POLICY ON MATERIALITY OF

AND

DEALING WITH RELATED PARTY

TRANSACTIONS

OF

YATAYAT CORPORATION INDIA LIMITED

{Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

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1. Introduction:

The Companies Act 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') as amended from time to time prescribe comprehensive regulatory framework governing the Related Party Transactions.

The Act and the SEBI LODR also require the Companies to adopt comprehensive policy on dealing with the Related Parties.

In the context of above, in compliance with the provisions of the Act and SEBI LODR, the Board of Directors of Company upon recommendation of the Audit Committee has adopted this Policy on Materiality of and Dealing with Related Party Transactions ('the Policy').

The Policy inter-alia encompasses process for identification of Related Parties, procedure for entering into Related Party Transactions and procedure for approving Related Party Transactions, etc.

2. Definitions:

(a) "**Act**" means Companies Act, 2013 including any statutory modification or re-enactment thereof.
(b) "**Audit Committee**" means Committee of Board of Directors of the Company constituted under the provisions of SEBI LODR and the Act.
(c) "**Board**" means Board of Directors of the Company.
(d) "**Ordinary Course of Business**" if transactions satisfy any of the following criteria, such transactions will generally be in the Ordinary Course of Business:

I. The Memorandum of Association of the Company should cover such transaction;

II. There are previous instances of the Company having carried out such transaction;

III. These transactions are frequent over a period of time;

IV. The transaction should be in furtherance of the business objectives of the Company;

V. The transactions, if not frequent, are important to the business objectives of Company;

VI. The transactions are incidental to Industry/ part of standard industry practice or but for which the business would be adversely affected.

The Application and Other Explanatory Material of SA 550 on Related Parties issued by the ICAI provides examples of transactions that can be considered to be outside the entity's normal course of business (akin to ordinary course of business). Although these are not conclusive, they will be considered as guidance to be used, based on facts and circumstances, to conclude as to whether a transaction can be considered to be in the ordinary course of business. The examples provided in SA 550 that may be considered to be outside the entity's normal course of business include:

- Complex equity transactions, such as corporate restructurings or acquisitions.
- The leasing of premises or the rendering of management services by the entity to another party if no consideration is exchanged.
- Sales transactions with unusually large discounts or returns.
- Transactions with offshore entities in jurisdictions with weak corporate laws.
- Transactions with circular arrangements, for example, sales with a commitment to repurchase.

This is not exhaustive criteria and the Company should assess each transaction considering its specific type, nature, value and circumstances.

(e) "**Arms' Length**"

The company adopts generally accepted practices and principles in determining whether the transactions is at arm's length. In absence of any definition in the Act the Company may refer to the guidance given in Income Tax Laws. Determining the arm's length price is a matter of judgment and it shall be assessed on a case-to-case basis depending upon the facts and circumstances in each case.

Following are some of the information that may be used to determine the arm's length basis analysis such as:

- Price charged by the Company to other third-party unrelated parties.
- Third-party comparable commercial offers/quotations, valuation reports, price publications.
- Management assessment of pricing terms and business and justification for the proposed transaction.
- Comparative analysis, if any, of other such transactions entered into by the Company.

If arm's length price cannot be justified for any transaction, then approval should be taken from Board and shareholders as required under Act.

In determining whether to approve or ratify a related party transaction the Committee/ Board as the case may be shall take into account among other factors it deems appropriate, whether the related party transaction is in the ordinary course of business of the company and on arm's length basis and the extent of the related party's interest in the transaction. For this purpose, the audit committee or Board as the case may be are entitled to seek the assistance of any employee of the Company or one or more independent experts of this choice at the expense of the Company.

(f) "**Material Related Party Transaction**" means a transaction with a related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the following thresholds:

a) In case of transactions involving payments made to a related party with respect to brand usage or royalty, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of Company as per the last audited financial statements of Company.

b) In all other cases, if it exceeds Rs. 1000 crore or 10% of the annual consolidated turnover of Company as per the last audited financial statements of Company, whichever is lower and all transactions exceeding the threshold limits prescribed under Section 188 of the Companies Act, 2013 and the Rules made thereunder*, which are not in the ordinary course of business and on arm's length basis.

*(i) sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company , as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188;

(ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188;

(iii) leasing of property any kind amounting to ten percent or more ten percent or more of turnover of the company as mentioned in clause (c) of sub-section (1) of section 188;

(iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188:

Explanation.- It is hereby clarified that the limits specified in sub-clause (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(v) is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding two and a half lakh rupees as mentioned in clause (f) of sub-section (1) of section 188.

