

POLICY ON RELATED PARTY TRANSACTION

[Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and amendments thereof read with Section 188 of the Companies Act, 2013 and Rules made there under]

1. INTRODUCTION

Graphisads Limited has adopted policy regarding Related Party Transactions in order to set forth the procedures for transactions with Related Parties. (As defined below)

Policy on Related Party Transactions is formulated/ amended based on materiality of Related Party Transactions subsequent material modifications as defined by Audit Committee and on dealing with Related Party Transactions as provided in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and Section 188 of the Companies Act, 2013 and rules made there under and subject to change as required by law from time to time.

2. SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of a company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations"), Graphisads Limited ("Graphisads" or "the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Amendment and applicability in Regulation 23(1) of the SEBI Listing Regulations to SME Listed Entities requires a Company to formulate a policy on materiality of related party transactions and dealing with related party transactions. Further, Regulation 23(2) requires the Audit Committee to define material modification and disclose it as a part of the policy.

In light of the above, Graphisads has framed this Policy on Related Party Transactions ("Policy"). The Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee and shall be effective from 01st June, 2025.

Going forward, the Audit Committee would review and amend the Policy, at least once every three years, subject to the approval of the Board, unless there is a change in applicable regulations and/or in business conditions affecting the Company/its subsidiaries, which requires an earlier change to the Policy. If the terms of this Policy differ from any existing or newly enacted regulation or law governing the Company, such regulation or law will take precedence over this Policy until this Policy is changed to conform to said regulation or law.

3. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out



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- (a) the materiality thresholds for related party transactions;
- (b) define material modification; and
- (c) the manner of dealing with and disclosing the transactions between the Company and its related parties as required under the Act, the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

4. DEFINITIONS

“Company” means Graphisads Limited.

“Act” means Companies Act, 2013.

“Arm’s 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.

“Audit Committee or Committee” means Audit Committee constituted by the Board of Directors of the Company under the provisions of the SEBI LODR, 2015 and the Companies Act, 2013, as amended from time to time.

“Board of Directors” or “Board” means the Board of Directors of Graphisads Limited “the Company”, as constituted from time to time. “

“Independent Director” means an independent director referred to in Section 149(6) of the Companies Act, 2013, and LODR.

“Material Related Party Transaction” Regulations shall have the same meaning as defined in Regulation 23 of the SEBI Listing.

“Material modifications” means any modifications to the material related party transactions which were approved by the Audit Committee or Shareholders during the year which will change the complete nature of the transaction and in case of monetary thresholds which is in excess of 10% of the originally approved.

“Relative”, in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Companies Act, 2013.

“Related Party”, shall have the same meaning as defined under Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.

Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term “Related Party”

“Related Party Transactions” shall have the meaning as defined under Regulation 2(1)(zc) of the SEBI Listing Regulations or as envisaged in Section 188(1) of the Act.

“Subsidiary Company” or “Subsidiary” shall have the same meaning as defined in section 2(87) of the Companies Act, 2013.

“Significant Influence” means control of at least twenty percent of total share capital, or of business decisions under an agreement.

“Transactions in the ordinary course of business” means transactions which are in the ordinary course of business as per the judicial precedents in India from time to time.



Explanation – In view of the current judicial precedents, the following tests should be considered if a transaction is in the 'ordinary course of businesses of the Company

- a. The memorandum of association of the Company should include the business activity which is in question;
- b. Previous instances of the Company having carried out the activity which is in question;
- c. The activity in question should be in furtherance of the business objectives of the Company and there should be close proximity of the activity in question with the normal business of the Company.

“Determination of Arms’ length nature of the Related Party Transaction”

- a. **Price Determination:** At the time of determination the arms’ length nature of price charged for the Related Party Transaction, the Audit Committee shall take into consideration the following:
 - i. Permissible methods of arms’ length pricing as per Applicable Law.
 - ii. For the said purposes, Audit Committee shall be entitled to rely on profession opinion in this regard
- b. Underwriting and Screening of Related Party Transaction to be consider on arms’ length:
 - i. Underwriting and Screening of Arms’ length Related Party Transaction:
 - ii. The management shall produce evidence to the satisfaction of the Audit Committee for having applied the said procedure. If the Audit Committee is of the opinion that the Related Party Transaction meets the aforesaid criteria of Ordinary Course of Business and the Arms’ Length nature, the Related Party Transaction in such an instance will not be treated as a Related Party Transaction for the purpose of this Policy.

5. POLICY

A) Approval of Audit Committee

Pursuant to Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of LODR, all related party transactions and subsequent material modifications shall require approval of the Audit Committee and the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- a. The Audit Committee shall, specify the criteria for making the omnibus approval, in line with the policy on Related Party Transactions of the Company.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
- c. The omnibus approval shall contain/indicate/ specify



- i. the name/s of the related party,
 - ii. nature of transaction and period/duration of transaction
 - iii. maximum amount of transaction that can be entered into,
 - iv. the indicative base price / current contracted price and the formula for variation in the price if any and
 - v. any other information relevant or important for the Audit committee to take a decision on the proposed transaction or such other conditions as the Audit Committee may deem fit;
 - vi. where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may make omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction
- d. Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the company pursuant to each of the omnibus approval 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.
- f. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the company.
- g. Remuneration and sitting fees paid by the Company to its director, key managerial personnel or senior management, except who is/are part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material.
- h. 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;
 - 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 provisions of regulation 23(9) of LODR; and
 - 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.



B) Approval of the Board

All transactions which are not in the Ordinary course of business or an Arm's Length Transaction, the Company shall comply with the provisions of Section 188 of the Companies Act, 2013 and the rules framed thereunder and obtain approval of the Board or its shareholders as applicable, for such contract or arrangement.

C) Approval of the Shareholders

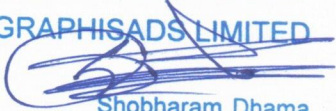
All material Related Party Transactions and subsequent material modifications as defined by the audit committee shall require approval of the shareholders through Resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

6. DISCLOSURES

- a. The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the reason for entering into such transaction.
- b. The Company shall submit within the timelines prescribed under Regulation 23(9) of the Listing Regulations, disclosures of related party transactions on a consolidated basis, in the format specified by SEBI from time to time and publish the same on its website.
- c. As prescribed under Regulation 46(2)(g) of the SEBI Listing Regulations, this Policy shall be disclosed on the Company's website viz. www.graphisads.com

7. REVIEW OF POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Audit Committee periodically and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

For and on behalf of
M/s GRAPHISADS LIMITED
For GRAPHISADS LIMITED

Shobharam Dhama
Company Secretary
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