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**BANNARI AMMAN SPINNING MILLS LIMITED**

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON  
DEALING WITH RELATED PARTY TRANSACTIONS**

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# BANNARI AMMAN SPINNING MILLS LIMITED

## POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

### 1. Preamble

The Board of Directors (the "Board") of Bannari Amman Spinning Mills Limited has formulated and adopted the following Policy and Procedures with regard to Materiality of Related Party Transactions and Dealing with Related Party Transactions, based on the laws and regulations applicable to the Company. The Audit Committee will review the policy and may amend this policy from time to time.

### 2. Purpose

This policy is framed as per requirement of Regulation 23 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and intended to ensure the requisite approval and reporting of transaction between Company and its Related Parties.

### 3. Definitions:

**"Material Related Party Transaction"** As defined under LODR and/or The Companies Act, 2013 and Rules thereunder from time to time.

**"Thresholds for Material Related Party Transaction"** a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

**"Policy"** includes Materiality of Related Party Transactions and on Dealing with Related Party Transactions.

**"Related Party"** means related party as defined in Regulation 2(zb) of LODR

**"Related Party Transaction"** means any transaction as defined in Regulation 2(zc) of LODR.

**"Relative"** means relative as defined under Section 2(77) of the Companies Act, 2013 and the rules thereunder

### 4. Policy shall mean the provisions herein and the requirements of applicable Regulations.

#### 4.1 Identification of potential Related Party transactions

Each Director and Key Managerial Personnel shall be responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction, including any additional information about the transaction and the Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

## 4.2 Approval of Related Party Transactions

All Material Related Party Transactions shall require approval of the shareholders and the Related Parties shall abstain from voting on such resolutions as restrained by applicable Regulations.

All Related Party Transaction shall require prior approval of Audit Committee. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself/herself and abstain from discussion and voting on the approval of the Related Party Transaction.

Audit committee may grant omnibus approval for related party transactions based on the policy laid down for this purpose by the board of directors from time to time.

## 4.3 Review of Related Party Transactions

The audit committee shall review, at such intervals as it may deem fit, atleast on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

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

## 6. Material modification in a Related Party Transaction:

Material modification in a Related Party Transaction means any modification related to change in Price/Consideration, Tenure, Delivery schedule, Payment conditions, non-statutory obligations, terms and conditions or short/pre/cancellation/closure of any contract or arrangement with related party, where such modification exceeds 10% or Rs.100 crores of the value of approvals already granted.

7. The adequacy of this Policy shall be reviewed and reassessed atleast once in three years and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about to the regulatory framework, from time to time.
8. This policy shall come into force from the date of adoption or amendment of this policy from time to time.

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**Note:** The above policy was adopted at the Board Meeting held on 13.2.2016 reviewed and amended on 12.2.2021,10.2.2022 and 30.5.2023

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