

ASHIMA LIMITED
POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE

The Board of Directors (“the Board”) has adopted this Policy upon recommendation of the Audit Committee. This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

2. PURPOSE

This Policy is framed based on the requirements of the Listing Agreement entered into by the Company with the Stock Exchanges and also to comply with the provisions of Section 188 of the Companies Act, 2013 read with applicable Rules and is intended to ensure the governance and reporting of the Related Party Transactions (RPTs) between the Company and its Related Parties.

3. DEFINITIONS

"Act": means the Companies Act, 2013 and the Rules framed thereunder including any modifications, amendments, clarifications , circulars or re-enactments thereof from time to time.

“Arms 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" shall have the same meaning as defined under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

“Board of Directors” or “Board” means the Board of Directors of the Company.

“Company” means Ashima Limited.

“Key Managerial Personnel” means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.

“Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds 10% of the Annual consolidated Turnover of the Company as per the last Audited Financial Statements of the Company.

"Policy" means current Related Party Transaction Policy of the Company including amendments, if any, from time to time.

"Related Party" means a related party as defined under the Act read with Clause 49 of the Listing Agreement and as amended from time to time.

"Related Party Transaction(s) or RPTs" means any transaction as defined under the Act, Rules made thereunder the Act and Clause 49 of the Listing Agreement from time to time.

"Relative" means a relative as defined under the Act.

"Transaction" with a Related Party shall be construed to include single transaction or a group of transactions in a contract.

4. IDENTIFICATION OF RPTs

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.

All Directors, Members of the Management Committee and Key Managerial Personnel (KMPs) 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, Members of the Management Committee and KMPs 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. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.

Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

5. REVIEW AND APPROVAL OF RPTs

Audit Committee: Every Related Party Transaction shall be subject to prior approval of the Audit Committee whether at a meeting or by resolution by circulation. However, the Audit Committee may grant omnibus approval for RPTs proposed to be entered

into with the Company which are repetitive in nature and are in the ordinary course of business and on at arm's length basis, subject to compliance of the conditions contained in Clause 49 of the Listing Agreement.

Any member of the Committee who has potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

To review a Related Party Transaction, the Audit Committee shall be provided with the necessary information to the extent relevant with respect to the actual or potential RPTs and / or prescribed under the Companies Act, 2013 and Rules thereunder, and the Listing Agreement with the Stock Exchanges.

Board: if the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under the Act or any law for Board to approve the Related Party Transaction then the Board shall consider and approve it and the consideration 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.

Any member of the Board who has potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

Shareholders: All the Material RPTs shall require approval of the shareholders through special resolution and Related Party/ies with whom transaction is to be entered shall abstain from voting on such resolution.

All the transactions, other than Material RPTs, with the Related Party/ies which are not in the ordinary course of business or at Arm's Length basis shall also require prior approval of Shareholders through special resolution if so required under the Act and Related Party/ies shall abstain from voting on such resolutions.

RPTs that shall not require approval:

Following transactions shall not require separate approval under this policy:

- Any transaction pertaining to appointment and remuneration of Directors and KMPs that has already been approved by the Nomination and Remuneration Committee of the Company or the Board;
- Transactions that have been approved by the Board under the specific provisions of the Companies Act, e.g. inter-corporate deposits, borrowings, investments;
- Payment of Dividend;
- Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, scheme of arrangement, merger, demerger, hive-off, approved by the

Board and carried out in accordance with the specific provisions of the Companies Act, 2013 or the Equity Listing Agreement;

6. 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 under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all of 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. The Audit Committee may examine the facts and circumstances of the case and take any such action as it may deem appropriate.

7. DISCLOSURES

Details of all Material Related Party Transactions shall be disclosed to the Stock Exchange quarterly along with the compliance report on corporate governance. The Company shall disclose the Policy on its website and web link shall be provided in the Annual Report.

8. AMENDMENT IN LAW

The Audit Committee shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company. Any subsequent amendment / modification in the Listing Agreement and / or applicable Laws in this regard shall automatically apply to this Policy.