(vi) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding one percent of the net worth as mentioned in clause (g) of sub-section (1) of section 188.

(g) "**Related Party**" with reference to the Company, means an entity where:

i. Such entity is a related party as defined under section 2(76) of the Companies Act, 2013; or
ii. Such entity is a related party under the applicable accounting standards; or
iii. Any person or entity forming a part of the promoter or promoter group any person; or
iv. Any entity, holding equity shares of 20% or more with effect from April 1, 2022 or of 10% or more, with effect from April 1, 2023 in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year.

(h) "**Related Party Transaction**" includes:

i. Transactions involving a transfer of resources, services or obligations between Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand.
ii. Transactions between Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries (effective from 1 April 2023) regardless of whether price is charged.

(i) "**Material Modification**" means any modifications to the material related party transactions which were approved by the Audit Committee or Shareholders during the year which will change the

complete nature of the transaction and in case of monetary thresholds which is in excess of 20% of the originally approved transaction or 5 crores whichever is higher.

The following will not be considered as material modifications:

1. Modification which may be mandated pursuant to change in law.
2. Modifications pursuant to and in accordance with the terms of the approved transaction/contract.
3. Modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement / restructuring / reorganization viz. merger, amalgamation, demerger, capital reduction etc.

3. Identification of Related Party Transaction:

Every Director and Key Managerial Personnel (KMP) shall, at the time of appointment, annually and whenever there is any change in the information already submitted, provide requisite information about all persons, firms, entities in which he/she is interested whether directly or indirectly, to the Company Secretary of the Company.

On the basis of the above referred information received and the basis of the Act and SEBI LODR a consolidated list of Related Parties shall be prepared.

The potential transactions with the Related Parties, as per the above-mentioned list, shall be identified and a comprehensive proposal shall be submitted for requisite prior approval.

The Company Secretary of the Company shall write to the Board and / or Management Committee of Subsidiary Company(ies) of the Company requesting them to provide the details of Related Party(ies) of their respective Subsidiary Company(ies) at the beginning of every financial year and any subsequent change therein during the year. In addition, the Board and / or Management Committee of Subsidiary Company(ies) of the Company are responsible for providing notice to the Company Secretary of the Company of any potential Material Related Party Transactions (including any Material Modifications) and related party transactions mentioned under clause (b) applicable w.e.f. 1 April 2022 & (c) applicable w.e.f. 1 April 2023 of Second Proviso to Regulation 23(2) of Listing Regulations which are proposed to be entered by their respective subsidiary company(ies) where listed entity is not a party.

The Company would prefer to receive such notice of any potential RPTs in advance so that the Audit Committee/Board/Company Secretary has

sufficient time to review the information provided regarding the proposed transactions.

4. Approval of the Audit Committee:

All Related Party Transactions and subsequent Material Modifications, shall require prior approval of the Audit Committee, whether at a meeting or by resolution passed by circulation.

These provisions shall not apply to transactions, other than transactions referred to in Section 188 of the Act, entered into with wholly owned subsidiaries.

The Audit Committee may also grant omnibus approval for the Related Party Transactions proposed to be entered into by the Company, if the transactions satisfy the following conditions:

I. Such Related Party transactions are repetitive in nature (in past or in future).
II. Specific need of such omnibus approval i.e. the transactions are in the best interest of the Company.
III. Omnibus approval shall not be made for transactions in respect of selling or disposing of the assets of the undertaking of the Company.
IV. The omnibus approval shall provide details of (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,(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.
V. Where the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rupees **One crore per transaction** or such limits as specified under Listing Regulations. However, Audit Committee should be concurrently informed about such transaction(s).

Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.

In case the Committee does not approve any transaction, then it shall make its recommendations to the Board.

In case any member of the Committee is interested in any potential Related Party Transaction, such member shall abstain from voting when such transaction is being considered.

The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

5. RPTs that shall not require approval of Audit Committee and Shareholders

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

i. Any transaction that involves providing of compensation to a Director or Key Managerial Personnel in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
ii. Issue of securities on a preferential basis in compliance with ICDR Regulations.
iii. Payment of Dividend
iv. Rights Issue and bonus issue of securities
v. Buy back of securities
vi. Transactions available to all employees generally
vii. Transactions entered into between a holding company and its wholly owned subsidiary, transactions entered into between two wholly-owned subsidiaries of the listed holding company whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
viii. Company with its Wholly Owned Subsidiaries, whose accounts are consolidated with the accounts of Company and placed before the shareholders of Company at the general meeting for approval.
ix. Two wholly-owned subsidiaries of the company, whose accounts are consolidated with company and placed before the shareholders at the general meeting for approval.
x. RPTs referred to in section 188 of the Act which are not in the ordinary course of business and / or not on Arms' length basis and which crosses the threshold limits prescribed under the Act and rules made thereunder, entered by Company with its Wholly Owned Subsidiaries, whose accounts are consolidated with the

accounts of Company and placed before the shareholders of Company at the general meeting for approval.

