



POLICY ON RELATED PARTY TRANSACTIONS

ANJANI PORTLAND CEMENT LIMITED

1. PREAMBLE

This Policy on Related Party Transactions (hereinafter referred to as “Policy”) of Anjani Portland Cement Limited (hereinafter referred to as “the Company”) and the amendment to this Policy, if any, by the Board of Directors of the Company or any committee thereof shall be effective from the date on which it is notified from time to time.

The Company always been committed to best corporate governance practices and this Policy is prepared for ensuring compliance with the provisions of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and such other regulatory provisions, as may be applicable.

2. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out

- (a) the manner of dealing with RPTs in accordance with the Act and rules made thereunder, the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company in the following situation:
 - (i) Where the Company is a party to such RPT
 - (ii) Where subsidiary of the Company is a party to an RPT but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover, as per the latest audited financial statements of the Subsidiary.
 - (iii) Transaction of the Company and / or its subsidiaries with unrelated parties, the purpose and effect of which is to benefit the Related Parties of the Company and/or any of its subsidiaries.
- (b) the materiality thresholds for related party transactions.
- (c) define Material Modifications and terms and conditions relating to Material Modifications of RPTs.
- (d) lay down the guiding principles and mechanism to ensure proper approval, disclosure and reporting of transactions as applicable, between the Company and any of its related parties in the best interest of the Company and its stakeholders.
- (e) to comply with such other statutory requirements, as may be applicable to the Company from time to time.

3. DEFINITIONS

“Act” means the Companies Act, 2013 and rules made there under as amended from time to time.

“Arms’ 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.

“Associate Company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: - For the purposes of this clause- (a) the expression "significant influence" means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement; (b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

“Audit Committee” means a committee of the Board of Directors of the Company constituted under provisions of the Act and Listing Regulations.

“Board” means Board of Directors of the Company.

“Control” as defined under the Act includes 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 shareholder’s agreements or voting agreements or in any other manner.

“Holding Company” shall have the meaning as specified under section 2(46) of the Act.

“SEBI Listing Regulations” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

“Key Managerial Personnel” mean key managerial personnel as defined under section 2(51) of the Act

“Material modification” means

(i) **in case of monetary thresholds** - any modification to the existing related party transaction which were approved by the Audit Committee, Board or Shareholders, which has the effect of variation in the approved value of the transaction, by 20% or more.

Whether there is any change in the material terms of the contract or arrangement relating to a RPT, the Audit Committee shall exercise its independent judgment to determine whether there is a change/modification in the material terms of the contract or arrangement and if necessary the Audit Committee may seek external professional advice, in this regard.

(ii) such other material modifications as may be specified from time to time under the SEBI Listing Regulations or applicable statutes, from time to time.

“Material Related Party Transaction” means a transaction with a related party which exceeds the thresholds specified under the explanation to Regulations 23(1) or 23(1A) or any other applicable regulations of SEBI Listing Regulations, as the case may be and as amended from time to time.

“Omnibus Approval” means a consolidated/standing approval given by the Audit Committee in respect of transaction(s) which are repetitive, normal, regular, foreseen and unforeseen in nature.

“Ordinary Course of Business” means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and is permitted by the objects clause of the Memorandum of Association of the Company. The Company should take into account the frequency of the activity and its continuity carried out in a normal organised manner for determining what is in the ordinary course of business.

“Relative” shall have the same meaning as defined under the Act.

“Related Party” shall have the same meaning as defined under the SEBI Listing Regulations.

“Related Party Transaction” shall have the same meaning as defined under the SEBI Listing Regulations which includes any explanations, clarifications provided therein.

“Rules” means the Companies (Meetings of Board and its Powers) Rules, 2014 and such other applicable rules made under the Act and any related circulars/notifications/clarifications issued by Ministry of Corporate Affairs, as amended from time to time.

“SEBI” shall mean the Securities and Exchange Board of India.

“Subsidiary Company” shall have the same meaning as specified under section 2(87) of the Act.

“Transaction” with related party shall be construed to include a single transaction or a group of transactions.

“Turnover” shall have the same meaning as specified under section 2(91) of the Act.

“Wholly Owned Subsidiary” When a company holds 100% of shares of another company, the other company is called a Wholly Owned Subsidiary of the company who has made 100% investment in it.

All other terms used in this RPT Policy shall have the same meanings as assigned to them under the Act, SEBI Listing Regulations or any other applicable law or regulation and Accounting Standards, as applicable for the time being in force and as amended from time to time.

In the event of any inconsistency or conflict between a term as defined in this Policy and as prescribed under SEBI Listing Regulations, the Act or accounting standards (as applicable), the definition under such relevant regulatory framework would prevail. Reference and reliance may be placed on any clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Regulatory/Authorities from time to time on the interpretation of any of the terms defined hereinabove.

