



Effective: May 19, 2026
Supersedes: April 01, 2022 & December 12, 2024

Policy on materiality of Related Party Transactions & on dealing with Related Party Transactions

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Dated:- May 19, 2026

Approved By: - Board of Directors



1. Preamble

This Policy on Materiality of Related party Transactions and on dealing with Related party transactions ("Policy") has been formulated in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations") and the applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time ("the Act").

In case of any inconsistency in the Policy and the Act/SEBI Listing Regulations, the provisions of the Act/SEBI Listing Regulations would prevail.

2. Objective

The objective of the policy is to establish a comprehensive framework for identification, review, approval and reporting of Related Party Transactions (RPTs) as per the requirements of the SEBI Listing Regulations and the Act, including all amendments and rules issued from time to time.

3. Effective date for this Policy

This Policy shall come into force with effect from April 01, 2022 as adopted by board of directors on the recommendation of the Audit Committee, and shall remain in force as amended from time to time.

4. Definitions

"**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.

"**Audit Committee**" shall mean the Audit Committee constituted by the Board of the Company from time to time, in line with the provisions of the Act and SEBI Listing Regulations.

"**Board of Directors**" or "**Board**" shall mean the collective body of the Directors of the Company as constituted from time to time, in line with the provisions of the Companies Act, 2013.

"**Company**" means PI Industries Limited.

"**Key Managerial Personnel**" means Key Managerial Personnel as defined under the Act.

"**Material Related Party Transaction**" means a transaction with a Related Party where any transaction(s) to be entered into individually or taken together with previous transactions during a



financial year which exceeds the thresholds prescribed in the SEBI Listing Regulations and as set out in Annexure A to this Policy, including all amendments and modifications thereof from time to time. 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 consolidated turnover of the Company as per the last audited financial statements of the Company.

“**Material Modification in Related Party Transactions**” in terms of SEBI Listing Regulations means any modification(s) in the price, quantity or overall transaction value having a variance of 10% or more, in the relevant previously approved related party transaction.

“**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 its Memorandum & Article of Association and allied activities thereto.

“**Policy**” shall mean policy on materiality of Related Party Transactions & on dealing with Related Party Transactions adopted by the board of PI Industries Limited and as amended from time to time for compliance of relevant laws and statute for the time being in force.

“**Related Party**” means a related party as defined under SEBI Listing Regulations or the Act.

“**Relative**” means relative as defined under the Act.

“**Related Party Transaction**” as defined under the Act and SEBI Listing Regulations.

“**Transaction**” shall be construed to include single transaction or a group of transactions in a contract.

Words, terms, and expressions used and not defined in this Policy or SEBI Listing Regulations shall have the meaning as set out in the (i) Act, (ii) Securities and Exchange Board of India Act, 1992, (iii) Securities Contracts (Regulations) Act, 1956, (iv) Depositories Act, 1996 and/or the rules thereof and regulations made thereunder, for the time being in force and/or as may be restated and/or modified from time to time.



5. Identification of Related Parties and Related Party Transactions

Each Director and KMP shall disclose to the Company Secretary their interest, including indirect interest, in any entity or arrangement that may qualify as Related party or give rise to Related party transaction. Such disclosures shall be provided at the beginning of every financial year in the prescribed format. Based on the compiled list of related parties, the Finance Controller shall identify the potential related party transactions and ensure that the same are handled as per the provisions of this policy.

Every Director and the Key Managerial Personnel shall also remain responsible for informing the Company Secretary of any changes in the relationships, directorships, shareholdings, interests and/or controls immediately on becoming aware of such changes.

6. Review and Approval Process of Related Party Transactions

Approval for Related Party Transactions: The Company shall not enter into any Related Party Transaction except as provided in this policy.

