



ADITYA INFOTECH LIMITED

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH
RELATED PARTY TRANSACTIONS**

Version 1.0

Policy Version	Date of Board approval	Effective Date
Version 1.0	July 02, 2025	July 02, 2025

Table of Contents

Preamble.....	3
Definitions.....	3
Identification of related party transactions.....	5
Dealing with related party transactions.....	5
Approval Process.....	6
Exceptions.....	8
Disclosure.....	9
Amendments.....	9
Scope & limitation.....	9
Policy Review.....	10

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON
DEALING WITH RELATED PARTY TRANSACTIONS**

1. PREAMBLE

The provisions of Section 177 and 188 of the Companies Act, 2013 ("Companies Act"), as amended from time to time, the rules and schedules framed thereunder, and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time, require companies to have transparency and due process for approval of related party transactions.

In pursuance of Regulation 23 of the SEBI Listing Regulations and other applicable provisions (including any statutory enactments / amendments thereof), the Board of Directors of Aditya Infotech Limited ("Company") has adopted this policy which defines the materiality of Related Party Transactions and also provide mechanism to deal with Related Party Transactions including clear threshold limits duly approved by the Board (the "Policy").

Accordingly, the Company has framed this Policy with the intent to ensure the compliance with applicable laws and Regulations, proper approval and reporting requirements of related party transactions.

2. DEFINITIONS

"Accounting Standard" means standards of accounting as defined under Section 2(2) of the Companies Act or under any other applicable laws.

"Arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated and acting independently for their self-interest, such that there is no conflict of interest.

"Audit Committee" means Audit Committee constituted by the Board, under Section 177 of the Companies Act and the SEBI Listing Regulations.

"Board of Directors" or "Board" means the board of directors of the Company.

"Company" means Aditya Infotech Limited.

"Key Managerial Personnel" means the Managing Director, Whole Time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer and such other officers/employees of the Company as defined in Section 2(51) of the Companies Act.

"Material Related Party Transaction" means a transaction with a Related Party where the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 Crores (Indian Rupees One thousand Crores) or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

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, exceeds five percent of the annual consolidated turnover of the Company as per its last audited financial statements.

"Material Modification" refers to changes in a Related Party Transaction that meet any of the following criteria:

1. The change in value exceeds 25% of the approved transaction value or INR 50,00,00,000 (Indian Rupees Fifty Crores), whichever is higher.
2. The modification significantly alters the information initially provided to the Audit Committee and/or shareholders or changes the fundamental nature or basis of the transaction;
3. The transaction no longer meets the criteria for being in the ordinary course of business or conducted on an arm's length basis;
4. Any other condition specified by the Audit Committee, from time to time.

Provided that, a modification mandated pursuant to change in law, or pursuant to and in accordance with the terms of the approved transaction/contract, or resulting from change in constitution of either of the parties pursuant to schemes of arrangement (e.g. merger, amalgamation, demerger, etc.), or is of a nature which is purely technical and does not result in substantive change or alteration of rights, interests, and obligations of any of the parties, or is uniformly affected for similar transactions with unrelated parties shall not be regarded as material modification.

"Ordinary course of business" includes but is not limited to activities that are necessary, normal, and incidental to the business of the Company. The ordinary course of business covers the usual transactions and practices related to the business and following factors are indicative of a transaction being in the ordinary course of business:

- The transaction(s) is normal or otherwise unremarkable for the business; or
- The transaction(s) that are part of the standard industry practice, even though the Company may not have done it in the past or
- The transactions which are essential for running the operations of the Company or
- The transaction follows a historical pattern or occurs with regular frequency.

These are not exhaustive criteria, and the Company will assess each transaction considering its specific nature and circumstances.

"Related Party" means a related party as defined under sub-section (76) of section 2 of the Companies Act or under the applicable Accounting Standards, each as amended from time to time:

Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the Company; or
- b) any person or any entity, holding equity shares of ten per cent or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, at any time, during the immediate preceding financial year shall be deemed to be a related party.

