

CADSYS (INDIA) LIMITED

¹POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND DEALING WITH RELATED PARTY TRANSACTIONS

1. INTRODUCTION

The Board of Directors (“Board”) of CADSYS (INDIA) LIMITED (“Company”) has adopted this Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions (“Policy”) in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) read with the provisions of Sections 177 and 188 of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, to regulate transactions between the Company and its Related Parties.

2. POLICY OBJECTIVE

The Company recognizes that Related Party Transactions (“RPTs”) require appropriate governance and transparency to ensure that such transactions are conducted in the best interests of the Company and its shareholders. Accordingly, this Policy establishes a structured framework for the identification, evaluation, approval, and disclosure of transactions between the Company and its Related Parties in compliance with applicable provisions of the Companies Act, 2013 and the SEBI LODR Regulations.

3. DEFINITIONS

- a) “Act” means the Companies Act, 2013 read with relevant rules made thereunder as amended from time to time
- b) “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.
- c) “Audit Committee” means the Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Act and SEBI LODR Regulations.
- d) “Board of Directors” or “Board” means the Board of Directors of CADSYS (INDIA) LIMITED.
- e) “Company” means CADSYS (INDIA) LIMITED.
- f) “Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act, 2013 and the Rules made thereunder.
- g) “Material Related Party Transaction” means a transaction with a Related Party if the transaction(s), to be entered into individually or taken together with transactions during a financial year, exceeds Rupees Fifty crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

Provided that, in case of transactions involving payment to a Related Party towards brand usage or royalty, such transaction(s) shall be considered material if the same exceed 5% of the annual consolidated turnover of the Company as per the last audited financial statements.

¹ *The Revised Policy was approved and adopted at the meeting of the Board of Directors held on 4th May 2026.*

- h) **“Material Modification”** All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity
- i) **“Policy”** means this Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions.
- j) **“Related Party”** means a related party as defined under the Companies Act, 2013 and SEBI LODR Regulations.
- k) **“Related Party Transaction”** means a transaction involving transfer of resources, services, or obligations between the Company and a Related Party, regardless of whether a price is charged, and shall include transactions as specified under Section 188 of the Companies Act, 2013 read along with the rules made there under and Regulation 2(1)(zc) read with Regulation 23 of SEBI LODR Regulations.
- l) **“Relative”** means a relative as defined under the Companies Act, 2013 and SEBI LODR Regulations.
- m) **“Regulations”** means SEBI (LODR) Regulations, 2015 and as amended from time to time
- n) **“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 assigned to it under the Companies Act, 2013, the SEBI LODR Regulations, or any other applicable law or regulation.

4. POLICY

All Related Party Transactions shall require prior approval of the Audit Committee and shall be placed before the Committee for its consideration in accordance with this Policy.

A. Disclosure by Directors and KMPs

Every Director shall, at the first meeting of the Board in each financial year and thereafter whenever there is any change, disclose his/her concern or interest in any company, body corporate, firm or other association of individuals in the prescribed form. The same shall be noted and taken on record by the Board.

All Key Managerial Personnel shall also disclose to the Company any potential Related Party Transactions involving them or their relatives to seek prior approval of the Audit Committee. Any changes in such disclosures shall be promptly intimated to the Company Secretary and Compliance Officer.

B. Identification of Potential RPTs

Each Director and Key Managerial Personnel is responsible for providing prior notice to the Company of any potential Related Party Transaction involving him/her or his/her relative, along with all relevant information. The Audit Committee shall determine whether the transaction qualifies as a Related Party Transaction requiring compliance with this Policy.

Directors and KMPs shall ensure that such notice is provided well in advance to enable adequate review by the Audit Committee.

Where any Director is interested in any contract or arrangement with a Related Party, such Director shall not participate in the discussions and shall abstain from voting on the relevant resolution.

C. Review and Approval of RPTs

i. Audit Committee Approval:

All Related Party Transactions and material modifications thereto shall require prior approval of the Audit Committee. Provided, only those members of the audit committee, who are independent directors, shall approve related party transactions subject to the exceptions as mentioned under the SEBI (LODR) Regulations, 2015 and as amended from time to time.

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary, subject to the following conditions:

- The Audit Committee shall lay down the criteria for granting omnibus approval in line with this Policy;
- Such approval shall be applicable for transactions which are repetitive in nature;
- The Audit Committee shall satisfy itself that such approval is in the interest of the Company;
- The omnibus approval shall specify:
 - Name of the Related Party;
 - Nature of the transaction;
 - Period of the transaction;
 - Maximum amount of the transaction;
 - Indicative base price/current contracted price and the formula for variation, if any;
 - Any other conditions as deemed fit by the Audit Committee.
- Where the need for a Related Party Transaction cannot be foreseen, the Audit Committee may grant omnibus approval for such transactions not exceeding ₹1 crore per transaction.
- The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into pursuant to omnibus approval. Such approvals shall be valid for a period not exceeding one year.

While approving any Related Party Transaction, the Audit Committee shall also consider, inter alia:

- Whether the transaction is at arm's length;
- Whether it is in the ordinary course of business;
- The business rationale for entering into the transaction;
- Whether the transaction is comparable with market standards;

- Any potential conflict of interest or reputational risk.

ii. Board of Directors

The Board shall consider and approve Related Party Transactions as required under the Act and/or SEBI LODR Regulations or as referred to it by the Audit Committee.

iii. Shareholders' Approval

All Material Related Party Transactions and material modifications thereto shall require prior approval of the shareholders.

All Related Parties shall abstain from voting on such resolutions, irrespective of whether the entity is a party to the transaction or not, in accordance with SEBI LODR Regulations.

Further, transactions covered under Section 188 of the Act which are not in the ordinary course of business or not at arm's length and exceed the prescribed thresholds shall require approval of shareholders, and only the concerned Related Parties shall abstain from voting in such cases.

iv. Determination of Ordinary Course of Business and Arm's Length

The Audit Committee or the Board shall determine whether a transaction is in the ordinary course of business and at arm's length basis, taking into account the nature of the transaction, industry practices, and commercial considerations. External professional opinion may be obtained, if required.

5. RPT NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its execution, the same shall be placed before the Audit Committee for review.

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the conditions specified in SEBI(LODR) Regulations, 2015.

The Audit Committee shall consider all relevant facts and circumstances and may approve, ratify, modify, or recommend termination of such transaction. The Committee shall also review the adequacy of internal control systems and take appropriate corrective actions.

6. AMENDMENTS

The Board of Directors may review and amend this Policy in line with the SEBI (LODR) Regulations, 2015 and other applicable Act(s), based on the recommendations of the Audit Committee from time to time.

7. DISCLOSURES

The Company shall disclose Related Party Transactions in accordance with the provisions of the Act and SEBI LODR Regulations, including:

- Disclosure in the Board's Report, along with justification where required;
- Disclosure to Stock Exchanges in the prescribed format and periodicity;
- Hosting of this Policy on the Company's website;
- Maintenance of registers as required under applicable law.

8. INTERPRETATION

In case of any inconsistency between the provisions of this Policy and applicable laws, the provisions of the Companies Act, 2013 and SEBI LODR Regulation 23 shall prevail.