Corporate Secretarial Department

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September 29, 2025

Version:

RPT Policy - 2.0

** The Policy is effective from September 29, 2025. The Policy, to the extent they are applicable to an un-listed public company, shall become applicable from September 29, 2025. Further, post listing of the equity shares of the Company with the Stock Exchange(s), the policies would become fully operational/ applicable to the Company with respect to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.*

¹ The name of the Company was changed from Sterlite Power Transmission Limited to Sterlite Electric Limited with effect from April 15, 2025, vide special resolution passed by the Members/Shareholders on January 25, 2025.

1 Title

This policy shall be called the Policy on materiality of related party transactions and dealing with related party transactions ("Policy").

2 Commencement

This Policy shall come into force with effect from September 29, 2025. The Policy, to the extent applicable to an un-listed public company, shall become operational/applicable from September 29, 2025. Further, post listing of the equity shares of the Company with the Stock Exchange(s), the policies would become fully operational/ applicable to the Company with respect to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3 Objective

Related party transactions have been one of the major areas of focus for corporate governance reforms being initiated in India. The changes introduced in the corporate governance norms through Section 188 of the Companies Act, 2013, as amended and the rules framed thereunder ("Companies Act") and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("LODR Regulations") require the companies to have enhanced transparency and due process for approval of the related party transactions. Pursuant thereto, Section 188 of the Companies Act and Regulation 23 of the LODR Regulations require the Company to formulate a policy on materiality of related party transactions and also on dealing with related party transactions including clear threshold limits duly approved by the Board.

Accordingly, the board of directors ("Board") of the Company has adopted the following policy with regard to related party transactions. The objective of this policy is to establish and govern the procedure applicable to related party transactions covered within the ambit of the Companies Act and LODR Regulations as amended from time to time. This policy is intended to apply to all transactions where the Company is a participant and the related party has or is expected to have, direct or indirect interest and shall review it on a periodic basis as required. The Audit Committee of the Company will review this policy **at least once every three years or such other time as may be prescribed under applicable laws**, and propose any modifications to the Board for approval.

3.1 Exclusions

In the context of this policy and in accordance with Ind AS 24 – Related Party Disclosures, the following are not related parties:

- a) two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
- b) two joint venturers simply because they share joint control of a joint venture.
- c) the entities listed as follows:
 - i. providers of finance,
 - ii. trade unions,
 - iii. public utilities, and
 - iv. departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of

action of an entity or participate in its decision-making process).
a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.

3.2 Definitions

- **Arm's Length Transaction:** Arm's Length Transaction means transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. In the absence of any guidance in the Act or the Rules made thereunder, evaluation done for arm's length under the transfer pricing guidelines in the Income Tax Act, 1961 may be used as a basis for determining whether a transaction is at arm's length price.
- **Audit Committee or AC:** Audit Committee means the audit committee of the board of directors of the Company.
- **Board:** Board means the Board of directors of the Company.
- **Company :** Company shall mean Sterlite Electric Limited (*formerly known as Sterlite Power Transmission Limited*);
- **Control:** Control shall include the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner;
- **Joint Control:** Joint control shall mean the contractually agreed sharing of control over an economic activity.
- **Key Management Personnel (KMP):** "Key Managerial Personnel" or "KMPs" means Key Managerial Personnel as defined under Section 2(51) of the Companies Act.
- **Materiality Related Party Transaction:** As set out on Annexure II.
- **Ordinary course of business:** Ordinary Course of Business with reference to a transaction with a related party means a transaction which is:
 - i. carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
 - ii. historical practice with a pattern of frequency;
 - iii. common commercial practice; or
 - iv. meets any other parameters / criteria as decided by the Board/Audit Committee, from time to time.
 - v. The transactions are in furtherance of the business objectives of the Company or are important to the business objective of the Company; and
- **Related Party:** means 'related party as defined in Section 2(76) of the Companies Act and Regulation 2 of the SEBI Listing Regulations.

In the definition of a 'related party', an associate shall include subsidiaries of the associate and a joint venture shall include subsidiaries of the joint venture.

- **Related Party Transaction or “RPT”:**

For the purpose of the Companies Act, means specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 of the Companies Act; and for the purpose of the SEBI Listing Regulations, means a transaction as defined in Regulation 2(1)(zc) of the SEBI Listing Regulations.

- **Relative:** Relative means any person as per Section 2(77) of the Companies Act and rules prescribed thereunder and as per Regulation 2(1) (zd) of the LODR Regulations as amended from time to time.

