

**Chemcrux Enterprises Limited – Related Party Transactions Policy**

**CHEMCRUX ENTERPRISES LIMITED**

**Related Party Transactions Policy**



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<b>Approved by</b>	Board of directors
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<b>Version</b>	4

## RELATED PARTY TRANSACTIONS POLICY

### 1) INTRODUCTION:

Considering the requirements for approval of related party transactions as prescribed under Section 188 of the Companies Act, 2013 (“Act”) read with rules and regulations made thereunder, Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Industry Standards on Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions (“RPT Standards”), as amended from time to time, and based on the recommendation of the Audit Committee; the Board of Directors of Chemcrux Enterprises Limited (the “Company”) on 5<sup>th</sup> February 2026, adopted the revised policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions (the “Policy”).

This Policy was originally adopted by the Board of Directors on 20<sup>th</sup> December 2016 and was subsequently revised on 27<sup>th</sup> February 2020, 13<sup>th</sup> February 2023 and most recently on 05<sup>th</sup> February 2026.

### 2) OBJECTIVES:

This Policy is framed and/or amended as per the requirement of Section 188 of the Act and Regulation 23 of the Listing Regulations and is primarily intended to ensure the governance and reporting of transactions between the Company, its subsidiaries and their Related Parties.

### 3) DEFINITIONS:

- (i) “**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.
- (ii) “**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. For determination of Arm’s Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 1961.
- (iii) “**Associate Company**” means any other company, in which the 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:

- the expression “significant influence” means Control of at least twenty per cent of total share capital or of business decisions under an agreement.
- the expression "joint venture" means a joint arrangement whereby the parties

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that have joint control of the arrangement have rights to the net assets of the arrangement;

- (iv) **“Audit Committee” or “Committee”** means the “Audit Committee” constituted by the Board of Directors of the Company, under provisions of the Act and the Listing Regulations, 2015.
- (v) **“Board of Directors” or “Board”** means the Board of Directors of the Company.
- (vi) **“Company”** means Chemcrux Enterprises Limited.
- (vii) **“Key Managerial Personnel”** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.
- (viii) **“Policy”** means Related Party Transactions Policy of the Company.
- (ix) **“Related Party”** means a related party as defined under Section 2(76) of the Companies Act, 2013, Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the applicable Accounting Standards.
- (x) **“Related Party Transaction”** means a transaction envisaged as a related party transaction under the Act or under Listing Regulations.
- (xi) **“RPT Standards”** means Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, including any modification(s) / amendment(s) / re-enactment(s) thereof.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations or any other applicable law or regulation.

### 4) MANNER OF DEALING WITH RELATED PARTY TRANSACTION

#### Identification of Related Party

Every Director and Key Managerial Personnel of the Company (and its subsidiaries) shall, as may be applicable to them, provide a declaration containing the necessary details of his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals, which shall include the shareholding, contracts or arrangements with a body corporate or firm or other entity as mentioned under Section 184(2) of the Companies Act, in which any director is, directly or indirectly, concerned or interested and Related Party Transactions, to the Company Secretary or the Board of Directors, within such time as prescribed under applicable law from their appointment or relinquishment of office and on an annual basis. They shall also, provide declarations within such time as prescribed under applicable law if there has been a change in the details from the last

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declaration made under this Related Party Policy.

### Identification of Potential Related Party Transactions

Each Director and Key Managerial Personnel is responsible for providing notice to the Company or Audit Committee of any potential Related Party Transaction involving him or her or his Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Audit Committee will determine whether a transaction does constitute a Related Party Transaction requiring compliance with this Policy.

### Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this 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 (subject to terms of this Policy), 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.

### 5) MATERIAL RELATED PARTY TRANSACTION:

**Under the Act:** A transaction with a related party shall be considered material if it exceeds threshold as prescribed under section 188 of the Act read with Rules made thereunder or any subsequent amendment thereto.

**Under Listing Regulations:** Material Related Party Transaction means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year, if exceeds the following thresholds.

Consolidated Turnover of Listed Entity	Threshold
Up to ₹20,000 crore	10% of consolidated turnover.
Above ₹20,000 crore and up to ₹40,000 crore	₹2,000 crore plus 5% of the turnover in excess of ₹20,000 crore.
Above ₹40,000 crore	₹3,000 crore plus 2.5% of the turnover in excess of ₹40,000 crore, subject to an overall cap of ₹5,000 crore.