“Relative” with reference to any person, means anyone who is related to another person as defined under Section 2(77) of the Companies Act and applicable Accounting Standards.

“Related Party Transaction” means the transaction as prescribed under Regulation 2(1)(zc) of SEBI Listing Regulations and Section 188 of the Companies Act.

“Subsidiary” shall mean a subsidiary as defined under Section 2(87) of the Companies Act.

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract held in a financial year.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, the SEBI Listing Regulations, applicable Accounting Standards or any other applicable regulation.

3. Identification of related party transactions

- a) Each Director, Promoter and Key Managerial Personnel of the Company and its subsidiaries responsible for providing declaration to the Company Secretary on their respective Related Parties involving him / her and his / her Relative, including any additional information that the Company Secretary may reasonably request. Further, the Director / Key Managerial Personnel / Promoter shall intimate the Company Secretary in case of any changes to their Related Parties, as mentioned in the previous declaration.
- b) The Finance Head is responsible for identification of the potential related party transactions and the Company Secretary shall initiate the process to obtain the necessary approvals of the Audit Committee/Board/Shareholders as may be required in relation to the identified related party transactions.
- c) The concerned business or other support team’s head is responsible to intimate the finance head and Company Secretary about the transaction proposed to be undertaken (except those for which omnibus approval has been granted by the Audit Committee as explained subsequently) with supporting documents. Based on such information, the Company Secretary will facilitate for the necessary approval.
- d) Further, the respective business head/finance head is responsible for providing additional information about transactions that the Audit Committee / Board may request, for being placed before the Audit Committee / Board for granting the necessary approval.

4. Dealing with related party transactions

The Board shall fulfil the function of monitoring and managing potential conflicts of interest of management, Board and shareholders, including misuse of corporate resources and abuse in related party transactions.

The Company shall comply with applicable provisions of the SEBI Listing Regulations, Companies Act and Rules made there under and other applicable law in force from time to time in dealing with Related Party Transactions.

5. Approval Process

Audit Committee

Subject to provision of clause 6 of this policy, all Related Party Transactions of the Company, whether material or not, and any modification therein, shall require prior approval of the Audit Committee.

Further, only those members of the Audit Committee, who are Independent Directors, shall approve Related Party Transactions. Other members can participate in the discussion however their vote shall not be counted while approving any related party transaction.

The Audit Committee shall be provided with all relevant material information in accordance with requirements of the SEBI Listing Regulations and the Companies Act, the rules made thereunder as amended from time to time or as requested by the Audit Committee. In determining whether to approve a Related Party Transaction, the Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

Subject to the provisions of the applicable laws, the Audit Committee will have the discretion to approve /modify /recommend/ refer the proposed Related Party Transaction for the approval of the Board or shareholders.

In the event such a transaction, contract or arrangement is not in the ordinary course of business or is not at arm's length, the Company shall comply with the applicable laws including provisions of the Companies Act and the Rules framed thereunder and obtain approval of the Audit Committee or the Board or its shareholders, as applicable, for such contract or arrangement.

The remuneration and sitting fees paid by the Company or its subsidiary(ies) to its directors, key managerial personnel or senior management, except who is a promoter or part of the promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the definition of “**Material Related Party Transaction**” covered in Clause 2.

Ratification of RPTs

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 INR 1.00 Crores (Indian Rupees One Crores);
- ii. the transaction is not material in terms of the definition of “Material Related Party Transaction” covered in Clause 2.
- 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 filed half yearly to the Stock Exchanges;
- 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 Company against any loss incurred by it.