1. Transactions requiring prior approval of Audit Committee:

- i. All Related Party Transactions of the Company and any subsequent material modifications thereto.
- ii. Any Related Party Transaction exceeding Rs. 1 crore during a financial year, whether entered into individually or taken together with previous transactions, to which the subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds the lower of the following:
 - i. ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; OR
 - ii. the threshold for material related party transactions of listed entity as specified in definition of Material Transaction in this policy.

In cases where subsidiary does not have audited financial statements for a period of at least one year, prior approval of the Audit Committee shall be obtained if the value of the such transaction exceeds the lower of the following:



- i. ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; OR
- ii. the threshold for material related party transactions of listed entity as specified in definition of Material Transaction in this policy.

The aggregate value of paid-up share capital and securities premium shall be determined based on the financial information that is not older than three months prior to the date of the Audit Committee meeting in which the approval will be accorded.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

However, prior approval of Audit Committee shall not be required for the following transactions-

- i. Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with the holding company and placed before the shareholders at the general meeting for approval.
- ii. Any Related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub - regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.
- iii. *Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the audit committee of the listed subsidiary shall suffice.* Transactions that have been approved by the Board under the specific provisions of the Companies Act, 2013 e.g. merger or amalgamation, loans, inter-corporate deposits, borrowings, investments, guarantee or providing security in connection with any loan, etc. with or in wholly owned subsidiaries or other Related Parties.
- iv. Transactions involving payment of statutory dues
- v. Statutory fees or statutory charges entered into between the Company and the Central Government or any State Government of any combination thereof, shall not require approval of the Audit Committee.
- vi. Remuneration and sitting fees paid by the Company or its subsidiary to its Director, key managerial personnel or Senior Management, except who is part of promoter or promoter group, shall not require approval of the Audit Committee provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI Listing Regulations.

Note: The additional requirements as per the provision of the Companies Act, 2013 shall be complied.

- vii. In addition to the above, since the transactions or arrangements mentioned below are specifically dealt under different provisions of the Law/policy of the Company



executed under separate approvals, no approval of Audit Committee will be taken for Contribution to Provident Fund / Gratuity / Superannuation trust etc. as part of its statutory obligations or contribution to any trust/fund formed for the sole benefit of employees of PI group.

Information to be provided to the Audit Committee for its review and approval of a proposed RPT:

The Audit Committee shall be provided with the information as specified in the Act, SEBI Listing Regulations, Industry Standards on Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction (“Industry Standards on Related Party Transactions”), when any proposed related party transaction is placed for its consideration and approval.

Further, the Audit Committee may request for additional information as may deemed to be fit for evaluating and approving the proposed transactions.

2. Transactions requiring prior approval of the Board:

Following transactions shall require a prior approval of the Board:

- i. Related Party Transactions as defined under section 188 of the Act, which are not in the ordinary course of business or are not undertaken on arm’s length basis. For such transactions, the limits shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
- ii. Transactions which are in ordinary course of business and at arm’s length basis, but which in the opinion of Audit Committee, require Board approval or where approval of Board is mandatory under any law. The Board may, at its discretion, review any Related Party Transaction.
- iii. Material Related Party Transactions.

However, approval of Board shall not be required for the following transactions-

- i. Transactions between the Company and its wholly-owned subsidiary/(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting of the Company for approval.
- ii. 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.

- iii. Any Related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub - regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the audit committee of the listed subsidiary shall suffice.

3. Transactions requiring approval of Shareholders of the Company:

- i. All Material Related Party Transactions and any subsequent material modifications thereto, shall require prior approval of the Shareholders of the Company by way of a resolution.
- ii. All Related Party Transactions that are not in the ordinary course of business or are not undertaken at arm's length and which exceeds the threshold limits prescribed under section 188 read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules made under the Act for this purpose, shall require an approval of the Shareholders by way of a resolution.

Provided that no related party shall vote to approve such resolutions whether the related party is a party to the particular transaction or not.