4 Interpretation

- 4.1 Any words used in this Policy but not defined herein shall have the same meaning prescribed to it in the Companies Act, the Securities and Exchange Board of India Act, 1992, as amended, or rules and regulations made thereunder including the SEBI Listing Regulations, or any other relevant legislation/law applicable to the Company.
- 4.2 The reference to the masculine gender in the Policy shall be deemed to include a reference to feminine gender.
- 4.3 In case of any dispute or difference on 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 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 external expert as it deems fit.

5 Related Party Framework

5.1 Identification of related party

The Corporate Secretarial department shall be responsible for maintaining the list of related parties as defined under Section 2(76) of the Companies Act read with the rules framed thereunder and Regulation 2 of the LODR Regulations and shall periodically update the same based on declarations received from the Directors / KMP's and based on other data maintained by it.

5.2 Notification by related parties

- 5.2.1 Every Director/ KMP of the Company, shall notify by way of written notice to the Company Secretary of the Company about:
 - a) His / her shareholding interests or memberships or directorships (directly or through relatives);
 - b) any change in his/her relatives; or
 - c) any change in shareholding interests or directorships or memberships of any entity, held by the person himself or by his relatives.
- 5.2.2 . Each Director and Key Managerial Personnel shall disclose in Form MBP-1, at the time of appointment, beginning of every financial year and whenever there is any change in the disclosure so made, about all the persons, entities in which he or she is interested, whether directly or indirectly.

5.3 Identification of related party transaction

- 5.3.1 The Company shall identify related party transactions for the purposes of clause (iv) of sub-section 4 of Section 177 of the Companies Act, Section 188 of the Companies Act and Regulation 2 of the SEBI Listing Regulations.
- 5.3.2 Each director and Key Managerial Personnel is responsible for providing notice to the Company or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board / Audit Committee may reasonably request. Audit Committee will determine whether a transaction does constitute a Related Party Transaction requiring compliance with this Policy.
- 5.3.3 Each director and Key Managerial Personnel shall make an annual declaration as per the provisions of the Companies Act and the rules framed thereof with respect to Related Party transactions to the Company in the last month ending before the financial year and this declaration shall be placed before the Audit Committee and the Board at their first meeting held at the succeeding financial year.
- 5.3.4 In the event that a proposed transaction is to be entered into with any of the parties identified as a Related Party in the list of Related Parties, the proposed transaction shall be considered as a RPT.
- 5.3.5 The Company shall not enter any RPT **without prior approval of the AC** except to the extent provided for in the Companies Act
- 5.3.6 Wherever a proposed transaction is identified to be an RPT, including management fees, arm's length shall need to be established and supporting documentation to be prepared by the relevant Head of Department and forwarded to the Corporate Secretarial department for approaching the AC for approval.
- 5.3.7 Ownership of identifying a proposed RPT shall lie with the user departments, whoever is proposing the transaction.

5.4 Ordinary course of business

- 5.4.1 The assessment of whether a transaction is in ordinary course of business is subjective, judgmental and can vary on case-to-case basis considering many factors including, the nature of business and objects of the entity. The purpose of making such assessment is to determine ***whether the transaction is usual or customary to the Company and/ or its line of business.***
- 5.4.2 *Evaluation as to whether a transaction is in the ordinary course of business will be done by the Company Secretary.* This would be subject to review and approval by the AC.
- 5.4.3 The following are some of the transactions which are regularly undertaken by the Company based on historical data and hence are by default considered as being in Ordinary course of business, unless they contain one or more features mentioned in the list given in Annexure - I;
- a) Purchase of conductors, aluminium, copper, optical fiber, optical fiber cables, etc.;
 - b) Equity contributions / loans / NCDs and interest thereon.; and

5.5 Arm's length evaluation

- 5.5.1 While evaluating whether a transaction would be on an arm's length or not, reliance must be placed on Benchmarking of a similar transaction.
- 5.5.2 In situations, where it shall not be appropriate to determine the arm's length price through the methods prescribed by the Income Tax Act, 1961, the decision shall be taken by the CFO and Company Secretary jointly.

