



ANGEL FIBERS LIMITED

POLICY FOR RELATED PARTY TRANSACTIONS

1) SCOPE AND PURPOSE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its Shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 ("Act") read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulation 23") and as amended from time to time, Angel Fibers Limited ('the Company') has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

This Policy has been framed as per requirement of Section 188 of the Companies Act, 2013 read with rules made thereunder and 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.

In the light of the above, the Company has framed this Policy on Related Party Transactions ("Policy"). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee will review and amend the Policy, as and when required, subject to adoption by the Board.

This Policy regulates all transactions between the Company and its Related Parties.

2) APPLICABILITY

This Policy shall cover in its ambit all the dealings and transactions with related parties. Any transfer of resources, services or obligations between the Company or any of its subsidiaries and a related party or any of its subsidiaries (basis the thresholds as defined in the SEBI (LODR) Regulations, 2015) will be covered as a 'related party transaction'.

The Policy shall come into force with effect from the date, Regulation 23 of the SEBI Listing Regulations takes effect with respect to the Company.

3) OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

4) DEFINITIONS

"Act" means the Companies Act, 2013

"Audit Committee" or "Committee" means the audit committee constituted by the Board of Directors in accordance with applicable law, including the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 as amended from time to time.

"Board" means the Board of Directors of Angel Fibers Limited

"Company" means Angel Fibers Limited

"SEBI Listing Regulations" means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended

"Regulation 23" means the Regulation no. 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended from time to time

"Arm's 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

"Ordinary course of business" means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.

"Relative" with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder."

“Related Party” have the meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended.

“Related Party Transaction” have the meaning as defined under Regulation 2(1)(zc) of the Securities and Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended, transfer of resources, services or obligations between a listed entity and a related party, regardless of whether 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, including but not limited to the following –

- a. sale, purchase or supply of any goods or materials;
- b. selling or otherwise disposing of, or buying, property of any kind;
- c. leasing of property of any kind;
- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. appointment to any office or place of profit in the company
- g. underwriting the subscription of any securities or derivatives thereof, of the company

“Material Related Party Transaction” 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 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. In case of payment to a Related Party for brand usage or royalty the materiality threshold will be 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company “

“Key Managerial Personnel” or **“KMP”** shall have the meaning as defined in the Companies Act 2013 and as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation and as amended from time to time.

“Transaction” with a related party shall be construed to include a single transaction or a group of transactions.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI (LODR) Regulations, 2015, Securities Contracts (Regulation) Act, 1956, or any other applicable law or regulation.

5) MATERIALITY THRESHOLDS

To safeguard the interest of the Company and / or its shareholders, the Materiality related to Related Party transactions to be entered individually or taken together with previous transactions during a financial year will be as ascertained as per the thresholds prescribed under the SEBI Listing Regulations to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required. None of the related parties of a company shall vote to approve on such 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 on material RPT).

Provided that approval from shareholders will not be required for Material Related Party Transaction 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.

The RPTs which cross the Materiality thresholds under Companies Act, 2013 as mentioned below shall be entered by the Company only with prior approval of shareholders of the Company, as per applicable provisions of the Act and the SEBI Listing Regulations, as may be amended from time to time.

Sr. No.	Criteria	Transaction value threshold
1.	Sale, purchase or supply of any goods or materials (Directly or through agent)	Amounting to 10% or more of turnover of the Company
2.	Selling or otherwise disposing of, or buying, property of any kind (Directly or through agent)	Amounting to 10% or more of net worth of the Company
3.	Leasing of property of any kind	Amounting to 10% or more of turnover of the Company
4.	Availing or rendering of any services (Directly or through agent)	Amounting to 10% or more of turnover of the Company
5.	Appointment to any office or place of profit in the company, its subsidiary company or associate company	Remuneration exceeds Rs. 250,000 per month
6.	Underwriting the subscription of any securities of the company or derivatives thereof	Remuneration exceeds 1% of net worth

Related Party Transaction policy on materiality and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

Each Director and Key Managerial Personnel are responsible for providing notice to the Board or the Committee of any potential Related Party Transaction(s) involving him or his Relative, including any additional information about the transaction that the Board/the Committee may reasonably request.

Further, the management of the Company will be responsible to inform about the entities/companies which are related parties to the Company, based on the group structure / corporate holdings.

The Board/the Committee will determine whether the transaction constitutes a Related Party Transaction requiring compliance with this Policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Committee/the Board has adequate time to obtain and review information about the proposed transaction(s).

6) APPROVALS AND RATIFICATIONS

The Company shall enter into any contract(s) or arrangement(s) or Transaction(s) with a Related Party only after seeking prior approvals of the Following, subject to exemptions, if any, under any law for the time being in force:

6.1 Audit Committee

6.1.1 All the transactions which are identified as Related Party Transactions and subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the SEBI (LODR) Regulations, 2015.

