

ANANDRATHI

**Anand Rathi Share and Stock Brokers
Limited**

Policy on Related Party Transactions

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Preamble

This Policy is prepared in accordance with the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), as amended from time to time, and in lines with Section 188 of the Companies Act, 2013, as amended, and the rules made thereunder, which requires the Companies to have enhanced transparency and due process for approval of related party transactions.

Definitions

For the purposes of this policy:

"Audit Committee or Committee" shall mean a Committee of the Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013.

"Arm's Length Transaction ('ALP')" means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.

"Board" means Board of Directors of ARSSBL.

"Company or ARSSBL" shall mean Anand Rathi Share and Stock Brokers Limited, wherever it is referred to in the policy.

"Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

"Directors" shall mean the directors of ARSSBL.

"Key Managerial Personnel" shall mean key managerial personnel in relation to ARSSBL as defined under the Companies Act, 2013, as follows:

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-time Director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as KMP by the Board; and
- (vi) any other person appointed as the KMP by the Board of Directors of the Company;

"Material modification" shall mean & include any modification to an existing Related Party Transactions having variance of 40% of the existing limit, as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

"Ordinary Course of Business" shall mean a transaction which satisfies the following criteria:

- The Memorandum of Association of the Company covers such transaction;
- There are previous instances of the Company having carried out such transaction;
- These transactions are frequent over a period of time;
- The transaction should be in furtherance of the business objectives of the Company;
- The transactions, if not frequent, are important to the business objectives of the Company;
- Meets any other parameters / criteria as decided by the Board/Audit Committee from time

to time.

“Policy” shall mean the Policy on Related Party Transactions of ARSSBL.

“Related Party” will have the same meaning as defined under Section 2(76) of the Act and/ or Regulation 2(zb) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or under the applicable accounting standards and any amendments thereto, if any.

“Related Party Transaction” means all transaction(s) between the Company on one hand and one or more related party(ies) on the other hand including contracts, arrangements and transactions as envisaged in Section 188(1) of the Act and/or Regulation 2(zc) and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Relative” in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act read with Rules thereto and clause (zd) of Regulation 2 of the SEBI (LODR) Regulations and any amendments thereto.

“Shareholders” shall mean the shareholders of Anand Rathi Share and Stock Brokers Limited.

“Special Resolution” shall mean a resolution in which the votes cast in favour of the resolution, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting.

Materiality of Related Party Transactions

- a) Any transaction/contract with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs.1000 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 other sum as may be prescribed under the Companies Act or SEBI Listing Regulations, as amended from time to time.
- b) Any transaction involving payments to a related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year which exceeds 5% of the annual consolidated turnover of the Company as per the last audited consolidated financial statements of the Company or such sum as may be prescribed under the Companies Act or SEBI Listing Regulations as amended from time to time.

Dealing with Related Party Transactions

a) Identification of Related Party Transactions-

It shall be the responsibility of the Directors and Key Managerial Personnel to provide to the Company, notice of their interest in any transaction proposed to be entered into by the Company, in which they are directly or indirectly interested and abstain from voting in the meeting of the Board and as the case may be at the meeting of the Shareholders in which the transaction is proposed to be approved.

Each Director and Key Managerial Personnel shall make an Annual Declaration as per the provisions of the Companies Act with respect to Related Party transactions to the Company and this declaration shall be placed before the Audit Committee and the Board at their first meeting held at the succeeding financial year.

Any change in the list of Relatives shall be intimated by the Directors and KMPs by way of a fresh declaration to the Company.

b) Audit Committee Approval-

All Related Party Transactions, irrespective of whether they are material or not, shall be entered into only after the prior approval of the Audit Committee is obtained. Also, all subsequent material modifications of related party transactions shall require prior approval of the Audit Committee of the Company. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

Provided further that:

(a) 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 10% of the annual consolidated turnover, as per the last audited financial statements of the subsidiary.