6 Approval of Related Party Transaction

6.1 Approval of the Audit Committee

- 6.1.1 In accordance with Section 177 of Companies Act, 2013, the Company shall not enter into related party transactions without prior approval of the AC except to the extent provided for in the Companies Act. All related party transactions shall be approved by only Independent Directors on the Audit Committee.
- 6.1.2 At the beginning of each financial year it shall be the responsibility of the Head of department(s) to identify the list of proposed RPTs for the following year (to the extent known at that time), prepare supporting documentation and approach the AC for obtaining approval through the Company Secretarial department.
- 6.1.3 Any modification to related party transaction approved by the AC will also require prior approval from Independent Directors on AC except to the extent provided for in the Companies Act.
- 6.1.4 In the event the management determines that it is impractical or undesirable to wait until a meeting of the AC to enter into a RPT, such transaction may be approved by the AC by way of a circular resolution, subject to the provisions of the Act. Any such approval must be noted by the AC at its next meeting.
- 6.1.5 Corporate Secretarial Department shall evaluate whether proposed transaction are under approved limit prescribed by Audit Committee, if not then the Proposal will be put by Corporate Secretarial Department to the Audit Committee/Board Meeting/Shareholders as per requirement of Companies Act, 2013.
- 6.1.6 Related party transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval. Any member of the Committee having direct or indirect interest in any Related Party Transaction will not participate in the meeting during the discussion and voting on the approval of the Related Party Transaction(s).
- 6.1.7 Aforementioned prior approval of the Audit Committee of the Company shall not be required in the following cases:
 - a) where the subsidiary of the Company is a listed entity and Regulations 23 and 15(2) of the SEBI Listing Regulations are applicable to such listed subsidiary;
 - b) for remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of part 2 of Schedule I of this Policy.

6.1.8 For every approval, the AC shall be provided with information / details as specified in Annexure– I

6.1.9 The members of the Audit Committee, who are independent directors, may ratify Related Party Transactions within three months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, subject to the following conditions:

- a. rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification; the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the SEBI Listing Regulations;
- b. any other condition as specified by the Audit Committee.

Provided that failure to seek ratification of the Audit Committee shall render the transaction 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 other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

6.1.10 It is understood that the AC may not be expert in evaluating every RPT and may need assistance in the form of expert comments, external views, etc. before arriving at a decision. If such need is felt by a Chairperson of the Audit Committee, then such assistance may be taken.

6.2 Omnibus Approval

The Company may obtain omnibus approval (subject to the provisions of LODR Regulations and / or the Companies Act) from the AC for RPT proposed to be entered by the Company, however, the AC shall, after obtaining approval of the Board of Directors, need to specify the criteria for making the omnibus approval in line with this Policy. Such approval shall include the following:

- a) The name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
- b) The indicative base price / current contracted price and the formula for variation in the price if any;
- c) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
- d) The maximum value per transaction which can be allowed;
- e) Extent and manner of disclosures to be made to the AC at the time of seeking omnibus approval;
- f) Review, at such intervals as the AC may deem fit, related party transaction entered into by the company pursuant to each omnibus approval made;
- g) Transactions which cannot be subject to the omnibus approval by the AC.

6.2.2 The AC shall consider the following factors while specifying the criteria for making omnibus approval:

- a) after seeking guidance of the Board, specify the criteria for granting the omnibus approval in line with this Policy 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 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, the Audit Committee may grant omnibus approval for such transactions subject to their value per transaction not exceeding Rupees One Crore only.
 - d) 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.
 - e) 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.
- 6.2.3 While assessing a proposal for approval under the omnibus route, the AC shall satisfy itself on need for such approval and that the same is in the interest of the Company.
- 6.2.4 In case any member of the Audit Committee is interested in any related party transaction, such member shall abstain from voting when such transaction is being considered.
- 6.2.5 The omnibus approval shall provide details of (i) the name(s) of the related party, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into, (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the AC may deem fit.
- 6.2.6 The AC shall be presented with, at least on a quarterly basis, the aggregated value and other details of related party transactions transacted into by the Company pursuant to the omnibus approval given such omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after expiry of such financial year
- 6.2.7 The above requirements for seeking Audit Committee approval shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies or 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.
- 6.3 Approval of the Board of Directors of the Company**
- 6.3.1 In the event any contract or arrangement with a related party *is not in the ordinary course of business or at arm's length*, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain the *approval of the Board or its shareholders*, as provided in the Section 188(1) of the Companies Act, for such contract or arrangement.

