

**Krystal Integrated Services Limited  
(Previously known as Krystal Integrated Services  
Private Limited)**

**Policy on Related Party Transactions**

| SUMMARY OF POLICY / CODE     |                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Owner / Created by</b>    | Secretarial Team                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Adherence by</b>          | Board of Directors                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Version</b>               | 1.5                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Effective Date</b>        | September 15, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Last Review Date</b>      | August 04, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Review Frequency</b>      | AN - Annually<br>OT - Other i.e upon regulatory change                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Related Regulations</b>   | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules 2014 and Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by SEBI vide its circular dated February 14, 2025 and October 13, 2025  |
| <b>Next Review Date</b>      | August 2027/ as and when required due to change in regulations and/or applicable laws. Any subsequent amendment/modification in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules 2014 and/or other applicable laws, circulars in this regard shall automatically apply to /prevail upon this Policy. |
| <b>Reviewed by</b>           | Audit Committee                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Approved by</b>           | Board of Directors                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Approval Date</b>         | August 04, 2026                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Confidentiality level</b> | Board / Audit Document                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Change History |                    |                  |                    |                       |
|----------------|--------------------|------------------|--------------------|-----------------------|
| Version        | Effective Date     | Created by       | Approved by        | Description of change |
| 1.1            | September 15, 2023 | Secretarial Team | Board of Directors | Initial Policy        |

| Change History |                  |                  |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------|------------------|------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Version        | Effective Date   | Created by       | Approved by        | Description of change                                                                                                                                                                                                                                                                                                                                                                                                               |
| 1.2            | August 12, 2024  | Secretarial Team | Board of Directors | Annual review; and no changes were required.                                                                                                                                                                                                                                                                                                                                                                                        |
| 1.3            | January 20, 2025 | Secretarial Team | Board of Directors | Updated in line with SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024.                                                                                                                                                                                                                                                                                                                    |
| 1.4            | April 30, 2025   | Secretarial Team | Board of Directors | Updated in line with SEBI Master Circular dated November 11, 2024 and the Industry Standards Forum dated February 14, 2025                                                                                                                                                                                                                                                                                                          |
| 1.5            | August 04, 2026  | Secretarial Team | Board of Directors | Annual review;<br><br>Updated in line with amendment proposed in Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 and SEBI circular dated October 13, 2025 on Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions |

## **Krystal Integrated Services Limited**

### **Policy on Related Party Transactions**

#### **1. Introduction**

The Board of Directors (the “Board”) of Krystal Integrated Services Limited (the “Company”), has adopted the following policy and procedures with regard to Related Party Transactions as defined below for identification of related parties and the proper conduct and documentation of all related party transactions. The Audit Committee will review this policy from time to time and suggest amendments to the Board for its approval. This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company.

#### **2. Purpose**

This policy is framed in compliance with the provisions of Regulation 23 and other applicable provisions, if any, of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations/SEBI Listing Regulations”) as amended from time to time and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules 2014, as amended or re-promulgated and in force from time to time (collectively referred to as ‘Applicable regulatory provisions’). Also, Regulation 23(1) of the SEBI Listing Regulations requires the Company to formulate a policy on materiality of related party transactions and dealing with related party transactions. The Policy is intended to ensure the proper approval, reporting, review and disclosure of all Related Party Transactions as required by the applicable regulatory provisions. Such transactions may be considered appropriate only if they are in the best interest of the Company

#### **3. Definitions**

“Act” means the Companies Act, 2013.

“Audit Committee” means the Audit Committee of the Company constituted by the Board from time to time in accordance with the provisions of the Regulations and Companies Act, 2013 and known as the Audit Committee.

Arms’ Length Transactions:

Arms’ Length Transaction shall mean:

- (a) a transaction between the Company and the Related Party that is conducted as if they were unrelated, so that there is no conflict of interest; and
- (b) the price charged for the transactions to a Related Party has in no case been influenced by the relationship and meets the criteria prescribed in Transfer Pricing Guidelines prescribed under the Income- tax Act, 1961.

“Board” means Board of Directors of the Company.

“Key Managerial Personnel” shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with section 2(51) of the Companies Act, 2013, each as

amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP, as per which, the term, at present, means:

- (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 key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed.