Further the Related Party Transactions approved by other statutory board committees within their terms of reference viz. Nomination & Remuneration Committee, CSR Committee, Risk Management Committee and Stakeholders Relationship Committee, if any, shall be deemed to have approval of the Audit Committee from the RPT perspective and the same need not be approved by the Audit Committee once again. E.g.: Allotment of Shares to KMP by the SRC shall be deemed to have approval of the Audit Committee from RPT perspective.

Independent Directors who are members of the audit committee, shall only approve related party transactions.

6. Approval of the Board of Directors of the Company:

(i) As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said section and which are not in the ordinary course of business or not at arm's length basis or both, are placed before the Board for its approval.

(ii) In addition to the above, the following kinds of transactions with related parties are also to be placed before the Board for its approval:

- RPTs in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval with reasons;

- RPTs which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view require Board approval.

- RPTs which are intended to be placed before the shareholders for approval.

7. Approval of the Shareholders of the Company:

All Material Related Party Transactions and subsequent Material Modifications shall be subject to prior approval of shareholders of the company by way of a resolution.

Prior approval of Shareholders of the Company shall not be required in the following cases:

- Transactions entered into between company and its wholly owned subsidiary whose accounts are consolidated with company and placed before the shareholders at the general meeting for approval.

- Transactions entered into between two wholly-owned subsidiaries of the company, whose accounts are consolidated with company and placed before the shareholders at the general meeting for approval.

However, prior approval of shareholders of the Company shall not be required for such other cases as may be prescribed under SEBI LODR, as amended or as notified by any regulatory authority. No Related Party shall vote to approve such resolution whether the entity is Related Party to the particular transaction or not.

8. Criteria for approving Related Party Transactions:

Criteria for granting omnibus approval by the Audit Committee:

While assessing any proposal, the Audit Committee may review the documents / seek information from the Management.

The transactions undertaken pursuant to omnibus approval shall be reviewed by the Audit Committee on a quarterly basis.

Transactions of following nature will not be subject to omnibus approval of the Audit Committee:

I. Transactions which are not in ordinary course of business or not on arm's length basis;
II. Transactions involving sale or disposal of an undertaking of the Company;
III. Such other transactions specified under applicable law from time to time.

In determining whether to approve a Related Party Transaction, the Audit Committee shall interalia consider the following factors to the extent relevant in the matter:

- Whether the proposed transactions are in the best interest of the Company;

- Whether the terms of the proposed Related Party Transactions are fair and on arm's length basis;

- Whether the proposed Related Party Transactions are permissible under the provisions of the applicable laws;

- Whether such contract or arrangement is entered into on terms not less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances;

- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

- The actual or apparent conflict of interest of the Related Party participating in the Related Party Transaction;

- Whether the Related Party Transaction would affect the independence of an independent director.

9. Related Party Transactions not previously approved:

In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy, the transaction shall be placed as promptly as practicable before the Audit Committee or Board or the Shareholders ('Approving Authority' for the purpose of this Clause) as may be required in accordance with this Policy, for review and ratification.

The Approving Authority shall consider all relevant facts and circumstances respecting such transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision in the terms, or termination of such transaction. The decision of the Approving Authority shall be binding under such circumstances.

If such contract or arrangement is with related party to a Director or is authorized by any Director, the Directors concerned shall indemnify against any loss incurred.

Audit committee may examine internal controls and the reasons for failure in reporting/ prior approval of such Related Party Transaction and suggest directives to strengthen the internal controls/collaboration. In connection with any review/ratification of any particular Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

10. Disclosures & Reporting:

This Policy shall be disclosed on the website of the Company and a web link to the policy shall be provided in the Annual Report.

A summary statement of Related Party Transactions entered into by the Company shall be submitted to the Audit Committee in quarterly meetings for information, review and noting.

The details of Related Party Transactions shall be disclosed in the Annual report of the Company, to the Stock Exchanges and other regulatory bodies as per the provisions of Indian Accounting Standards, the Act, SEBI LODR or any other applicable laws and regulations.

11. Review and Amendments:

The Board of Directors shall review this policy at least once every three years and may amend this policy from time to time.

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, Act or any law for the time being in force.

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Adopted by Board of Directors in its meeting held on 5th September 2025.
Effective from 5th September 2025.