

Policy on Related Party Transactions

1. PREAMBLE:

The Board of Directors (the “Board”) of Axel Polymers Limited (the “Company”) has adopted a policy on materiality of related party transaction and dealing with related party transaction in compliance with the requirements of Section 188 of the Companies Act, 2013 (the “Act”) read with rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”).

In accordance with the aforesaid provisions, this policy shall be reviewed by the Board of Directors at least once every five years and updated accordingly.

Accordingly, this policy has been further reviewed, amended and become effective from November 13, 2025.

2. OBJECTIVE:

This policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties. This Policy specifically deals with the review and approval of material related party transaction keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions and to ensure transparency in the conduct of related party transactions in the best interest of the company and its stakeholders.

3. DEFINITIONS:

“Arm’s length transactions” 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 the Committee of the Board constituted from time to time under the regulation 18 of the Listing Regulations read with Section 177 of the Act as applicable.

“Board” means the Board of Directors as defined under the Act.

“Key Managerial Personnel” means Key Managerial Personnel as defined in Section 2(51) of the Act.

“Material Related Party Transaction” means a transaction with Related Party which individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such limits as may be prescribed either in the Act or the Listing Regulations, whichever is stricter, from time to time.

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, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the listed entity.

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“Material modification” shall mean and include any modification to an existing related party transaction having variance of 30% of the existing limit every financial year as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

“Related Party” shall have the meaning as defined in Section 2(76) of the Act, read with Regulation 2(1)(zb) of the Listing Regulations, as amended from time to time, and the applicable Accounting Standards as applicable.

“Related Party Transaction” shall have the meaning as defined in the Section 188 and other applicable provisions of the Act and Regulation 2(1)(zc) of the Listing Regulations, as amended from time to time as applicable.

“Relative” means relative as defined in Section 2(77) of the Act and rules framed there under read with 2(1)(zd) of the Listing Regulations

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, applicable Accounting Standards or any other applicable law or regulation as the case may be

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION:

All related party transactions and subsequent material modifications shall be subject to the prior approval of the Audit Committee whether at a meeting or passing of resolution by circulation (through electronic mode or otherwise). A member of the Committee who (if) has a potential interest in any related party transaction will not remain present at the meeting or abstain from discussion and voting on such related party transaction and shall not be counted in determining the presence of a quorum when such transaction is considered. In the event the Company's management determines that it is impractical or undesirable to wait until a meeting of the Committee to enter into a related party transaction, such transaction may be approved by the Committee by way of circular resolution in accordance with this Policy and statutory provisions for the time being in force. Any such approval shall be noted by the Committee at its next scheduled meeting.

5. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

All Directors are responsible for informing the Company of their interest (including interest of their relatives) in other Companies, firms or concerns at the beginning of every financial year and any change in such interest during the year. In addition, all Directors are responsible for providing notice to the Company Secretary of any potential related party transaction involving him/her or his or her relative, including any additional information about the transaction that the Audit Committee may request.

Company Secretary shall prepare a comprehensive List of Related Parties based on the information received from Director and other persons or entities identified by him.

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6. INDUSTRY STANDARD ON MINIMUM INFORMATION TO BE PROVIDED FOR REVIEW OF THE AUDIT COMMITTEE AND THE SHAREHOLDERS FOR APPROVAL OF RELATED PARTY TRANSACTION (RPT)

The Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chambers of Commerce & Industry of India (ASSOCHAM) and Confederation of Indian Industry (CII), jointly in consultation with the Securities and Exchange Board of India (SEBI) have introduced Industry Standard on minimum information to be provided for review of the Audit Committee and the shareholders for approval of RPT.

These standards will be effective from July 1, 2025, or any later date notified by SEBI. If the Company wishes to enter into a RPT which falls within the applicability matrix specified in clause 1 of the aforesaid standard, then, disclosures as per clause 4 of aforesaid standards shall be made before the Audit Committee or shareholders, as the case may be, at the time of seeking their approval for the said RPT.

7. CONSIDERATION BY THE AUDIT COMMITTEE IN APPROVING THE PROPOSED TRANSACTIONS:

While considering any transaction, the Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters as statutorily required.

While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party.

