

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

1. PREAMBLE

Asahi India Glass Limited (hereinafter referred to as “AIS” or “the Company”) always adheres to highest corporate governance standards and follows ethical practice in all its transactions. As a matter of practice all business transactions of AIS, whether or not in ordinary course of business, are done on arm’s length basis.

The Board of Directors has adopted this Policy upon recommendation of the Audit Committee to define and regulate the transactions between the Company and its Material Related Parties in the best interest of the Company and its stakeholders. The said Policy includes materiality of related party transactions and manner of dealing with Material Related Parties Transactions in compliance with the requirements of Section 188 of the Companies Act, 2013 read with Rules thereunder, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and / or any other law as may be applicable to the Company. Amendments, from time to time, to the Policy, if any, shall be considered by the Board of Directors based on the recommendations of the Audit Committee.

2. OBJECTIVE

This Policy has been framed in compliance with Regulation 23 of LODR and other applicable provisions of law (including any statutory modification(s) or re-enactment thereof for the time being in force). Further objective of this policy is to ensure that Material Related Party Transactions are appropriately entered in the best interest of the Company and its stakeholders. In order to ensure the same procedures for entering into and execution of Material Related Party Transactions have been set forth.

3. DEFINITIONS

3.1 “Act” means Companies Act, 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications, circulars or reenactments thereof.

3.2 “Arm’s Length Transaction” means a transaction entered into between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determining Arm’s Length Transaction, transfer pricing provisions under the Income tax Act, 1961 may be referred.

3.3 “Audit Committee” means committee of Board of Directors of the Company constituted in accordance with the provisions of Companies Act, 2013 and LODR.

3.4 “LODR” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, amendments, clarifications, circulars or reenactments thereof.

3.5 “Material Modifications” means any modification to the existing Related Party Transaction which were approved by the Audit Committee or by the Board of Directors or Shareholders, as the case may be, during the year which has the effect of increasing or decreasing the value of such Related Party Transaction by 20% of existing limit sanctioned by Audit Committee.

3.6 “Material Related Party Transaction” means a Related Party Transaction which individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 Crore (Rupees one thousand crore only) or 10% (ten percent) of the Annual Consolidated Turnover of the Company, whichever is lower as per the last audited financial statements of the Company. Provided that in case of any amendment to the Act or Listing Regulations, definition of Material Related Party Transactions will be deemed to be changed without any further approval of Audit Committee or Board.

Provided that 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 Company as per the last audited financial statements of the Company.

3.7 “Related Party” means a related party as defined under sub-section (76) of Section 2 of the Companies Act, 2013 read with Regulation 2(1)(zc) and Regulation 23 of LODR and as amended from time to time or under the applicable accounting standards:

Provided that:

- i. any person or entity forming part of the promoter or promoter group of the Company, or
- ii. any person or entity holding equity shares of
 - (a) 20% or more
 - (b) 10% or more with effect from April 1, 2023in the Company directly or on a beneficial interest basis as provided under Section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall deemed to be a related party..

3.8 “Relative” means a relative as defined under Section 2 (77) of the Companies Act, 2013.

3.9 “Related Party Transaction” means a transfer of resources, services or obligations between:

- i. the Company or any of its Subsidiaries on one hand and a Related Party of the Company or any of its Subsidiaries on the other hand, or
- ii. the Company 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 Company 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 and such transactions as specified under Regulation 23 of LODR.

3.10 “Policy” means the current Policy on Materiality of Related Party Transactions, including amendments, if any, from time to time

4. CHARTER

4.1 All the Related Party(s) Transactions and any subsequent material modifications thereto entered into by the Company, whether material or not, shall require prior approval of the Audit Committee; whether at a meeting or by resolutions by circulation.

Provided that the approval for Related Party Transactions shall only be granted by those members of the Audit Committee that are Independent Directors.

4.2 All material Related Party Transactions and subsequent material modifications except entered into (a) by and between AIS and its wholly owned subsidiary, (b) between two wholly-owned subsidiaries, shall require prior approval of the shareholders through resolution and the related parties shall abstain from voting to approve on such resolutions whether the entity is a related party to the particular transaction or not;

Provided that the requirement for a fresh shareholders' approval shall not apply to any Related Party Transaction that has been approved by the Audit Committee and the shareholders prior to April 1, 2022.

Provided further that a Related Party Transaction that has been approved by the Audit Committee prior to April 1, 2022 which continues beyond such date and becomes a Material Related Party Transaction shall be placed before the shareholders of the Company in the first annual general meeting held after April 1, 2022

5. DISCLOSURE REQUIREMENTS

5.1 Significant RPT are to be disclosed in Board's Report along with justification for entering into such RPT;

5.2 Details of all material RPT shall be disclosed quarterly to the Stock Exchanges along with the compliance report on corporate governance that may have potential conflict with the interests of Company at large; and

5.3 The Company shall submit disclosure of Related Party Transactions in the prescribed format to the stock exchange and publish the same on its website.

5.4 The Company shall disclose the Policy on its website and weblink shall be provided in the Annual Report.

6. AMENDMENT IN LAW

This Policy will be effective from 1st April 2022 and will be reviewed by the Board of Directors at least once every three years and updated accordingly.

Any subsequent amendment/ modification in LODR and/or applicable laws in this regard shall automatically apply to this Policy