(b) 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 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

(c) 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 as defined in the materiality of related party transactions.

(d) 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 sub-regulation (1) of this regulation;
- (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 sub-regulation (9) of this regulation;
- (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 listed entity against any loss incurred by it.

In case any member of the Committee is interested in the transaction proposed for approval, the interested member shall abstain from voting and only the dis-interested members shall vote on the resolution.

For the purpose of the approval, the Company shall provide the Audit Committee with the following details in order to enable it to take a learned decision:-

1. The name of the related party and nature of relationship.
2. The nature, duration and particulars of the contract or arrangement in case the same have been finalised.
3. The material terms of the contract or arrangement including value, if any. If the same are not arrived at as on date of tabling of the transaction, the estimated/projected values.
4. Any other data, depending on the transaction, which would be relevant or important for the Committee to take a decision

Omnibus approval by Audit Committee:-

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 lay down the criteria for granting the omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;

- c. Such omnibus approval shall specify
- (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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 Rs.1 crore per transaction.

- d. Audit Committee shall review, at least on a quarterly basis, the details of RPTs 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. In case any transaction involving any amount not exceeding Rs.1,00,00,000/- (Rupees One Crore) is entered into by a Director or Officer of the Company without obtaining the approval of the Audit Committee such transactions can be ratified by the Audit Committee 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 as defined in this Policy or in terms of Regulation 23 of SEBI LODR including modifications or amendments thereto;
 - (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 the format as specified by the SEBI from time to time and the Company's website;
 - (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.

- g. In case of transaction, other than transactions referred to in Section 188 of the Companies Act and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board.

c) Approval of the Board-

The following Related Party Transactions shall be subject to prior approval of Board of Directors:

- a) As per Section 188 of the Companies Act 2013, all transactions specified under the said Section, which are not in the ordinary course of business and / or not on arm's length basis.
- b) Transactions which are not approved by the Audit Committee or in the opinion of the Audit Committee need special consideration / determination by the Board.
- c) Transactions meeting the materiality threshold laid down in this Policy which is intended to be placed before the Shareholders for approval.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

d) Approval of the Shareholders-

All Material Related Party Transactions and subsequent material modifications as defined by the Audit Committee, except those entered into by ARSSBL with its wholly owned subsidiaries, shall be entered into only after the prior approval Shareholders of the Company in which all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

However, the prior approval of the shareholders shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if Regulation 23 and sub-regulation (2) of regulation 15 of SEBI Listing regulations are applicable to such listed subsidiaries. Further, the said requirement would not be applicable in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Further, all Related Party Transactions, which are not in the Ordinary Course of Business or not executed at an arm's length basis, exceeding the threshold limits as may be prescribed under the Companies Act 2013 and the Rules made thereunder, shall also require the approval of shareholders.

In order to assist the shareholders to take an informed decision, the notice calling for the general meeting shall have the following details in the explanatory statement annexed to the resolution:

- 1. The name of the related party and nature of relationship.
- 2. The nature, duration and particulars of the contract or arrangement in case the same have been finalised.
- 3. The material terms of the contract or arrangement including value, if any. If the same

- are not arrived at as on date of tabling of the transaction, the estimated/ projected values.
4. Any other data, depending on the transaction, which would be relevant or important for the members to take a decision.

Provided that the above requirements shall not be applicable for:

- a) transactions entered into by ARSSBL with its wholly owned subsidiaries whose accounts are consolidated with ARSSBL and placed before the shareholders at the general meeting for approval;
- b) transactions 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.
- c) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

Review of Related Party Transactions

All the Related Party Transactions shall be reviewed on a periodic basis by the Audit Committee and the Company shall provide the details of all such transactions to the Committee at its meeting at least once every quarter. The Internal Auditors of the Company shall review all the Related Party Transactions in a financial year.

