

Policy on Related Party Transactions

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1. INTRODUCTION

The Board of Atmastco Limited (the “Company”) acting upon recommendation of its Audit Committee (the “Committee”) has adopted the following policy and procedures with regard to Related Party Transactions as defined below at its meeting held on February 11, 2026. This policy is intended to uphold confidence, trust and transparency and to ensure there is no conflict of interest arises that may cause concern among the Company’s stakeholders.

The Audit Committee may from time-to-time review and recommend amendments to this policy to the Board. The Board may amend this policy from time to time.

2. OBJECTIVE

The policy is not only to be in the best interests of its stakeholders but also in due compliance with the requirements of the Companies Act and other applicable laws. Further, Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, The Company is required to formulate a policy on Related Party Transactions including formulating a policy on determining materiality of Related Party Transactions and the manner of dealing with them. This policy is also required to be reviewed by the Board of Directors at least once every three years.

3. DEFINITIONS

- (a) “Act” means the Companies Act, 2013
- (b) “Audit Committee” means Audit Committee of the Board of Directors of the Company.
- (c) “Board” means Board of Directors of the Company.
- (d) “Group Company” means subsidiaries, associates or if any company under the same management.
- (e) “Key Managerial Personnel” (KMP) shall have the same meaning ascribed to such term under sub-section(51) of Section 2 of the Companies Act, 2013.



- (f) “Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any subsequent modifications or amendments thereof (SEBI LODR).
- (g) “Related Party” is defined under Section 2 (76) in Companies Act, 2013, which includes: Related Party with reference to a Company, means;
- (i) Director or his relative;
 - (ii) A Key Managerial Personnel or his relative;
 - (iii) A firm, in which a director, manager or his relative is a partner;
 - (iv) A private company, in which a director or manager or his relative is member or director;
 - (v) A public company, in which a director or manager is a director and holds along with his relatives more than 2% of its paid up capital;
 - (vi) Anybody corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
 - (vii) Any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
 - (viii) Any company which is-
 - a holding, subsidiary or an Associate Company of such company
 - a subsidiary of a holding company to which it is also a subsidiary
 - an investing company or the venturer of the company;
 - (ix) Such other persons as may be prescribed
- (h) “Related Party Transaction” or “RPT”
- Subject to the approval of the Audit Committee or the Board or the Shareholders, as the case may be, a Company shall enter into any contract or arrangement with a related party with respect to:-
- a) Sale, purchase or supply of any goods or materials;
 - b) Selling or otherwise disposing of, or buying, property of any kind (including intangible property);



- c) Leasing/ licensing of property of any kind (including intangible property);
- d) Availing or rendering of any services;
- e) Appointment of any agent for purchase or sale of goods, materials, services or property;
- f) Appointment of any related party to any **office or place of profit*** in the company, its subsidiary company or associate company; and
- g) Underwriting the subscription of any securities or derivatives thereof, of the company.

**Office or Place of profit : Anything by way of remuneration over and above the remuneration to which he is entitled as director/KMP/Relative, by way of salary, fee, commission, perquisites, any rent free accommodation, or otherwise.*

In addition to the above, Listed Company Related Party Transactions shall have the meaning as defined under Regulation 2(1) (zc) of LODR which is as under:-

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:

(e.g. of above is Corporate guarantee given to some third party on behalf of any related party, which is giving some benefit to related party)

- (i) “Material Modification” of related party transaction will mean and include
 - any modification to an existing related party transaction having an increase or incremental variance of 20% or more of the existing limit as sanctioned by the Audit Committee / Board or Shareholders of the Company.
 - the transaction not being at arm’s length.



- Novation of RPT in favor of another group company, except where such novation is on account of any statutory requirement.

- (j) “Material” with effect from April 01, 2025, a listed entity which has listed its specified securities on the SME Exchange, 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 fifty 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.

Also 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, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

- (k) “Ordinary course of business” if transactions satisfy any of the following criteria, such transactions will be generally in the ordinary course of business:
 - I. The memorandum of Association of the Company should cover such transaction;
 - II. The Company has done similar transactions in the past.
 - III. These transactions are frequent over a period of time;
 - IV. The transaction should be in furtherance of the business objectives of the Company;
 - V. The transactions, if not frequent, are important to the business objectives of the Company;
 - VI. The transactions are incidental to Manufacturing industry/ part of standard industry practice or but for which the business would be adversely affected.

This is not exhaustive criteria and the Company should assess each transaction considering its specific type, nature, value and circumstances.