“Material Related Party Transaction” shall have the meaning as defined in the applicable regulatory provisions. Without prejudice to the foregoing, at present, as per the explanation to Regulation 23(1) of the Regulations, this term means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the following.

| Consolidated Turnover of Listed Entity Threshold    | Threshold                                                                                                                             |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| (I) Up to ₹20,000 Crore                             | 10% of the annual consolidated turnover of the listed entity                                                                          |
| (II) More than ₹20,000 Crore to up to ₹40,000 Crore | ₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore                                        |
| (III) More than ₹40,000 Crore                       | ₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower. |

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.

“Policy” means this Policy on Related Party Transactions.

Promoter and Promoter Group:

Promoter and Promoter Group shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

“Relative” means a relative as defined under Section 2(77) the Companies Act, 2013 and Companies (Specification of definitions details) Rules, 2014 and includes anyone who is related to another, if –

- i. They are members of a Hindu undivided family;
- ii. They are husband and wife; or
- iii. Father (including step-father)
- iv. Mother (including step-mother)
- v. Son (including step-son)
- vi. Son’s wife
- vii. Daughter
- viii. Daughter’s husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

“Related Party” means a related party as defined in section 2(76) of the Act and Regulation 2(1)(zb) of the Regulations. Without prejudice to the foregoing, at present, as per the Act and the Regulations, ‘related party’ has the following meaning:

A. Section 2(76) of the Act read with Rule 3 of the Companies (Specification of Definition Details) Rules, 2014, defines the term Related Party as follows:

- (i) a director or his relative;
- (ii) 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 a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- (vi) any body 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 body corporate which is –  
(A) a holding, subsidiary or an associate company of the Company; or  
(B) a subsidiary of a holding company, to which it is also a subsidiary; or  
(C) an investing company or the venturer of the Company

Explanation – For the purpose of this clause “the investing company or the venturer of a company” means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

- (ix) Director (other than an Independent Director) or key managerial personnel of the Company’s holding company (if any) or his relative;

B. Regulation 2(1)(zb) of the Regulations defines the term Related Party as follows:

"Related Party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards;

Provided that:

- a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- b) any person or any entity, holding equity shares:
  - (i) of twenty per cent or more; or
  - (ii) of ten per cent or more, with effect from April 1, 2023; in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year;

shall be deemed to be a related party;

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

- C. For the purpose of Regulation 2(1)(zb) of the Regulations, Indian Accounting Standard 24 defines the term Related Party as follows:

A related party is a person or entity that is related to the entity that is preparing its financial statements in this Standard referred to as the 'reporting entity' as follows:

- a. A person or a close member of that person's family is related to a reporting entity if that person:
  - (i) has control or joint control over the reporting entity;
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity
- b. An entity is related to a reporting entity if any of the following conditions applies:
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

For the purpose of this Policy, the term 'reporting entity' shall cover the Company and its subsidiaries which prepares its financial statements as per the Indian Accounting Standards.

The term Related Party for the purpose of this Policy shall be interpreted accordingly.

"Related Party Transaction" refers to those transactions that are covered under the scope of Section 188 of the Act and Regulation 2(1)(zc) of the Regulations, except those Related Party Transactions (described below) which are:

- Excluded under the Regulations
- Exempt under the Act
- Exempt under the Regulations
- Other Exclusions under the Policy

A. Related Party Transactions that are covered under Section 188 of the Act are as follows:

- (i) sale, purchase or supply of any goods or materials;
- (ii) selling or otherwise disposing off or buying property of any kind;
- (iii) leasing of property of any kind;
- (iv) availing or rendering of any services;
- (v) appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) related party's appointment to any office or place of profit in the company, its subsidiary or associate company;
- (vii) underwriting the subscription of any securities or derivatives thereof of the Company

B. In terms of Regulation 2(1)(zc) of the Regulations, a Related Party Transaction means a transaction involving a transfer of resources, services or obligations between:

- (i) A listed entity (i.e. 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.

The term 'transaction' with a related party includes a single transaction or a group of transactions in a contract.

