

**INDO BORAX & CHEMICALS LIMITED**  
**Policy on Materiality of & Dealing with Related Party Transactions**  
**(RPT Policy)**

**Background:**

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Board of Directors of Indo Borax & Chemicals Limited had approved a Policy on Materiality of & dealing with related party transactions. The Policy was last revised by the Board at its meeting held on August 12, 2023.

**Policy:**

In supersession of the existing Policy, the Policy on Materiality of & dealing with Related Party Transactions, which is to be read together with Regulation 23 of the said Regulations and relevant provisions of the Companies Act, 2013 is accordingly being revised as under:

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material RPTs', 'Arms' length transaction', 'Omnibus Approval' & such other terms will carry the meaning as stated under the Companies Act, 2013 or SEBI Listing Regulations as amended from time to time.
2. Related Party Transactions (RPTs), including subsequent material modifications thereof of the Company covered under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations will be approved by the audit committee of the Board from time to time, subject to such exceptions as are provided herein.

For the above purpose, 'material modifications' as defined by the Audit Committee would refer to the following:

Material modification will mean & include any modification to an existing RPT having variance of fifty per cent of the existing limit, as sanctioned by the Audit Committee or Shareholders, as the case may be.

Provided further that:

- 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 ten (10) per cent of the annual consolidated turnover, as per the last audited financial statements of the Company;
- with effect from April 1, 2023, 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 of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten (10) per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

3. Prior Consent of the Board and the Shareholders would be taken in respect of all RPTs, including material modifications thereof, except in the following cases:

- i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules thereunder or the SEBI Listing Regulations, as may be applicable;

ii. Where the transactions are entered into by the Company in its ordinary course of business and are on arms' length basis;

iii. Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the Company;

iv. Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed Rs. 20 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower;

v. Transactions entered into between the Company & any of its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;

4. Notwithstanding the above, approval of the Board & shareholders would be necessary, where the RPTs exceed threshold limits of Rs. 20.00 Cr or ten percent of the annual consolidated turnover as per the last audited financial statements, whichever is less or such other limits as may be prescribed by the Regulatory Authority following threshold limits:

5. Related Party Transactions not approved under this Policy: In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the audit committee. The audit committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision, or termination of the related party transaction.

In any case, where the audit committee determines not to ratify a related party transaction that has been commenced without approval, the audit committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation by the defaulting person (as may be decided by the audit committee) to the related party or the Company, as the case may be, etc.

The Chairman of the Board and Audit Committee of the Company are jointly authorized to make changes to this Policy as they may deem fit and expedient, taking into account the law for time being in force.

The above policy is subject to review from time to time and at least once in every three years.

Mumbai  
Date: 12/08/2023

Sajal Jain  
Managing Director