Explanation: For the purpose of computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into individually or

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taken together with previous transactions during a financial year, exceeds 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

**Material modification** means any modification made in any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 10% of the annual consolidated turnover of the Company as per the last audited financial statements or Rs. 15 crores, whichever is higher or such other parameter as may be determined by the Audit Committee from time to time.

### **APPROVAL MECHANISM**

#### **Approval of the Audit Committee:**

- Every Related Party Transaction and subsequent Material Modifications shall be subject to the prior approval of the Audit Committee.
- Members of the Audit Committee, who are independent directors, shall only approve related party transactions.
- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to compliance of the conditions contained in Act and Listing Regulations, as amended from time to time.

The Company shall, while placing any proposed Related Party Transaction before the Committee for review and approval, provide the information in the format specified in the IS and such other information as may be called for by the Audit Committee:

The IS shall not be applicable to:

- a) Transactions exempted under Regulation 23(5) of the SEBI LODR; and
- b) Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of Listing Regulations.
- c) Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) do not exceed rupees one crore.

The omnibus approval shall be valid for a period of one year from the date of approval. Where the need for related party transaction(s) cannot be foreseen and specific details are not available, audit committee may grant omnibus approval for such transaction(s), subject to value of such transactions not exceeding rupees one crore per transaction.

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- The Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.
- Prior approval of the Audit committee shall be required for:
  - a. All RPTs and subsequent Material Modifications;
  - b. 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, if the value of such transaction, 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.
  - c. In the event of 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 a Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, if the value of such transaction exceeds the lower of the following:
    - (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
    - (ii) the threshold for Material Related Party Transactions of the Company.

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

Provided that prior approval of the Audit Committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party but the Company is not a party, if regulation 23 and 15 (2) of SEBI LODR are applicable to such listed subsidiary.

- Notwithstanding anything to the contrary in this Policy, 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 Regulation 23(1) of SEBI LODR;
  - 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 Regulation 23(9) of SEBI LODR;
  - v) any other condition as specified by the Audit Committee:

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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 party related to any director, or is authorised by any other director, the concerned director(s) shall indemnify the Company against any loss incurred by it.

- 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.
- To review proposed RPTs placed before the Committee for approval alongwith the information in the format specified in the IS.
- The Audit Committee shall recommend the Related Party Transactions for approval of Board of Directors / Shareholders, as per terms of this Policy.

### **Approval of the Board and the Shareholders:**

All Related Party Transactions which are not in the ordinary course of business or not at the arm's length price shall require prior approval of the Board of Directors of the Company. Where any director is interested in any Related Party Transaction, such director will abstain from discussion and voting on the subject matter of the resolution relating to such RPT.

Further, all related party transactions which are not in the ordinary course of business or not at the arm's length price and are exceeding threshold limits prescribed in section 188 of the Act as amended from time to time shall also require prior approval of shareholders of the Company by way of Ordinary Resolution and all entities falling under the definition of Related Parties shall not vote to approve the relevant transaction, irrespective of whether the entity is a party to the particular transaction or not.

Further, the information as prescribed under Act and/or the SEBI LODR, from time to time shall be provided in the Notice to the shareholders for consideration of RPTs.

All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through Ordinary 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 shareholders of the Company shall not be required for RPTs where listed subsidiary is a party but the Company is not a party, if Regulation 23 and 15(2) of SEBI LODR are applicable to such listed subsidiary.

Provided further that the aforesaid requirements shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

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Provided further that the Related Party Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval, shall not require approval of the audit committee, board or shareholders.

Provided further that the provisions pertaining to:

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of audit committee, board or shareholders for Material Related Party Transactions and subsequent Material Modifications

shall not be applicable when the transactions are entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

### **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 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 the Company or its subsidiary by its directors or KMPs (including their relatives) without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, KMPs and relatives of directors or key managerial personnel.
- d) The 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 provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI LODR.

### **6) DISCLOSURES:**

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

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The Company shall submit information related to RPTs to the stock exchange every six months, in the format specified under the Listing Regulations, simultaneously with the publication of financials and also publish the same on its website.

RPTs shall be disclosed in Annual Report, as per applicable provisions of Act and SEBI LODR.

### **7) POLICY REVIEW**

This policy is framed based on the provisions of Act and rules thereunder and the requirements of Listing Regulations.

Any subsequent amendment/modification in the Listing Regulations and/or other applicable laws in this regard 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.

Provided that this policy shall be reviewed by the Board at least once every three years and updated accordingly.

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