Only those members of the Committee, who are Independent Directors, shall approve the related party transactions.

8. APPROVAL BY THE BOARD:

If the Committee determines that a related party transaction should be brought before the Board, or if the Board in any case elects to review any such matter or if the transaction is required to be brought before the Board pursuant to Section 188 of the Act, then the Board shall consider and approve the related party transaction at a meeting and/or by Circular Resolution and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

9. OMNIBUS APPROVAL BY THE AUDIT COMMITTEE:

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Audit Committee may grant omnibus approval. While granting the omnibus approval, the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company.

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The omnibus approval shall specify the following:

- a)** Name of the related party
- b)** Nature of the transaction
- c)** Period of the transaction
- d)** Maximum amount of the transactions that can be entered into
- e)** Indicative base price / current contracted price and formula for variation in price, if any
- f)** 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 transaction up to value of Rs. 1 Crore per transaction.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for each specific transaction unless there is Material Modifications. Further, the Committee shall review and assess, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

Omnibus approval granted by the Audit Committee shall be valid for a period of one financial year and shall require fresh approval after expiry of one year.

Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.

10. APPROVAL BY SHAREHOLDERS:

9.1 APPROVAL BY SHAREHOLDERS UNDER THE ACT:

Pursuant to Section 188 of the Act read with Rule 15 of Companies (Meeting of Board and its powers) Rules, 2014, amended from time to time, the related party transactions which are neither in the 'ordinary course of business' nor on an 'Arm's Length basis' and exceed the threshold prescribed under the aforesaid rule, shall require the prior approval of the shareholders through resolution.

No member of the company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such member is a party to the contract/arrangement.

9.2 APPROVAL BY SHAREHOLDERS UNDER THE LISTING REGULATIONS:

All material related party transaction and subsequent material modifications shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolution, whether the Company is a related party to the particular transaction or not.

11. RATIFICATION OF RELATED PARTY TRANSACTIONS:

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10.1 RATIFICATION BY THE BOARD / SHAREHOLDERS UNDER SECTION 188 OF THE ACT:

Any contract or arrangement entered into by any Director or other employee without obtaining the consent of the Board or approval by a resolution in the general meeting and is not ratified by the Board or, as the case may be, by the shareholders at a meeting within 3 months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board, or, as the case may be, shareholders and if the contract or arrangement is with related party to any Director, or is authorised by any other Director, the Directors concerned shall indemnify the Company against any loss incurred by it.

10.2 RATIFICATION BY THE AUDIT COMMITTEE UNDER LISTING REGULATIONS:

The members of the Audit Committee, who are Independent Directors, may ratify a related party transaction within 3 months from the date of the transaction or in the immediate next Audit Committee Meeting, whichever is earlier, subject to the following conditions:

- a) 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;
- b) the transaction is not a material related party transaction;
- c) rationale for inability to seek prior approval for the transaction shall be placed before the Audit Committee at the time of seeking ratification;
- d) the details of ratification shall be disclosed along with the disclosures of related party transactions submitted to the stock exchanges;
- e) 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 listed entity against any loss incurred by it.

12. DISCLOSURE AND REPORTING OF RELATED PARTY TRANSACTIONS:

Every related party transaction entered into by the Company shall be referred to in the Board's report to the shareholders as prescribed under laws.

In accordance with Regulation 23(9) of the Listing Regulations, the Company shall submit to the stock exchanges a disclosure of related party transactions in the format as specified by the Board from time to time and publish the same on its website. The Company shall submit the aforesaid disclosure every six months on the date of publication of its standalone and consolidated financial results.

13. SCOPE LIMITATION:

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In the event of any conflict between the provisions of this Policy and of the Act / Listing Regulations / or any other statutory enactments, rules, the provisions of such Act / Listing Regulations or statutory enactments, shall prevail over this Policy.

14. DISSEMINATION OF POLICY:

Either this Policy or the important provisions of this policy shall be disseminated to all functional and operational employees and other concerned persons of the Company and shall be hosted on website of the Company and web-link thereto shall be provided in the Annual Report of the Company.

15. AMENDMENT:

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment, whether mandatory or enabling impacting the provisions of this Policy, 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.