"Related Party Transactions which are Excluded/Exempt"

A. Exclusions under the Regulations (i.e. transactions that shall not be treated as Related Party Transactions):

- a. the issue of specified securities on a preferential basis under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b. Following corporate actions - which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - payment of dividend;
  - subdivision or consolidation of securities;

- issuance of securities by way of a rights issue or a bonus issue; and
  - buy-back of securities.
- c. acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same as per the Regulations.
- d. acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.

- e. retail purchases from any listed entity or its subsidiary by its directors or Key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel:
- B. Exempt under the Act (i.e. those Related Party Transactions which fulfil the following two criteria and which are exempt from the requirements of Board and Shareholder approvals):
- a. Such transaction is undertaken in the ordinary course of business; and
  - b. Such transaction is undertaken on an arm's length basis (i.e. the transaction is conducted between the related parties as if they were unrelated, so that there is no conflict of interest);
- C. Exempt under the Regulations (i.e. those Related Party Transactions which are exempt from the requirements of prior Audit Committee and Shareholder approvals):
- a. Transactions between the Company and its wholly-owned subsidiary, whose accounts are consolidated with that of the Company 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 between two Public Sector Companies (not applicable to the Company).
  - d. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.
  - e. transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand (not applicable to the Company).
  - f. remuneration and sitting fees paid by the listed entity 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 in terms of the provisions of sub-regulation (1) of this regulation.

“Ordinary course of business” includes those activities carried out in the normal course of business practice, or which have been undertaken historically or frequently as commercial practice or activities related to the business or come within the ambit of business as envisaged in the Memorandum of Association, as amended from time to time, of the Company and its subsidiaries.

“Material Modification” means modification to a Related Party Transaction which would change the nature of the transaction and in case monetary thresholds are applicable, which has the effect of change in the value involved, by 25% of the originally approved Related Party Transaction.

“**Industry Standards**” shall mean the Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)” as notified by SEBI vide its circular dated February 14, 2025 and October 13, 2025

Words in this policy which are not included in the Definition Clause shall have the same meaning as defined in the applicable regulatory provisions. Also, in case of a conflict between the terms defined hereinabove and the definition thereof in the applicable regulatory provisions, the definitions in the applicable regulatory provisions shall prevail.

#### **4. Manner of Dealing with Related Party Transactions**

##### **4.1 Identification / monitoring mechanism of potential Related Party and RPTs:**

The Company shall identify the Related Parties as follows:

- a) Every Director and Key Managerial Personnel shall be responsible for providing to the Board or the Audit Committee, a list of his/her related parties, at the time of his/her appointment, on an annual basis and whenever there is a change in the information already submitted.
- b) The list of Promoters and Promoter Group shall be as per disclosure/s under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time.
- c) Every Subsidiary of the Company shall provide its list of Related Parties to the Company on a quarterly basis and whenever there is a change in their related parties forthwith.
- d) The Company shall review and update the list of Related Parties on a regular basis and changes, if any, shall be considered as soon as possible.

An appropriate monitoring mechanism shall be put in place to track all transactions with the Related Parties which may inter alia include the following:

- i. Maintain an updated list of Related Parties at all times, including their PAN or any other unique identity number.

- ii. Put in place a process to assess all the potential transactions with Related Parties ahead of the transactions and seek necessary approvals from the Audit Committee/ Board/shareholders as the case may be.
- iii. The Chief Financial Officer (CFO) of the Company shall determine and assess whether the transaction/s constitute a Related Party Transaction and seek necessary approvals prior to entering into the transactions.
- iv. Transactions shall be flagged for further evaluation/ monitoring and compliance of this Policy.

Once the related party transactions are identified, the Management shall categorize the transactions under the following categories as per the Industry Standards and place applicable disclosures before the Committee seeking approval:

- a) Material Related Party Transactions
- b) Other Related Party Transactions, but with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest.
- c) Residual Related Party Transactions.

#### **4.2 Review, Procedure and Approval of Related Party Transactions**

This Policy sets out the requisite authorizations for Related Party Transactions in line with applicable regulatory provisions and the provisions for review thereof.