The omnibus approval granted by the shareholders for material transactions as per the SEBI Listing Regulations at the annual general meeting shall remain valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act, or rules, notifications, or circulars issued thereunder from time to time. Further, where omnibus approvals for a material transaction is granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

However, prior approval of shareholders shall not be required for the following transactions-

- i. Related party transactions between the Company and its wholly owned subsidiary/(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting of the Company for approval.
- ii. Related party 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.



- iii. Any Related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub - regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary, the prior approval of the shareholders of the listed subsidiary shall suffice.

Information to be provided to the Shareholders of the Company at the time of seeking approval of a proposed RPT:

The Shareholders shall be provided with the information as prescribed in the Act, SEBI Listing Regulations, Industry Standards on Related Party Transactions, while placing any proposal for consideration and approval of a Related Party Transactions.

The notice sent to the shareholders seeking approval of a proposed RPT shall include such information as part of the explanatory statement as prescribed under the Act, SEBI Listing Regulations and Industry Standard on RPTs

4. Approval & Review Mechanism:

- While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Laws or requested by the Audit Committee or the Board, shall be duly provided to the respective approving authority.
- The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the listed entity or its subsidiary considering the repetitive nature of the transactions
- The Audit Committee, shall, after being authorized by the Board of Directors, specify the criteria for granting omnibus approvals to the Related Party Transactions proposed to be entered into, in the manner and to the extent prescribed under the Act/SEBI Listing Regulations. Such omnibus approvals shall be valid for one year. The Audit Committee shall, while granting such omnibus approvals, satisfy itself about the adherence to the criteria so specified by it.
- The Audit Committee shall satisfy itself about the need for such omnibus approval and that such approval is in the interest of the Company.
- The omnibus approval granted by the Audit Committee shall include the following particulars:
 - i. Name of the related parties;
 - ii. Nature and duration of the transaction;



- iii. Maximum amount of transaction that can be entered into;
 - iv. The indicative base price or current contracted price and the formula for variation in the price, if any; and
 - v. Any other information relevant or important for the Audit Committee to take a decision on the proposed transaction.
- In case of any Related Party Transactions that cannot be foreseen or transactions in respect of which complete details are not available, the Audit Committee may grant an omnibus approval for such transactions provided that the value does not exceed Rs. 1 crore per related party in a financial year.
 - The Audit Committee shall not grant omnibus approval for transactions involving sale or disposal of an undertaking of the Company.
 - Certificates from the CEO/ Managing Director/Whole Time Director/Manager and CFO of the Company shall be placed before the Audit Committee confirming that the terms of RPTs proposed to be entered into are in the interest of the Company. This requirement shall not apply where the value of the transaction with a related party, whether entered into individually or taken together during a financial year, does not exceed ₹1 crore, or in the case of transactions between the Company and its wholly owned subsidiary, or between two wholly owned subsidiaries, as such transactions are exempt under the Industry Standards on Related Party Transactions.
 - The Audit Committee may, at its discretion, comment on information provided by the management. Such comments and the rationale for not approving a RPT shall be recorded in the minutes of the meeting of the Audit Committee. The Audit Committee may seek any additional information from the management, as it deems necessary and reasonable, to evaluate the proposed RPT.
 - The Audit Committee may seek advice from external consultants and experts to determine whether a particular transaction qualifies as being on an arms' length basis or otherwise.
 - Any Director or Key Managerial Personnel who is interested in any Related Party Transaction shall not participate in the meeting of the Board or Audit Committee during discussions on the subject matter of the resolution relating to such transaction.
 - The Audit Committee shall review, on a quarterly basis, the details of all Related Party Transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given. The omnibus approvals by the Audit Committee shall be valid for a period of not exceeding one year and shall require fresh approvals after the expiry of one year.



- On a quarterly basis, the management shall submit a report to the Audit Committee comparing the actual transaction against the approvals granted.

