
Policy on Materiality of and on Dealing with Related Party Transactions

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I. Title:

This Policy shall be called '**Policy on Materiality of and on Dealing with Related Party Transactions**'.

II. Purpose:

This policy is intended to ensure the proper approval and reporting of transactions between the Company and its related parties.

The Board has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions in compliance with the requirements of Section 188 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

III. Definitions:

For the purpose of this policy following are the definitions:

1. **"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 (according to Sec. 188 of the Companies Act, 2013)
2. **"Audit Committee" or "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, 2015 and the Companies Act, 2013.
3. **"Board"** means the Board of Directors of Camlin Fine Sciences Limited.
4. **"Company"** means Camlin Fine Sciences Limited.
5. **"Material Modification(s)"** means modification of a Transaction with a Related Party where the value of the said Transaction during the financial year is increased by 20% (twenty percent).

6. **“Material Related Party Transaction”** means (i) a transaction/transactions 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. 1,000 crore or ten (10) percent of the consolidated annual turnover of the Company as per the last audited financial statements of the Company, whichever is lower; and (ii) 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 (5) percent of the annual consolidated turnover of the Company as per the last audited financial statements.
7. **“Policy”** means this Policy, as amended from time to time.
8. **“Related Party”** means a related party as defined under the Companies Act, 2013 or rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
9. **“Related Party Transaction(s)”** shall mean such transaction(s) as specified under Section 188 of the Companies Act, 2013 or rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment or modification thereof, as may be applicable.
10. **“Relative”** means a relative as defined under the Companies Act, 2013 and applicable accounting standards.
11. **“Transaction”** with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable accounting standards or any other applicable law or regulation.

IV. Identification of Related Parties & Transactions:

1. Every Director and Key Managerial Personnel will be responsible for providing a declaration containing the information as per the Companies Act, 2013 and the SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 and as may be requested by the Company to the Company Secretary on an annual basis and whenever there is a change in the information provided.

2. Every Director, Key Managerial Personnel, Vice- Presidents, General Managers, officers authorized to enter into contracts/ arrangements will be responsible for providing prior Notice to the Company Secretary of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

Besides the above, the Company will also identify other Related Parties as required under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Any transaction by the company with a Related Party will be regulated as per this Policy.

V. Approval of Related Party Transactions:

1. All Related Party Transactions and subsequent Material Modification(s) excluding transactions entered with wholly owned subsidiary and between two wholly-owned subsidiaries whose accounts are consolidated and placed before the shareholders at the general meeting for approval and transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand, shall be subject to the prior approval of the Audit Committee, only those members who are Independent Directors, whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 or rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. A Related Party Transaction 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 10% (ten percent) of the annual consolidated turnover, as per the last audited financial statements of the Company.

3. With effect from April 1, 2023, a Related Party Transaction to which the subsidiary of a 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 ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
4. Where the Company enters into a contract / transactions with a related party, which stipulates details of every transaction like nature of the transaction, period of transaction, contract price or methodology of price determination, maximum amount of transaction, credit terms etc., prior approval once given by the Audit Committee would suffice and Audit Committee would only note the transactions that are entered into and will not require any additional approval of the Audit Committee unless there is a Material Modification(s).
5. 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, shall not require approval of the audit committee provided that the same is not material.
6. 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;
 - (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;
 - (v) 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 authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

7. Subject to the following conditions, the Audit Committee may grant omnibus approval for the proposed Related Party Transaction proposed to be entered into by the Company or its subsidiary other than transactions exempted above in serial no. 1:
- a. The Audit Committee shall lay down the criteria for granting omnibus approval in line with the policy on Related Party Transactions 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 the following:
 - Name(s) of the Related Party;
 - Nature of the transaction;
 - Period of transaction;
 - Maximum amount of transaction that can be entered into;
 - The indicative base price / current contracted price and the formula for variation in the price, if any, and;
 - Such other conditions as the Audit Committee may deem fit.

3.1 In cases where the need for Related Party Transaction cannot be foreseen and details as required above in serial no. 2 are not available, the Audit Committee may grant omnibus approval for such transactions other than transactions exempted in serial no. 1 above, subject to their value not exceeding Rupees One Crore per transaction.

3.2 Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. However, the Committee may review, 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.

- 3.3 A member of the Committee, who has a potential interest in any Related Party Transaction, shall not be present during the discussion of the respective agenda at the meeting where such Related Party Transaction is considered.
8. The Board would approve such Related Party Transactions as are required to be approved under Companies Act, 2013 and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or transactions referred to it by the Audit Committee.
 9. Where any director is interested in any Related Party Transaction, such director shall not be present during the discussion of the respective agenda at the meeting where such Related Party Transaction is considered.
 10. To review a Related Party Transaction, the Board/ Audit Committee will be provided with all the relevant information pertaining to the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and any other matter, as may be required. In determining whether approval needs to be accorded to a Related Party Transaction, the Board/ Audit Committee will consider the following factors:
 - Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis as if the transaction did not involve a Related Party;
 - Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
 - Whether the Related Party Transaction would impair the independence of an otherwise Independent Director;
 - Whether the Related Party Transaction would present a conflict of interest for any Director, or Key Managerial Person (KMP) of the Company, taking into account the size of the transaction, the overall interest of the Director, KMP or other Related Party, the direct or indirect nature of the Director's, KMP's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/ Audit Committee deem fit to consider.
 11. Further, all Material Related Party Transactions and subsequent Material Modification(s) shall require prior approval of shareholders of the Company through resolution (unless it

is exempted pursuant to the provisions of the Companies Act, 2013 or rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Related Parties shall not vote to approve such resolution(s).

12. All Related Party Transactions pursuant to section 188 of the Companies Act, 2013 which are not in the ordinary course of business and / or not an Arms' length basis and which crosses the threshold limits prescribed under Companies Act, 2013, shall also require the approval of shareholders of the Company through resolution and the Related Parties with whom transactions are being entered shall not vote to approve such resolution(s).

13. In case the shareholders decide not to approve a Related Party Transaction, the Board/ Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable to shareholders for approval.

VI. Disclosure and Reporting of Related Party Transactions:

Disclosure of Related Party Transaction shall be made as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013. Every Related Party Transaction / contracts or arrangements that are:- (i.) material or (ii.) not at arm's length basis and/ or ordinary course of business, shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction as per the requirement of the Companies Act, 2013.

VII. Amendments:

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendation(s) of Audit Committee. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy.

VIII. Scope / Limitation:

In the event of any conflict between the provisions of this Policy and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

IX. Dissemination of Policy:

This Policy shall be disseminated to all functional and operational heads and other concerned persons of the Company and shall be hosted on the intra-net and website of the Company and web link thereto shall be provided in the annual report of the Company.

Approved by the Board of Directors at its meeting held on May 23, 2025.