In line with applicable regulatory provisions, the approvals from the below governing bodies are required prior to undertaking the Related Party Transaction:

#### **APPROVAL OF THE AUDIT COMMITTEE**

##### **A. Prior approval of the Audit Committee shall be required for:**

1. All Related Party Transactions and subsequent material modifications as defined by the Audit Committee;
2. RPTs where subsidiary is a party but the Company is not a party and on dealing with related party transactions:
  - (a) a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year shall require prior approval of the audit committee of the listed entity 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 listed entity as defined in the table of definition of "Material Related Party Transaction"
  - (b) In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, and such subsidiary does not have audited financial statements for a period

of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

- (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- (ii) the threshold for material related party transactions of listed entity as defined in the table of definition of “Material Related Party Transaction”

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee

Further, the Audit Committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Prior approval of the Audit Committee shall not be required for:

- i. Related Party Transactions, where the listed subsidiary is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- ii. Related Party Transactions of unlisted subsidiaries of listed subsidiary of the Company, where the prior approval of the audit committee of the listed subsidiary is obtained.
- iii. transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- iv. 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.
- v. remuneration and sitting fees paid by the Company or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

Only members of the Audit Committee who are Independent Directors shall approve RPT.

- 3. The Audit Committee may review the following information for approval of the proposed Related Party Transactions, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower:
  - a. Type, material terms and particulars of the proposed transaction;
  - b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
  - c. Tenure of the proposed transaction (particular tenure shall be specified);
  - d. Value of the proposed transaction;

- e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
  - i. details of the source of funds in connection with the proposed transaction;
  - ii. where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds; and
    - tenure;
  - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the listed entity;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j. Any other information that may be relevant.

The Audit Committee, at the time of approval of RPTs, shall take into consideration the certificate to be placed before it by the Chief Executive Officer or Chief Financial Officer or any other KMP of the Company and from every director of the Listed Entity who is also promoter ("promoter director"), confirming that the RPT(s) to be entered into are not prejudicial to the interest of public shareholders of the Company and the terms and conditions of the proposed RPT(s) are not unfavourable to the Company, compared to terms and conditions, had similar transaction(s) been entered into with an unrelated party.

This certificate shall be placed before the Committee in terms of the Industry Standards.

In accordance with the enabling provisions of Regulation 23(3) of the Regulations, the Audit Committee may grant omnibus approval to Related Party Transactions, which are proposed to be entered into by the Company or any of its subsidiaries (in cases where applicable), subject to compliance with the conditions specified therein, which are as follows:

1. The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for granting the omnibus approval in line with the Policy and such approval shall include the following:
  - a) Maximum value of the transaction, in aggregate, which can be allowed under the omnibus route in a year;
  - b) The maximum value per transaction which can be allowed;
  - c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

- d) review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company pursuant to each omnibus approval made;
  - e) transactions which cannot be subject to the omnibus approval by the Audit Committee
2. The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
- a) repetitiveness of the transactions (in past or in future);
  - b) justification for the need of omnibus approval.
3. The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company;
4. The omnibus approval shall provide details of
- (i) the name/s of the related party and its relationship with the Company or its subsidiary, nature of transaction, period of transaction, maximum aggregated value of the particular type of transaction that can be entered into during the year;
  - (ii) basis of arriving at the indicative base price / current contracted price and the formula for variation in the price if any,
  - (iii) minimum information about the RPTs as per the provisions of the Industry Standards and
  - (iv) such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transactions 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

5. The Audit Committee shall review, at least on a quarterly basis, the aggregated value and other details of Related Party Transactions entered into by the Company pursuant to the omnibus approval given;
6. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after expiry of one year.
7. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
8. Omnibus approval can be granted by the audit committee for related party transactions of the Company as well as of its subsidiaries.
9. Any other conditions as the Audit Committee may deem fit.

**B. Pursuant to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:**

- a) The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be 50% of the annual consolidated turnover of the Company as per its last audited financial statements, subject to the transaction(s) exceeding the materiality threshold which require shareholder approval will not be considered for this limit.
- b) The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in the Policy. Should the value per transaction, through omnibus route, exceed the materiality threshold as defined in the Policy, the same shall be subject to approval of shareholders of the Company.
- c) While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:
  - 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;
  - iii Minimum Information to be placed before the Audit Committee as required under the Industry Standards
  - iv such other information/documents/confirmations as the Audit Committee may deem fit from time to time.
- d) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered by the Company pursuant to each omnibus approval given.
- e) Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:
  1. Transactions which are not at arm's length or not in the ordinary course of business;
  2. Transactions which are not repetitive in nature;
  3. Transactions exceeding materiality thresholds as laid down in the Policy
  4. Transactions in respect of selling or disposing of the undertaking of the company
  5. Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
  6. Any other transaction as the Audit Committee may deem not fit for omnibus approval

**C. Audit Committee has defined "material modifications" as following:**

“Material Modification” means modification to a Related Party Transaction which would change the nature of the transaction and in case monetary thresholds are applicable, which has the effect of change in the value involved, by 25% of the originally approved Related Party Transaction.