In the event of a conflict or inconsistency between this Policy and the extant regulations or laws (as may be amended, replaced, restated, from time to time), the relevant provisions contained in the regulations and laws shall prevail over this Policy

4. MATERIALITY THRESHOLDS AND SUBSEQUENT MATERIAL MODIFICATIONS

Material Transaction

Regulation 23 of the SEBI Listing Regulations requires the Board to lay down materiality thresholds for transactions, beyond which approval of the shareholders through a resolution shall be required.

For the purpose of materiality thresholds under the SEBI Listing Regulations, the Company has adopted the thresholds at the level prescribed under explanation to Regulation 23(1) or Regulation 23(1A) of the SEBI Listing Regulations, as the case may be.

For the purpose of thresholds under the Act, the Company has adopted the thresholds at the level as prescribed under 15(3) of the Rules read with Section 188 of the Act.

The thresholds as mentioned above is subject to revision/ amendment/ changes/ modifications in accordance with the Act, SEBI Listing Regulations and all other applicable rules, guidelines, regulations, notifications, circulars etc. as may be issued by relevant statutory authorities/regulatories, from time to time.

Explanation:

The threshold limit is applicable for the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

Annual turnover and net worth shall be computed as per audited financial statements for the preceding financial year.

Material Modifications

As per the SEBI Listing Regulations, the Audit Committee is required to define the material modifications of a related party transaction. The Audit Committee has defined Material Modification in a Related Party Transaction herein-above.

5. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

a) Identification of related party/ies and related party transaction/s

The Company has formulated a framework (annexed to this policy as **Annexure A**) for identification and updating the list of related parties, related party transactions as prescribed under Section 2(76), 2(77) and all other applicable sections of the Act, Regulation 2(1)(zb), 2(1)(zc), 2(1)(zd) and all other applicable

regulations of the SEBI Listing Regulations and applicable Accounting Standards, as amended from time to time.

The Audit Committee shall exercise its independent judgment to determine whether the transaction is in the ordinary course of business and at arm's length basis or not, or seek external professional advice, if necessary for this purpose.

b) Transactions considered as a Related Party Transaction

A transaction involving a transfer of resources, services or obligations between:

- Company & Related party of the Company
- Company & Related Party of subsidiary/ies
- Company's subsidiary/ies & Related Party of the Company
- Company's subsidiary & Related Party of subsidiary/ies
- Company and any other person/entity (third person) and due to such transaction benefit to the Related Party of the Company or Related Party of Company's subsidiary.
- Company's subsidiary and any other person/entity (third person) and due to such transaction benefit to the Related Party of the Company or Related Party of the Company's subsidiary.
- Such other transaction/arrangement/obligation/services as may be specified under the Act or Listing Regulations or other applicable statutes from time to time.

Any person or entity holding equity shares of twenty percent or more w.e.f. April 1, 2022 and ten percent or more w.e.f April 1, 2023, in the Company either directly or on a beneficial interest basis, at any time during the immediate preceding financial year, will be regarded as a Related Party.

Transaction involving a transfer of resources, services or obligations, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

The criteria mentioned above are always subject to such amendment/changes/modification as may be specified under the Act or SEBI Listing Regulations or such other applicable statutes from time to time.

c) Exempted Related Party Transaction

Following shall not be considered as a Related Party Transaction:

- a) Issue of specified securities on a preferential basis, subject to compliance of applicable SEBI regulations
- b) Payment of dividend
- c) Subdivision or consolidation of securities
- d) Issuance of securities by way of a rights issue or a bonus issue
- e) Buy-back of securities
- f) Facilities available or transaction entered into by the Company with all employees in general/as per company policy.
- g) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors

- h) 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.

Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder, and does not require prior approval from the Audit Committee and

Such other transaction/arrangement/obligation/services as may be specified under the Act or SEBI Listing Regulations or other applicable statutes from time to time.

6. APPROVAL REQUIREMENTS

Approval requirements under Act and SEBI Listing Regulations for related party transactions and subsequent material modifications, is, as under:

A. Audit Committee Approval

a) Prior Approval

1. All the Related Party Transaction (RPT) and subsequent Material Modifications shall require prior approval of the Audit Committee of the Company or its subsidiary whether at a meeting or by resolution by way of circulation. Provided that only those members of the Audit Committee, who are Independent Directors, shall approve such Related Party Transactions.
2. Prior approval of the Audit Committee shall be required for the following RPT:
 - (a) Where the Company is a party to such RPT
 - (b) Where subsidiary of the Company is a party to an RPT but the Company is not a party, if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual standalone turnover, as per the latest audited financial statements of the Subsidiary.
 - (c) Transaction of the Company and/or its subsidiaries with unrelated parties, the purpose and effect of which is to benefit the Related Parties of the Company and/or any of its subsidiaries.
 - (d) Transactions which are in Ordinary Course of Business and on Arm's Length Basis
 - (e) Transactions which are not in Ordinary Course of Business and not on Arm's Length Basis for recommendation to the Board or shareholders.
3. The Audit Committee may grant prior approval
 - (a) For all repetitive, regular, normal, foreseen and usual transactions proposed to be entered into by the Company or its Subsidiary with its / subsidiary's related parties which are transacted in normal course of business and on arms' length basis with a Related Party with an estimates/annual budget/values which will be obtained prior to the beginning of the financial year, in compliance with requirements of the Act and the SEBI Listing Regulations.
 - (b) Where the need for related party transaction cannot be foreseen and requisite details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

b) Factors to be considered by Audit Committee while dealing with RPTs

The Audit Committee may grant omnibus approval for Related Party Transaction/s proposed to be entered into by the Company for all repetitive, regular, normal, foreseen, unforeseen and usual transactions subject to the following conditions:

a) The Audit Committee to check before granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive, normal, regular and 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) The Audit Committee shall take into account following consideration while granting omnibus approval for RPTs:

(i) Criteria specified under Rule 6A of the Rules

(ii) Name(s) of the Related Party, Nature of relationship with a Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, if applicable, the indicative base price/current contracted price and the formula for variation in the price if any, material terms and conditions, particulars of contract or arrangements, method and manner of determining the pricing and other commercial terms, if any, and justification for omnibus approval.

(iii) The Audit committee shall review the documents/information provided by the Company, in accordance with the circulars issued under SEBI Listing Regulations, Act, as amended from time to time, before approval of a proposed RPT.

(iv) While approving a Related Party Transaction, the Audit Committee or Board will, among other considerations, evaluate the following factors to the extent relevant to the matter:

a. Whether the terms of the Related Party Transaction are fair and on arm's length basis and in the ordinary course of business to the Company and would apply on the same basis if the transaction did not involve a Related Party;

b. 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;

c. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

d. Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel or their Relatives of the Company or affect the independence of a Director.

(v) Any other information relevant to take a decision on the proposed RPT.

(vi) The Audit Committee shall determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this RPT Policy.

(vii) Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

d. CSR Contribution.

e. Transactions which are specifically exempted under SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

c) Review and Reporting

Audit Committee shall review/note, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given under foreseen and unforeseen cases. Such omnibus approvals shall be valid for a period not exceeding one financial year and may require fresh approval after the expiry of such financial year. The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

d) Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this RPT Policy, the same shall be reviewed by the Audit Committee. The Audit Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction. The Audit Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

B. Board Approval

- Related party transactions referred to/recommended by Audit Committee for approval of the Board.
- Related party transactions, to be approved by the Board, as required under the Act and/or other applicable law/regulations applicable to the Company, including without limitation to, transactions which are not in ordinary course of business and not on arm's length basis.
- Related party transactions requiring shareholders' approval.
- All Material Related Party Transactions and subsequent Material Modifications of such Related Party Transaction.

C. Shareholders' Approval under the Act

Shareholders' approval by way of resolution is required if the value of the transaction with a Related Party exceeds the limits specified in Rule 15(3) of the Rules read with Section 188 of the Act and no shareholder/member of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such shareholder/member is a Related Party.

D. Shareholders' Approval under the SEBI Listing Regulations

Shareholders' prior approval by way of resolution is required to all prospective Related Party Transaction under the following circumstances and no Related Party shall vote to approve such resolution/s whether the entity is a Related Party to the particular transaction or not:-

- a. If the value of the transaction with a Related Party exceeds the threshold defined under explanation to Regulation 23(1) or Regulation 23(1A) or 23(4) of the SEBI Listing Regulations and subsequent Material Modification to such Material Related Party Transaction or
- b. Transaction(s) as applicable for the time being in force under regulation 23(8) of SEBI Listing Regulations.

Further, the shareholders' prior approval is not required for transactions specified in the proviso to regulations 23(4), 23(5) and 15(2) of SEBI Listing Regulations for related party transactions and such other transactions as may be specified from time to time by the regulatory authorities in this regard.