7. Exceptions

Following Transactions shall not be regarded as related party transaction and shall not require any separate approval under this Policy:

- a. Issue of specified securities on preferential basis, subject to compliance of requirements under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
- b. Following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - i. payment of dividend;
 - ii. subdivision or consolidation of securities;
 - iii. issuance of securities by way of a rights issue or a bonus issue; and
 - iv. buy-back of securities.
- c. Retail purchases from the Company or its subsidiary by its directors or Key Managerial Personnel, and relatives of such directors or key managerial personnel, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

8. Related Party Transactions not previously approved

In the event the Company or any of its directors, officers or employees becomes aware of a Related Party Transaction that has not been approved or ratified under this Policy, such transaction shall be reported to the Company Secretary. The Company secretary shall place the aforesaid transaction for approval of competent authority as promptly as practicable to the Audit Committee or Board or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Audit Committee or the Board or the Shareholders, as the case may be, shall consider all relevant facts and circumstances relating to such transaction and shall evaluate the options available to the Company, including but not limited to ratification, revision, or termination of such transaction. The Company shall take such action as the Committee deems appropriate under the circumstances.

i. Ratification by Audit Committee:

If any transaction has been entered into without obtaining the prior approval of the Audit Committee, the members of the Audit Committee, who are independent directors, may ratify such Related Party Transactions within 3 months from the date of the transaction or in the immediate next meeting of



the Audit Committee, whichever is earlier, subject to the following conditions:

- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed Rs. 1 crore;
- ii. the transaction is not material under Regulation 23(1) of SEBI Listing Regulations;
- iii. rationale for failure to seek prior approval shall be placed before the Audit Committee at the time of seeking ratification;
- iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) of SEBI Listing Regulations;
- v. any other condition as specified by the Audit Committee:

Provided that failure to obtain ratification of the Audit Committee shall render the transaction voidable at the option of the Audit Committee and if the transaction is with a related party to any director, or has been authorised by any other director, the concerned director(s) shall indemnify the Company against any loss incurred.

ii. Ratification by Board/ Shareholders:

In case any contract or arrangement is entered into by a Director or any employee, without obtaining the consent of the Board or approval of Shareholders under Section 188(1) of the Act and such contract or arrangement is not ratified by the Board or the Shareholders within 3 months from the date of entering into the contract or arrangement, then such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the Shareholders.

If the contract or arrangement is with a related party to any Director, or was authorised by any Director, such Director shall indemnify the Company against any loss incurred.

9. Disclosure and Reporting of Related Party Transactions

All Related Party Transactions entered into by the Company that are not undertaken at arm's length basis or all material Related Party Transactions as per section 188 of the Act shall be disclosed in the Board's report along with justification for entering into such transaction as required under the Act and SEBI Listing Regulation, as amended from time to time.

The Company shall submit to the stock exchanges disclosures of related party transactions in the format as prescribed from time to time, and shall also publish the same on its website. Such disclosure shall be made on a half yearly basis (September and March), on the same date as the publication of the Company's standalone and consolidated financial results.

Remuneration, commission and sitting fees paid by the Company or its subsidiary to a director, key managerial personnel or senior management, other than those forming part of promoter or promoter group, shall not require disclosure under Regulation 23(9) of SEBI Listing Regulations provided such



payments are not material in terms of Regulation 23(1) of SEBI Listing Regulations.

Further, as a part of the Related Party Disclosure in the Annual Report, the disclosures should be made in the format prescribed in the relevant accounting standards.

10. Amendment to the Policy

The Audit Committee shall review this Policy periodically, but at least once in every three years, and recommend amendments to the same for approval of the Board.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities are inconsistent with the provisions contained in this Policy, such regulatory provisions shall prevail. This Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

11. Communication

This Policy will be communicated to all Directors, KMPs and Members of the Management Committee and other concerned persons of the Company.

Date: May 19, 2026

Place: Mumbai

Sd/-

Narayan K. Seshadri

Chairperson



ANNEXURE A

MATERIAL RELATED PARTY TRANSACTIONS

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 the following:

Consolidated Turnover of the Company	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.