- (l) “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. To derive the price the price or kind according to open market or any earlier transaction with unrelated parties.

The pricing or terms of such transactions should be derived from open market rates or based on similar transactions with unrelated parties. Once the Audit Committee approves or ratifies such contracts or arrangements, any transactions arising from them will not require separate evaluation at the time of execution. The Chief Financial Officer (CFO) of the company is authorized to continuously monitor compliance with this process.

4. REVIEW AND APPROVAL OF RPTs

The Finance and Accounts (F&A) Department shall be responsible for collecting data from the respective Business whenever any Related Party Transaction (RPT) is identified. The onus shall be on the F&A Department to refer such RPTs to the Secretarial Department for review, and thereafter, the Secretarial Department shall forward the same to the Audit Committee for their approval or ratification.

A. Audit Committee

All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the Company and only those members of the audit committee, who are independent directors, shall approve related party transactions.

The Audit Committee shall consider the following factors while determining approval–

- a) Name of the related party and its relationship with the Company or its subsidiary including nature of its concern or interest;
- b) Nature, material terms, monetary values, tenure and particulars of the contract / arrangement / transaction;
- c) Method and manner of determining the pricing and other commercial terms;
- d) Whether the RPT is at arm’s length;
- e) Percentage of the value of the proposed RPT to the annual consolidated turnover of the Company/ standalone turnover of the subsidiary;



- f) In case of RPT involving loan, advances, ICDs or investments made / given by the Company / subsidiary:
- + Details of sources of funds;
 - + In case of indebtedness, nature of indebtedness, cost of funds and tenure;
 - + Applicable terms including covenants, tenure, interest rate, secured or unsecured and repayment schedule;
 - + Purpose of utilization of funds by ultimate beneficiary of such RPT.
- g) Justification as to why the RPT is in the interest of the Company;
- h) Copy of valuation / external party report, if any;
- i) Percentage of the value of the proposed RPT to the annual consolidated turnover of the counterparty (voluntary); and
- j) Any other information relevant or important for the Audit Committee / Board to take a decision on the proposed transaction.

Note: Transaction specified under 2(1)(zc) a to e of LODR 2015, shall not be a related party transaction.

As per Regulation 23(5) LODR 2015 approval provision shall not applicable to following transaction.

- a) Transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- b) Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Also the audit committee of a Company shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions.

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, shall require prior approval of the audit committee of the Company 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 of the Company as specified in Schedule XII of SEBI LODR 2015.

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, shall not require approval of the audit committee provided that the same is not material transactions.

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) SEBI LODR 2015.
- 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) SEBI LODR 2015.
- 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.

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 and the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.

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.

The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.

Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

In addition to, since the transactions or arrangements mentioned in the policy are specifically dealt under different provisions of the Law/policy of the Company and executed under separate approvals, no approval of Audit Committee will be taken for:

- I. Any RPTs (except in case of any Material Transaction) approved by the Nomination & Remuneration Committee and the CSR Committee.
- II. Any transaction by the Company with its employee, who is a related party of Atmastco group, pursuant to the employment terms.
- III. Employer's contribution to Provident Fund / Gratuity / Superannuation etc. to a recognized Trust as part of its statutory obligations.
- IV. Reimbursement of expenses at actuals based on supporting documents.



B. Board of Director

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or where Committee does not approve the transaction shall make its recommendation to the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be appropriate under the circumstances.

A Director, if interested in any Related Party Transaction, shall not participate in such meeting.

C. Shareholder

All material related party transactions and subsequent material modifications as defined by the audit committee under sub-regulation 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 further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

All existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

5. Final Execution

The Managing Director / Chief Financial Officer / Chief Executive Officer shall have the authority to deny or withhold the execution of any previously approved Related Party Transaction, if such action is deemed to be in the best interest of the Company at the time of execution.

6. Disclosure

The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time, and publish the same on its website.

Provided further that the Company shall make such disclosures every six months on the date of publication of its XBRL standalone and consolidated financial results.

Provided further that 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, shall not require disclosure under this sub-regulation provided that the same is not material in terms of the provisions of 23(1) SEBI LODR 2015.

The Company shall disclose this Policy in the Annual Report by providing a web link to this Policy.

7. Amendments

The Company may amend the Policy as and when it deems necessary either pursuant to any change in law or otherwise. The Company shall be free to devise and implement any supplementary or other policies and guidelines in respect hereof for better implementation of this Policy.

8. Policy Review

Where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule, regulation or standard.

Sd/-
Venkataraman Ganesan
CFO and Director



Details of Documents

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