



ANIK INDUSTRIES LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

Modified w.r.t. the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 dated 13th December, 2024

ANIK INDUSTRIES LIMITED
POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION

The Board of Directors (the “Board”) of ANIK INDUSTRIES LIMITED (the “Company” or “ANIK ”), recognizes that certain relationships can present potential or actual conflicts to interest and may raise questions about whether transactions associated with such relationships are consistent with Company’s and its stakeholders’ best interest. The Company must specifically ensure that certain transactions are effected and disclosed in accordance with strict legal and accounting standard to which it is subject.

2. PURPOSE

The provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any modification(s) / amendment(s) / re-enactment(s) thereof] required formulation of a Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions. The policy is intended to ensure proper approval and reporting of related party transactions. However SEBI Listing Regulations were further amended by SEBI suggesting further changes to the Related Party Governance regime.

This Policy applies to transactions between the Company and its Related Parties. It provides a framework for governance and reporting of Related Party Transactions.

3. DEFINITIONS

- a) “**Act**” shall mean the Companies Act, 2013 and the rules framed there under, including any modifications, amendments, clarifications circulars or re-enactment thereof.
- b) “**Arms Length basis**” means a transaction between two related parties that is conducted as if they were unrelated, so there is no conflict of interest.
- c) “**Associate Company**” in relation to another Company, means a Company in which that other Company has 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, “significant influence” means control of atleast twenty percent of total share capital or of business decisions under an agreement.

- d) “**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and Companies Act, 2013 and rules made thereunder.
- e) “**Board**” means Board of Directors of the Company.

- f) **“Control”** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- g) **“Key Managerial Personnel”** mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- h) **“Policy”** means Related Party Transaction Policy.
- i) **“Relative”** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under:
- j) **“Related Party or Related Parties”** means related party as defined under Section 2(76) of the Companies Act, 2013 and as defined in regulation 2 sub-regulation (1) clause (zb) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with amendments issued from time to time.

Provided that:

- (i) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (ii) any person or any entity, holding equity shares:
 - (a) of twenty per cent or more; or
 - (b) of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;

Shall be deemed to be a related party:

- k) **“Related Party Transaction”** means any transaction or arrangement in which the Company and Related Party are contracting parties either directly or indirectly with respect to the items specified in Section 188(1) (a) to (g) of the Companies Act, 2013 and as defined in regulation 2 sub-regulation 1 clause (zc) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, read with amendments issued from time to time.

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

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023; 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:

- l) **“Material Related Party Transactions”** means 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 rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity** as per the last audited financial statements of the listed entity, whichever is lower

4. APPROVAL OF RELATED PARTY TRANSACTIONS:

- A. As per the Companies Act, 2013, the related party transactions entered into by the company which is in its ordinary course of business and which is on an arm's length basis does not require any approval from the shareholders.
- B. As per the Regulation 23 of SEBI Listing Regulations, All related party transactions and subsequent material modifications, shall require prior approval of the audit committee of the listed entity:
Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions
- C. Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary, subject to the following conditions, namely-
- a) the audit committee shall lay down the criteria for granting the 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 regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
 - c) the omnibus approval shall specify:
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - (ii) the indicative base price / current contracted price and the formula for variation in the price if any; and
 - (iii) 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, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.
 - d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity or its subsidiary pursuant to each of the omnibus approvals given.
 - e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:
- D. All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation (2) 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:

Provided that prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

5. TRANSACTIONS WHICH DO NOT REQUIRE APPROVAL

Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party including following

- a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b) the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - (i) payment of dividend;
 - (ii) subdivision or consolidation of securities;
 - (iii) issuance of securities by way of a rights issue or a bonus issue; and
 - (iv) buy-back of securities.]
- c) 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:

6. DISCLOSURES

Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into-

- a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or
- b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be,

shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

The Company is required to disclose:

- a) Related Party Transactions in the Company's Annual Report as per the requirements of SEBI Listing Regulations 2015.
- b) Material RPTs shall be provided in the notice to shareholders.
- c) Details of all Material Related Party Transactions shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance, in accordance with the SEBI Listing Regulations.
- d) The Company shall submit [enhanced disclosure of information related to RPTs to be provided to the stock exchanges every six months in the format specified by the SEBI:

This Policy shall be disclosed on Company's website and a web link there to shall be provided in the Annual Report of the Company.

7. AMENDMENT

Any Amendment on the subject of this Policy shall automatically have the effect of amending this Policy without the need of any further approval of the Board of Directors.

[This Policy is amended as per the recommendations of the Audit Committee meeting held on 04th February, 2025 and approved by the Board of Directors at its meeting held on 04th February, 2025.]