- 6.1.2 The Audit Committee shall consider all relevant factors while Deliberating the Related Party Transactions for its approval.
- 6.1.3 Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction.
- 6.1.4 A Related Party Transaction which is
- (i) not in the ordinary course of business, or
 - (ii) not at arm's length price, would require approval of the Board or of shareholders in terms of the applicable provisions of the companies Act, 2013 and SEBI (LODR) Regulations, 2015.
- 6.1.5 The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the SEBI (LODR) Regulations, 2015 and such other conditions as it may consider necessary in line with this Policy and in the interest of the company or its subsidiary subject to the following conditions:
- a) The Audit Committee may grant omnibus approval in respect of transactions which are repetitive in nature;
 - b) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year;
 - c) The Audit Committee shall satisfy itself that there is a need for such omnibus approval and that such approval is in the interest of the Company;
 - d) 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 during the year, (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;
 - e) The Audit Committee may grant omnibus approval where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, for such transactions subject to their value not exceeding Rs. 1 crore per transaction.
- 6.1.6 The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company or its subsidiary pursuant to the omnibus approval.
- 6.1.7 In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.
- 6.1.8 A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.
- 6.1.9 The Audit Committee may grant its omnibus approval for related party transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value crosses the thresholds as prescribed under the Listing Regulations.

6.2 Board of Directors

In case of Related Party Transactions are referred by the Committee to the Board for its approval due to the transaction being:

- (i) not in the ordinary course of business, or
- (ii) not at an arm's length price,

The Board will consider such factors as, the nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such a transaction.

On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances.

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

6.3 Shareholders

If a Related Party Transaction is:

- (i) a material transaction as per Regulation 23 of the SEBI (LODR) Regulations, 2015, or exceeds certain thresholds prescribed under Section 188 of the Companies Act, 2013,
- (ii) then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution.

In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote to approve on such Related Party Transaction.

The provisions of regulation 23(2), (3) and (4) and relevant part of the policy shall not be applicable in case of transactions entered into between (i) two public sector companies; (ii) a Company and its wholly owned subsidiary; (iii) between two wholly-owned subsidiaries, whose accounts are consolidated with such the Company and placed before the shareholders at the general meeting for approval; (iv) 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; and (v) 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.

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/regulations.

In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

Reporting of Related Party Transactions:

- i) Every contract or arrangement, which is required to be approved by the Board or the 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 in terms of the requirement of the applicable provisions.
- ii) The details of all transactions with related parties subject to any relaxations as provided under the SEBI (LODR) Regulations, 2015 shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the SEBI (LODR) Regulations, 2015.

6.4 Ratifications

In exceptional circumstances, where it is not feasible to seek prior approval of the Audit Committee, Board of Directors and / or shareholders, as the case may be, in respect of any Related Party Transaction, then it shall be required to be ratified by the Audit Committee, Board of Directors and/or Shareholders, as the case may be, within a period of three months of entering into Related Party Transaction.

Further, while submitting proposal for ratification of Related Party Transaction by the Audit Committee / Board / shareholders, the concerned department shall incorporate adequate justification for entering into Related Party transaction without seeking prior approvals, in the agenda note.

In circumstances where:

- (i) any transaction involving any amount not exceeding Rupees one crore is entered into by a director or officer of the Company, without obtaining the approval of the Audit Committee, and/or
- (ii) any contract or arrangement is entered without prior approval of the Board or shareholders, as the case may be;

and the same is not ratified by the Audit Committee / Board / shareholders within three months from the date of the transaction or date on which such contract or arrangement was entered into, such transaction

shall be voidable at the option of the Audit Committee/Board/shareholders, as the case may be, and if the transaction, contract or arrangement is with the related party of any director or is authorized by any other Director, the Director concerned shall indemnify the Company against any loss incurred by it.

7) DISCLOSURES

The Company shall disclose, in the Board’s report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm’s length basis along with the justification for entering into such transaction.

The Company shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website.

8) LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013 or SEBI LODR Regulations, 2015 or any other statutory Enactments, rules, the provisions of such Act or SEBI LODR Regulations, 2015 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 automatically apply to this Policy.

9) 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 in accordance with 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 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 failure of the internal control systems, and shall take any such action it deems appropriate.

In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

10) REVIEW OF THE POLICY

The adequacy of this Policy shall be reviewed and reassessed by the Committee periodically and appropriate recommendations shall be made to the Board to update the Charter based on the changes that may be brought about due to any regulatory amendments or otherwise.

This Policy is approved by the Board of Directors at its meeting held on November 06, 2025.
