

INDAG RUBBER LIMITED

(CIN-L74899DL1978PLC009038)

POLICY ON MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS

POLICY ON MATERIALITY OF
AND
DEALING WITH RELATED PARTY TRANSACTIONS
("RPT POLICY")

1. INTRODUCTION

- 1.1 Pursuant to the provisions of Section 188 of the Companies Act 2013 ("the Act") and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") (as amended from time to time), the Company has formulated this policy, which applies to transactions between the Company and one or more of its Related Party(ies) as defined hereinbelow. It provides a framework for governance and reporting of Related Party Transactions including Material Related Party Transactions.
- 1.2 The Audit Committee (the "Committee") will review, modify and approve the Related Party Transactions (RPTs) to be entered by the Company, and give their recommendations to the Board.

2. PURPOSE

This Policy is intended to ensure that proper approval and reporting of transactions between the Company/its subsidiary(ies) and the related parties have been made.

3. DEFINITIONS

- A. "**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.
- B. "**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.
- C. "**Material Related Party Transaction**" means a Related Party Transaction to be entered in to individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of SEBI Listing 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 percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- D. **“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.

Other terms including **Related Party, Related Party Transactions (RPTs)** and **Relative, etc.** used in this policy and not defined here will carry the meaning as stated under the Companies Act, 2013 read with Rules made thereunder and SEBI Listing Regulations.

4. MANNER OF DEALING WITH RELATED PARTY TRANSACTION

I. APPROVAL BY AUDIT COMMITTEE

1. The Company and its subsidiary(ies) shall not enter into any transaction/contract/ arrangement or any subsequent material modification thereof with a Related Party without the prior approval of the Audit Committee unless the transaction /contract/ arrangement / modification is exempted under the Companies Act, 2013 or Rules made thereunder or under the SEBI Listing Regulations.
2. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company and its subsidiary(ies) which are repetitive in nature and in the interest of the Company, subject to the conditions as stated under Regulation 23(3) SEBI Listing Regulations.
3. A Related Party Transaction entered in to by the Company or its subsidiary , which is not under the omnibus approval or otherwise not pre-approved by the Audit Committee, will be placed before the Audit Committee for its consideration, and ratification, as per the provisions of the Act and the SEBI Listing Regulations.
4. 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 of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds the 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; or
 - (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of SEBI Listing Regulations
5. Remuneration and sitting fees paid by the listed entity or its subsidiary, which are material in nature as per Reg.23(1) of SEBI Listing Regulations, to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall require approval of the audit committee.
6. In the event any contract or arrangement with a related party is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and SEBI Listing Regulations and obtain approval of the Board or its shareholders, as applicable, for such transaction/ contract /arrangement / modification.

II. APPROVAL BY BOARD OF DIRECTORS

Related Party Transactions being (i) not in the Ordinary Course of business, or (ii) not at an arm's length basis, shall require approval of Board of Directors.

The Board will *inter-alia* consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction and any other information the Board may deem important/ relevant for taking decision on proposed transaction.

In the above context, where any Director is interested in any contract or arrangement with a Related Party such Director shall recuse himself/herself and abstain from discussion and voting on the subject matter of the resolution relating to such contract or arrangement.

III. PRIOR APPROVAL BY SHAREHOLDERS

All Material Related Party Transactions and any subsequent material modification as defined earlier shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

However, prior approval of shareholders of the Company shall not be required for such cases as may be prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended or as notified by any regulatory authority.

The explanatory statement for this purpose of such resolution should contain the particulars as stated under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Listing Regulations, as amended from time to time.

IV. RATIFICATION OF CONTRACT OR ARRANGEMENT

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:

- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- ii. the transaction is not material in terms of the provisions of sub-regulation (1) of Regulation 23;
- iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of Regulation 23;
- v. any other condition as specified by the audit committee:

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 authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it

5. LIMITATION, REVIEW AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the applicable laws, the provisions of applicable laws shall prevail over this Policy.

Any changes in the Act or the Listing Regulations 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.

This Board shall review this policy at least once every three years and make amendments from time to time as may be deemed necessary including based on the recommendation(s) of the Audit Committee

6. DISCLOSURE OF THE POLICY

The Company shall display this policy on its website i.e., www.indagrubber.com and a web-link thereto shall be provided in the Annual Report.

7. VERSION HISTORY

Version	Approved on/ Effective from
Version 1	April 20, 2019
Version 2	April 01, 2022
Version 3	February 11, 2025
Version 4	February 12, 2026