Omnibus approval by Audit Committee

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary(ies) subject to the following conditions:

- (i) The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria / conditions as mentioned under the Act and the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company.
- (ii) The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the Company;
- (iii) Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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;
- (iv) 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 not exceeding INR 1.00 Crores (Indian Rupees One Crore)per transaction.
- (v) The Audit Committee shall review, at least on an quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary(ies) pursuant to each of the omnibus approvals given.
- (vi) Such omnibus approvals shall be valid for a period not exceeding one (1) financial year and shall require fresh approvals after the expiry of the financial year.
- (vii) Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
- (viii) Any other conditions as the Audit Committee may deem fit.

Related Party Transactions of Subsidiary companies:

Related Party Transactions or any subsequent material modification therein, of any Subsidiary Company(ies) to which the Company is not a party, shall also require prior approval of the Committee, if the value of such transaction(s) whether entered individually or taken together with

previous transaction(s) during a financial year exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the relevant subsidiary.

Board of Directors

The following Related Party Transaction(s) shall be approved by the Board by passing a resolution in this regard at a meeting of the Board of Directors:

- (i) Transactions in which any of the Directors or the KMPs of the Company are concerned or interested.
- (ii) Transactions specified in Section 188(1) of the Act which are not in the ordinary course of business and/or not on arm's length terms.
- (iii) Material Related Party Transactions which are proposed to be placed before the Shareholders for approval.
- (iv) Related Party Transactions where Audit Committee of the Company is of the opinion that the same should be brought before the Board of Directors or if the Board of Directors suo-moto decides to review any such transaction.
- (v) Related Party Transactions for which approval of the Board of Directors is mandatory under any applicable law for time being in force.
- (vi) Any Material Modification to the Related Party Transactions already approved by the Board of Directors.
- (vii) Any other transaction as may be prescribed by the Shareholders from time to time.

Shareholders

Following Related Party Transactions require prior approval of the Shareholders of the Company:

- (i) Material Related Party Transactions and Material Modifications thereto.
- (ii) Transactions specified in Section 188(1) of the Act which:
 - a) are not in the ordinary course of business and/or not on arm's length terms; and
 - b) exceed the threshold specified in Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification or reenactment thereof.
- (iii) No member of the Company shall vote on the resolution to approve any transaction covered under Clause (i) above, if such member is a related party to the proposed contract or arrangement.
- (iv) No Related Party shall vote to approve any transaction covered under Clause (i) above, whether the entity is a related party in the context of particular transaction or not.

6. Exceptions

The following transactions are exempted from obtaining any approvals as described above subject to fulfilment of the necessary conditions mentioned therein:

- (i) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval, except for the transactions covered under Section 188 of the Act.
- (ii) Transactions entered into between the two wholly owned subsidiaries of the Company whose accounts are: (a) consolidated with the Company and (b) placed before the shareholders of the Company at the general meeting for approval;
- (iii) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company or its subsidiary on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- (iv) Any other transaction for which approval of the Audit Committee or Board or Shareholders, is not required or exempted under the Act, SEBI Listing Regulations or any other applicable law.

7. Disclosure

- (i) The Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.
- (ii) The details of all transactions with related parties shall be submitted, in the format specified, on a half yearly basis to the Stock Exchanges, as per the manner and timelines set out in the SEBI Listing Regulations and the same shall be published on the Company's website.
- (iii) The details of Related Party Transactions shall be disclosed in the Annual report of the Company, to the Stock Exchanges and other regulatory bodies as per the provisions of Indian Accounting Standards, Companies Act, SEBI Listing Regulations or any other applicable laws and regulations.

8. Amendments

The Board may 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 with or without changes in applicable laws. Any subsequent amendment/modification in the Companies Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

9. Scope and limitation

In the event of any conflict between the provisions of this Policy and the Companies Act or SEBI Listing Regulations or any other statutory enactments, modification or rules, the provisions of SEBI Listing Regulations / Companies Act or statutory modification, enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

10. Policy review

The Board may, subject to applicable laws, amend, suspend or rescind this Policy at any time and in any case, the Policy shall be reviewed by the Board at least once in every three (3) years and shall be updated accordingly. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Related Party Policy.