7. DISCLOSURES BY THE COMPANY

- a. The Board's Report will contain details of contracts or arrangements or transactions (i) not at arm's length basis and (ii) material (based on the thresholds laid down under Rule 15 of the Rules) contracts or arrangement or transactions at arm's length basis and/or in ordinary course of business, along with justification for entering into such transaction in accordance with the requirements of the Act.
- b. The Company shall submit disclosures of related party transactions, every six months or such time as may be stipulated in this regard, along with the financial results for the half year on a standalone/consolidated basis, within the time limit and as per the format specified under the SEBI Listing Regulations, from time to time, and publish the same on its website.
- c. The Company shall also provide details of all material related party transactions (laid down herein-above) on a quarterly basis to the stock exchanges along with the Compliance Report on Corporate Governance.
- d. As prescribed under Regulations 46 and other applicable regulations of the SEBI Listing Regulations, this RPT Policy shall be hosted on the Company's website at www.anjanicement.com.
- e. Such other disclosures/reports as may be specified from time to time under the SEBI Listing Regulations or applicable statutes, from time to time.

8. REVIEW OF THE RPT POLICY

This RPT Policy shall be reviewed by the Board as and when any changes are to be incorporated in the RPT Policy due to change in applicable law or at least once in every three years and updated accordingly, based on the recommendations of the Audit Committee.

Provisions of this RPT Policy would be subject to revision/amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities/regulatory authorities, from time to time. In case of any amendment(s), notification(s), clarification(s), circular(s), etc. issued by the relevant authorities/regulatory authorities, not being consistent with the provisions laid down under this RPT Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this RPT Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), notification(s), circular(s), etc.

All further statutory changes shall be mutatis mutandis applicable without any further modification or amendment in this RPT Policy. This Policy shall be, in addition to and read together with the provisions of the Act, the SEBI Listing Regulations and any circulars/guidelines/clarifications/notifications issued by SEBI from time to time in relation to RPTs.

Amendment to the Policy approved by the Board of Director on February 13, 2025

Annexure – A

FRAMEWORK

Identification, authentication and maintaining record of related party transactions:

- a), The Secretarial Department shall at the beginning of a financial year, obtain from its Subsidiary:
- i. List of its related parties.
 - ii. List of transaction(s) proposed to be entered into by the Subsidiary Company with related parties of the Company during the financial year.
- b) The Company shall share with its subsidiaries, list of its related parties to enable the Subsidiary Company for the same. The Subsidiary shall be required to provide updated lists, as and when there is a change in aforementioned lists.
- c) The Secretarial department shall at all times maintain a database of Company's Related Parties containing the names of individuals and Companies, firms, bodies corporate identified on the basis of the definition set forth in Definition Clause above.
- d) The Related Party List shall be updated whenever necessary and shall be reviewed at least once a year, as on 1st April every year.
- e) The Secretarial department shall collate the information, coordinate and circulate/send the list of Related Parties to Chief Financial Officer (CFO) or any officer in Finance and Accounts Dept. or designated by CFO (collectively referred to as the "Authorised Person").
- f) This analysis and identification of the proposed transactions or contracts with the parties in the said list can be done by the Authorised Person independently or in consultation with outside consultant, as appropriate.
- g) The details of related parties shall be entered into the computer-based system for online checking.
- h) When the Authorised Person after due analysis, identifies the proposed transaction or relationship, with the parties in the said list as Related Party Transaction requiring compliance with the Policy, the Authorised Person will refer and provide with all relevant material information of proposed Related Party Transactions; including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters to the Audit Committee for obtaining prior approval and convey back the decision to the originator of the transaction.
- i) Each Director and Key Managerial Personnel shall make an annual declaration/disclosure to the Secretarial department of the Company on the last day of the month ending before the financial year and this Declaration/Disclosure shall be placed before the Audit Committee/Board at their first meeting held at the succeeding financial year. Any change in the list of relatives shall be intimated by the Directors and Key Managerial Personnel by way of a fresh declaration to the Company within 15 days of such change.
- j) Every new appointed director or key managerial personnel shall, at the time of their appointment, or relinquishment of their office in other Companies, as the case may be, disclose to the Company the particulars relating to their concern or interest in the other associations.

k) The Secretarial department shall keep and maintain a statutory register, physically or electronically, as may be decided by the Board, giving separately the particulars of all transactions or contracts or arrangements to which this RPT Policy applies. The said register shall be preserved permanently and shall be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.

l) Every Director / Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a transaction, contract or arrangement or proposed transaction or contract or arrangement entered into or to be entered into shall disclose the nature of their concern or interest at the meeting of the Audit Committee/Board in which the transaction or contract or arrangement is discussed.

m) The interested Director shall not participate in the discussion or voting or exercise influence over any such discussion.

n) Intimation/declaration/disclosure from the Director/Key Managerial Personnel shall be final and considered for determining/arriving at the details of the Related Party.

o) A Related Party with whom the Related Party Transaction is undertaken must have been selected using the same screening/selection/criteria/standards/ procedures as may be applicable in case of an unaffiliated party. The Company shall produce evidence to the satisfaction of the Audit Committee for complying with the said procedure, as and when required.
