

POLICY ON RELATED PARTY TRANSACTIONS

1. Introduction

The Companies Act, 2013 (the "Act"), the rules framed thereunder as well as Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), provide a framework for regulating Related Party Transactions.

The objective of this Policy is to regulate transactions between the Company and Related Parties based on the laws and regulations applicable to the Company and to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related parties.

2. Definitions

- (a) "Act" means Companies Act, 2013 including any statutory modification or re-enactment thereof.
- (b) "SEBI Listing Regulations" means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or re-enactment thereof.
- (c) "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.
- (d) "Board" means Board of Directors of the Company.
- (e) "Audit Committee" means Committee of Board of Directors of the Company constituted under the applicable laws.
- (f) "Company" means Ambuja Cements Limited.
- (g) "Related Party" is a party as defined in Section 2(76) of the Companies Act, 2013 read with Rules thereto and clause (zb) of Regulation 2 of the SEBI Listing Regulations.
- (h) "Related Party Transaction" means a transaction between the Company and a Related Party which is of the nature specified in sub- clause (a) to (g) of section 188 (1) of the Act, or as defined under SEBI Listing Regulations.
- (i) "Material Related Party Transactions" means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year, exceeding the thresholds as mentioned in point no. 3.
- (j) Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable laws or regulations, as amended from time to time.

3. Material Related Party Transactions and Material modification

A. Material Related Party Transaction

Material Related Party Transaction shall mean:-

- (i) Any Transaction with a Related Party shall be considered as material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds Rs 1000 crore or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.
- (ii) Any transaction involving payment to a Related Party with respect to brand usage or royalty entered into individually or taken together with previous transactions during a financial year, materiality threshold shall be 5% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.
- (iii) Transactions with a Related Party covered under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014 exceeding the limits provided under the Companies Act, 2013.

All Material Related Party Transactions shall be placed for prior approval of the shareholders through resolution and no related party shall vote on such resolution, whether the entity is a related party to the particular transaction or not.

B. Material modification

Material Modification shall mean:-

- (i) any change in the transaction value exceeding 10% of the already approved transaction value.
- (ii) Any modification in significant terms and conditions of the contract with a related party such as price, alteration to the credit period, changes in scope of deliverables under a contract etc.
- (iii) Any other modifications, which as per the directions of Audit Committee may deemed to be material on case to case basis.

All subsequent material modification in related party transactions shall require prior approval of the Audit Committee and shareholders.

4. Omnibus Approval

The Audit Committee may grant omnibus approval for related party transactions subject to the following conditions:

- (i) It shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the company.
- (ii) The approval shall specify:
 - The name of the related party, nature of transaction, period of transaction, maximum amount of transaction that shall be entered into.
 - The indicative base price/current contracted price and the formula for variation in the price if any,

- Such other conditions as may be deemed appropriate.
- (iii) Details of related party transactions entered into by the Company with each of the related parties pursuant to the omnibus approvals given shall be reviewed at least on a quarterly basis.
- (iv) All omnibus approvals granted shall be for a period of one year from the date of such approval and which shall be subject to review and approval at the end of each year.
- (v) However, where the need for related party transaction cannot be foreseen and aforesaid details as specified in point b are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

5. Internal Processes in regard to Related Party Transactions

- (i) The Company shall, with the approval of the Board of Directors, establish appropriate internal processes for the purpose of identification of Related Parties and any transaction(s) with them, determination of whether the transaction(s) is in ordinary course of business, whether the transaction(s) is on an arm's length basis, monitoring 'materiality' threshold and other relevant matters to ensure adherence to this policy while entering into transactions with Related Parties
- (ii) Transaction(s) between the Company and Related Parties shall be entered into in the manner that is compliant with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.
- (iii) All transactions with the related parties under the Act and SEBI Listing Regulations shall require prior approval of the Audit Committee (Provided that only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions) and the Board, unless otherwise exempted by the law.
- (iv) In case of transactions with related parties, where the materiality thresholds as stated in point no. 3 above is exceeded or is likely to be exceeded, the Company shall take prior approval of shareholders.
- (v) In the event the Company becomes aware of a transaction with a related party which 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 the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification or revision of the related party transaction.
- (vi) Relevant information/disclosures as prescribed under the Act and the SEBI Listing Regulations shall be placed before the Audit Committee, the Board and the shareholders for approval of the Related Party Transactions.
- (vii) Disclosure to stock exchanges in respect of Related Party Transactions will be made in accordance with format as prescribed under the Listing Regulations.

6. Amendment

- (i) The Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the SEBI LODR Regulations, Act or any law for the time being in force.
- (ii) Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act/Rules/Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.

7. Review of Policy

The Board of Directors shall review the Policy once in every three years.

Sd/- MR. RAJENDRA CHITALE CHAIRMAN AUDIT COMMITTEE	Sd/- MR. N.S. SEKHSARIA CHAIRMAN BOARD OF DIRECTORS
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Approved on	17 th February, 2022
Place	Mumbai
Version	V5
Effective date	1 st April, 2022