- 6.3.2 The Board shall approve any contract or arrangement (before it is entered) with related party with respect to items specified in Section 188 (1)(a) to (g) by a resolution passed at a Board meeting. Provided that such approval shall not be required if the transaction is undertaken in the ordinary course of business on an arm's length basis. If a contract or engagement is entered without the approval of the Board, the same would be voidable at the option of the Board in addition to the rights of the Company to proceed against such director / employee.
- 6.3.3 Where any director is interested in any contract or arrangement with a Related Party, such director shall abstain from voting when such transaction is being considered by the Board.
- 6.3.4 In addition to the above, the following transactions with Related Parties shall also be placed before the Board for its approval:
- a) Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per this 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;
 - b) 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;
 - c) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee, require Board approval;
 - d) Transactions exceeding the materiality thresholds laid down in Schedule I of this Policy and any subsequent Material Modification to a Material Related Party Transaction, which are intended to be placed before the shareholders for approval.

6.4 Approval of the Shareholders of the Company

- 6.4.1 All material RPT, will be placed for approval of the shareholders of the Company through ordinary resolution and no Related Party shall vote on such resolutions whether the entity is a Related Party to the particular transaction or not. However, the said requirement would not be applicable in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved or for a RPT where the listed subsidiary is a party, but the Company is not a party and Regulations 23 and 15(2) of the SEBI Listing Regulations are applicable to such listed subsidiary.
- 6.4.2 However, the shareholders' approval is not required for the transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

Provided that no such approval shall be required in respect of transactions covered under para Section 188 (1)(a) to (g) in case such transaction is undertaken in the ordinary course of business and on an arm's length basis and the amount of such transaction either individually or taken

together with the previous transactions during a financial year does not exceed limit as may be specified under the SEBI Listing Regulations, the Companies Act, including but not limited to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014.

- 6.4.3 In addition to the above, a Related Party Transaction under Section 188(1) of the Companies Act which is not in the ordinary course of business, or not at arm's length price and exceeds the thresholds as prescribed under Section 188 of the Companies Act (provided under part 1 of Schedule I herein), shall require shareholders' approval. No related party (as defined in the Companies Act) shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company. Here, related party has to be construed with reference only to the contract or arrangement for which the said resolution is being passed.
- 6.4.4 Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 further specifies the limits for transactions beyond which RPTs would require shareholders' approval which are also provided in Annexure – II.

6.5 Related Party transactions not approved under this Policy

- 6.5.1 In the rare event the Company becomes aware of a RPT with a related party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the CFO and the Company Secretary and shall jointly take such action as may be appropriate.
- 6.5.2 In any case, where the AC determines not to ratify a RPT that has been commenced without its approval, the AC, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.
- 6.5.3 In cases where the Board and / or shareholders' approval is required for a RPT but such approval has not been obtained, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such RPT was entered into, such RPT shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.
- 6.5.4 The Company shall be open to proceed against a director or any other employee who entered into a contract or arrangement in contravention of the policy for recovery of any loss sustained by it as a result of such contract or arrangement.
- 6.5.5 Appropriate actions shall be taken against any director or any other employee of a company, who had entered into or authorized the contract or arrangement in violation of the provisions of this policy.

7 Process for Dealing with Related Party Transactions

- 4.1.1 A list of all the related parties in relation to the Company received from the Board shall be updated from time to time.
- 4.1.2 Basis the above mentioned list of related parties, every department shall, prior to entering in to any contract or arrangement with a related party, ascertain whether the proposed contract or arrangement satisfies the approval mechanism prescribed under this Policy.

- 4.1.3 The contract / arrangement shall not be entered into without the necessary approval from the Audit Committee / Board / shareholders, as the case may be. Compliance to this condition will strictly be adhered to by the concerned department proposing the underlying contract or arrangement.

8 Reporting of Related Party Transaction and Compliance with the Policy

8.1 Reporting of Related Party Transactions

- 8.1.1 The Company shall disclose, in its annual report, transactions prescribed in Section 188(1) of the Companies Act, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.
- 8.1.2 Further, the Company will disclose all transactions with promoter/promoter group entities which hold more than 10% shareholding in the Company in the format prescribed in the relevant accounting standards, for annual results.
- 8.1.3 In addition to the above, the Company shall provide details of related party transactions on a quarterly basis to the stock exchanges in terms of the format of the compliance report on corporate governance prescribed pursuant to the SEBI Listing Regulations.
- 8.1.4 The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report of the Company.
- 8.1.5 The Company shall submit to the stock exchanges on a half-yearly basis disclosure of related party transactions, in the format as may be specified by the Securities and Exchange Board of India on the date of publication of its standalone and consolidated financial results.
- 8.1.6 The disclosure requirement mentioned in 8 above will not apply to the remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of part 2 of Schedule I of this Policy.
- 8.1.7 The Company shall submit to the stock exchanges on a half-yearly basis disclosure of related party transactions, in the format as may be specified by the Securities and Exchange Board of India on the date of publication of its standalone and consolidated financial results. The disclosure requirement above will not apply to the remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of part 2 of Schedule I of this Policy.