Omission of prior approval of the Committee

In the event of a case where any related party transaction/ transactions have been entered into without the prior approval of the Audit Committee, it shall be the prerogative of the Committee to:

- call for all the details relevant to the transaction,
- consider and examine all the facts and circumstances with respect to the case and
- try and establish the reason for omission.

Once the Committee is satisfied with the facts and data produced before it, it shall then weigh in the options available to the Company, including ratification or termination of the transaction, and shall further take any action it deems appropriate.

Maintenance of Database

The Company Secretary / Compliance Officer/ Chief Financial Officer shall be responsible to maintain an updated database of information pertaining to Related Parties reflecting details of:

- a. All Directors and Key Managerial Personnel.
- b. All individuals, partnership firms, companies and other persons as declared and updated by Directors and Key Managerial Personnel;
- c. Company's holding company, subsidiary companies and associate companies;
- d. Subsidiaries of holding company;
- e. Director or Key Managerial Personnel of the holding company or their Relatives.
- f. All group entities; and
- g. Any other entity which is a Related Party as defined under Section 2(76) of the Companies Act, 2013 read with Listing Obligation or the relevant Accounting Standard.in the Policy.

The database shall be updated whenever necessary and shall be reviewed at least once a year jointly by the Company Secretary / Compliance Officer. The functional / business heads / Chief Financial Officer / Company Secretary shall have access to the updated database.

Process for Dealing with Related Party Transactions

- Pre-clearance: Departments must obtain confirmation from the Compliance function on whether a proposed counterparty is a Related Party and whether the proposed transaction requires Audit Committee/Board/Shareholder approval before execution.
- Arm's length & benchmarking: For transactions claimed to be on arm's length basis, appropriate external/internal benchmarking (e.g., comparable uncontrolled price, cost-plus, third-party quotes) shall be documented and presented to the Audit Committee/Board, as applicable.
- Contracting: No RPT shall be executed without the requisite approvals. Contracts shall include commercial terms consistent with approvals and shall be monitored for adherence.
- Central register: The Compliance function shall maintain a central register of all approved RPTs, track utilisation against approved limits, and flag any potential material modification for prior approval.
- CFO certification: The CFO shall provide a quarterly certification to the Audit Committee and Board confirming that all RPTs during the quarter were reviewed/approved as per this Policy and executed at arm's length and in the ordinary course, where claimed.

Reporting of Related Party Transactions

Every contract or arrangement which is required to be approved by the Board / shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

The details of material transactions with related parties will be included in the Corporate Governance Report which are required to be submitted to the stock exchanges on a quarterly basis.

The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report of the Company.

The Company shall submit to the stock exchanges, disclosures of related party transactions every six months on the date of publication of its standalone and consolidated financial results, in the format as specified by the SEBI from time to time and publish the same on its website.

The remuneration and sitting fees paid by the Company or its subsidiary to its directors, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure to the stock exchanges as stated above, provided that the same is not material as defined in this policy or under Regulation 23 of the SEBI Listing Regulations, including modifications or amendments made thereto.

Authority to make amendments

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

Any subsequent amendment/modification in the Listing Regulations or the Companies Act or any other applicable laws, direction or clarification by SEBI, provision of this Policy shall be read and implemented in context of such amended/modified or clarified positions.

The Audit Committee shall have the right to make recommendations to the Board with regards to any amendment to the policy and the Board shall have the power to make any amendments to the Policy as it deems fit from time to time in accordance with the above. The Board may review this Policy periodically (and at least once every three years) and make amendments from time to time, as may be deemed necessary (including based on recommendation(s) of the Audit Committee).

This policy shall be disclosed on the Company's website and the web link to the same shall be provided in the Annual Report.

Version Control

Version	Date of Adoption / Review / Revision	Change Reference	Approving Authority
1.	15 th November, 2024	Adoption	Recommended by Audit & Approved by Board
2.	18 th October, 2025	Review	Recommended by Audit & Approved by Board