Nitin Sinners Limited

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

1. **Purpose of the Policy :**

   A. Nitin Spinners Ltd. ("Nitin Spinners" or "the Company") is governed, amongst others, by the rules and regulations framed by The Securities and Exchange Board of India ("SEBI"). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

   B. Accordingly, the Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions (herein after referred as "Policy"). This Policy regulates all transactions between the Company and its Related Parties (as provided below).

   C. 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 rupees one thousand crore or ten percent of the annual turnover of the Company, whichever is lower, as per the last audited financial statements of the Company. Notwithstanding the above, 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 turnover of the Company as per the last audited financial statements of the Company.

   D. The Board of Directors of the Company ("Board") shall review the Policy once in three years and may amend the same from time to time.

2. **Definitions :**

   A. "**Act**" shall mean the Companies Act, 2013 and includes any amendment thereof.

   All capitalized terms used in this Policy but not defined herein shall have the same meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time.

3. **Review and approval of Related Party Transaction :**

   Approval of Related Party Transactions

   A. **Audit Committee :**

   3.A.1 : All the transactions which are identified as Related Party Transactions and subsequent material modification thereto should be pre-approved by the Audit

Committee in the manner as provided in the Act and in the Listing Regulations before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.

3.A.2 : Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction.

3.A.3 : 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 Listing Regulations and Companies Act subject to such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

3.A.4 : The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to the omnibus approval and also other Related Party Transactions.

3.B.1 - Board of Directors :

In case any Related Party Transactions, any material modification thereto, are referred by the Company 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, inter-alia, consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such 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 shall recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

3.C.1. Shareholders

If a Related Party Transaction is (i) a material transaction, any material modification thereto as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by an ordinary resolution. In such a case, any member of the Company who is a Related Party, shall not vote to approve the resolution whether the entity is related party to the particular transaction or not.

4.   Limitation and Amendment :

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 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.

5. **Disclosure and Reporting of Related Party Transactions :**

Pursuant to Regulation 23(9) of the Listing Regulations the details of all transactions entered with related parties shall be submitted on a consolidated basis, within the prescribed timeline and in the specified format on half yearly basis to the stock exchanges and the same shall be published on the Company's website. The details of Related Party Transaction shall also be reported in Board's Report & Corporate Governance Reports.

This Policy was last amended on 07.11.2024