8.2 Compliance with the Policy

- 8.2.1 It shall be the responsibility of the Company Secretary to ensure compliance with the Policy and that the approval process is duly followed and data required for the approval process is made available to the respective approving authority.
- 8.2.2 Company Secretary shall be responsible for maintaining records and supporting documentation for all cases where approval from AC / Board of Directors is sought and obtained.

- 8.2.3 In case of non-compliances, it shall be the responsibility of the Company Secretary to report the non-compliances to the AC / Board of Directors. The AC / Board of Directors may take appropriate mitigating actions in compliance with prevailing laws.
- 8.2.4 In case there is any conflict between the provisions of this Policy and the LODR Regulations Listing Agreement, the Act or any other Statute / Rule / Regulation, the provisions of the LODR Regulations Listing Agreement, the Act or such other Statute / Rule / Regulation shall prevail over this Policy.

6. Amendments

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. The Policy shall be reviewed by the Board at least once every three years and updated accordingly. Any subsequent amendment / modification in the Act or the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy from the effective date of such amendment/modification as specified.

Annexure – I – Indicative list of Information for AC / Board of Directors

Indicative list of information which should be made available to the AC / Board of Directors for approval of Related Party transactions:

- a) Nature and general description of the transaction ;
- b) Name of the related party and nature of relationship;
- c) Maximum estimated value of the transaction;
- d) Rationale for related party transaction (business reasons for the Company to enter into the Related Party Transaction and the nature of alternative options, if any);
- e) Principle terms and conditions (including the indicative price and formula for price determination, if any);
- f) Period / Duration of the transaction;
- g) Indicative base price or current contracted price and the formula for variation in the price, if any;
- h) Copy of the draft MOU, agreement, contract, purchase order or correspondence etc. if any;
- i) Valuation reports in case of sale or purchase or leasing / renting of capital assets or securities;
- j) Any advance paid / received or to be paid / received for the contract or arrangement, if any;
- k) In case of existing or approved contracts, transactions, details of proposed variations to the duration, current price / value and / or material terms of the contract or arrangement including a justification to the proposed variations;
- l) Management's evaluation regarding
 - whether it is a material transaction.
 - whether it is in ordinary course of business;
 - Whether it is at arm's length and the basis for conclusion (including expert valuation, if any).
- m) any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
- n) Benchmarking information that may have a bearing on the arm's length basis analysis, such as:
 - third party comparable, valuation reports, price publications including stock exchange and commodity market quotations;
 - market analysis, research report, industry trends, business strategies, financial forecasts, etc.;
 - management assessment of pricing terms and business justification for the proposed transaction;
 - comparative analysis, if any, of other such transaction entered into by the company

Annexure – II – Materiality limits for shareholders' approval u/s 188 of Companies Act, 2013

Nature of Transaction	Transaction Value
(a) Sale, purchase or supply of any goods or material (directly or through an agent)	Amounting to 10 per cent or more of turnover or INR 100 crore, whichever is lower
(b) Selling or otherwise disposing of, or buying, property of any kind (directly or through an agent)	Amounting to 10 per cent or more of net worth or INR 100 crore, whichever is lower
(c) Leasing of property of any kind	Amounting to 10 per cent or more of net worth or 10 per cent or more of turnover or INR 100 crore, whichever is lower
(d) Availing or rendering of any services (directly or through an agent)	Amounting to 10 per cent or more of turnover or INR 50 crore, whichever is lower
(e) Appointment of any agent for purchase or sale of goods, materials, services or property	As per the limit prescribed in clause a), b) and d), in case resulted into appointment of an agent
(f) Appointment to any office or place of profit in the company, subsidiary Company or associate company	Remuneration exceeding INR 2.5 lakh per month
(g) Underwriting the subscription of any securities or derivatives of the Company	Remuneration exceeding one per cent of net worth

Explanation(s):

Limits specified in clauses a) to d) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a Financial Year. Turnover or net worth shall be computed on the basis of the audited Financial Statement of the preceding Financial Year.

Notwithstanding the above materiality threshold, 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 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 statements of the Company.

Materiality Threshold for Related Party Transaction(s) under Regulation 23(1) of the SEBI Listing Regulations as adopted by the Company

- i. A transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
- ii. 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 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.