### **APPROVAL OF THE BOARD OF DIRECTORS OF THE COMPANY**

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm’s length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- i. Transactions which may be in the ordinary course of business and at arm’s length basis, but which are, as per the Policy, determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval;
- ii. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm’s length basis and decides to refer the same to the Board for approval;
- iii. Transactions which are in the ordinary course of business and at arm’s length basis, but which as per Audit Committee requires Board approval;
- iv. Transactions meeting the materiality thresholds laid down in the Policy, which are intended to be placed before the shareholders for approval.

### **APPROVAL OF THE SHAREHOLDERS OF THE COMPANY**

All the transactions with related parties exceeding the materiality thresholds, laid down in the Policy, are placed before the shareholders for approval

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders’ resolution irrespective of whether the entity is a related party to the particular transaction or not. (RP’s can cast only negative vote to reject the shareholders resolution of material RPT).

In addition to the above, all kinds of transactions specified under Section 188 of the Act which

- a. are not at Arm’s Length or not in the ordinary course of business; and
- b. exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the information as a part of the explanatory statement, as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions.

Provided that if a transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the

listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower, the listed entity shall provide 'Minimum information to the Shareholders for approval of Related Party Transactions' specified below:

- a. A summary of the information provided by the management of the Company to the audit committee as specified above;
- b. Justification for why the proposed transaction is in the interest of the Company;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified para A of part 3 f of above
- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

However, the requirement of shareholders' prior approval for Material Related Party Transactions shall not be applicable for the following cases:

- a) transactions in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code (IBC) 2016, subject to the event being disclosed to recognized stock exchange within one day of the resolution plan being approved.
- b) Related Party Transactions, where the listed subsidiary of the Company is a party, but the Company is not a party, and if Regulation 23 and Regulation 15(2) of SEBI Listing Regulations are applicable to such listed subsidiary.
- c) Related Party Transactions of unlisted subsidiaries of the listed subsidiary of the Company, where the prior approval of the shareholders of the listed subsidiary is obtained.
- d) transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
- e) 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.
- f) transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

## **5. Related Party Transactions not approved under this Policy**

In the event the Company becomes aware of a Related Party 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 the members of the Audit Committee, who are independent directors, may ratify the related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier. Ratification is subject to certain conditions as specified in the

Listing Regulations. Such ratification shall be subject to all applicable conditions prescribed under Regulation 23 of the SEBI Listing Regulations, as amended from time to time.

The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy, and shall take any such action it deems appropriate.

The failure to seek ratification of the audit committee shall render related party transactions voidable at the option of the audit committee and if the transaction is with a related party to any director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

## **6. Disclosures**

The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs.

The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI Listing Regulations, Companies Act, 2013 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable

The Company shall maintain a register pursuant to Section 189 of the Act and enter therein the particulars of all the Related Party Transactions with a Related Party.

The Company shall comply with all such disclosure requirements relating to this Policy as may be stipulated under the applicable regulatory provisions under the Act, SEBI Listing Regulations and Indian Accounting Standard 24 including disclosures as appropriate concerning the Related Party Transactions and/or Material Related Party Transactions to be made in the Annual Report of the Company including its Financial Statements, on the website of the Company and also to the Stock Exchanges where equity shares of the Company are listed.

This Policy shall be uploaded on the website of the Company at <https://krystal-group.com> and a web link thereto shall be provided in the section on corporate governance in the Annual Report.

### **Review of the Policy**

The Board shall review this policy annually, on the basis of recommendations made by the Audit Committee, or as and when required due to regulatory changes and updated accordingly.

Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable Indian Accounting Standards and other applicable provisions for the time being in force.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall mutatis mutandis apply to /prevail upon this Policy

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