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## Policy on Materiality and for Dealing with Related Party Transactions

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Authorized by:	Board of Directors
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## **POLICY ON MATERIALITY AND FOR DEALING WITH RELATED PARTY TRANSACTIONS**

### **A) INTRODUCTION**

Usha Martin Limited (hereinafter referred to as “UML” or “Company”) has formulated this policy in accordance with applicable provisions of the Companies Act, 2013 (“Act”) and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (“SEBI LODR Regulations”) to provide guidance to the Board, Audit Committee and senior management of the Company to ensure fairness in all Related Party Transactions of the Company.

This policy is a revised version of the “Policy on Materiality and for Dealing with Related Party Transactions” adopted by the Company from time to time and is effective from January 29, 2025.

### **B) DEFINITIONS**

- i. “Audit Committee” means the Committee formulated by the Company under Section 177 of the Companies Act, 2013 (Act) and Regulation 18 of SEBI LODR Regulations.
- ii. “Arm’s length transaction” shall mean a transaction entered between two related parties that is conducted as if they were unrelated so that there is no conflict of interest.
- iii. “Board” means the Board of Directors of the Company.
- iv. “Material modifications” shall mean modification of those related party transactions which have been approved earlier and where such modifications have a variance of  $\pm 20\%$  of the earlier approved limit.
- v. “Material Related Party Transaction” shall have the same meaning as specified under the relevant provisions of SEBI LODR Regulations or the transaction exceeding certain threshold as per the Act.
- vi. “Related Party” shall have the same meaning as specified under the Act and the Rules made thereunder and relevant provisions of SEBI LODR Regulations, including any amendment(s) or modification(s) made thereof as may be applicable.
- vii. “Related Party Transactions” shall mean such transactions as specified under the Act and the Rules made thereunder and relevant Regulation(s) of SEBI LODR Regulations, including any amendment(s) or modification(s) made thereof as may be applicable.
- viii. “Relative” shall have the same meaning as specified under the Act and the Rules made thereunder and SEBI LODR Regulations, including any amendment(s) or modification(s) made thereof as may be applicable.

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it under the SEBI LODR Regulations or the Act and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

### **C) INTIMATION OF TRANSACTIONS/ DECLARATIONS**

- i. Every employee and director of the Company having knowledge of any proposed related party transaction of the Company shall promptly inform the Chief Financial Officer and the Company Secretary about any such transaction proposed to be entered into with a Related Party.

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- ii. Every Director and Key Managerial Personnel shall be responsible for providing a declaration with respect to his Related Party to the Company Secretary on an annual basis and whenever there is any change from his last submitted declaration in the prescribed format as provided in the Act and SEBI LODR Regulations.

#### **D) APPROVAL OF RELATED PARTY TRANSACTION**

- i. All Related Party Transaction and subsequent material modifications shall be subject to prior approval of the Audit Committee of the Company. However, such approval shall be subject to any exemption provided by the Act or Rules framed thereunder and SEBI LODR Regulations as amended from time to time.

Provided that only those members of the Audit Committee, who are Independent Directors, shall approve related party transactions.

- ii. The Audit Committee may, in the interest of the conduct of the affairs of the Company, grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries, which are repetitive in nature. The Audit Committee may also grant omnibus approval for Related Party Transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available. Such Omnibus Approval(s) shall be granted by the Audit Committee in accordance with the provisions of the Act and Rules framed thereunder and SEBI LODR Regulations as amended from time to time.
- iii. The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the exemptions/restrictions provided under SEBI LODR Regulations or the Act.
- iv. The Audit Committee shall also pre-approve Related Party Transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value of such transaction crosses the thresholds as prescribed under the SEBI LODR Regulations or the Act.
- v. Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction.
- vi. In the event that any contract or arrangement with a Related Party is not in the ordinary course of business or not at arm's length, the Board will inter alia consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction and any other information the Board may deem important/relevant for taking decision on a proposed 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.
- vii. If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the SEBI LODR Regulations, or (ii) not in the ordinary course of business, or not at arm's length basis and exceeds certain thresholds prescribed under the Act, then such Related Party Transaction and any subsequent Material modification thereto, shall require shareholders' approval by a resolution. In such case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on the resolution passed for approving such Related Party Transaction.

However, such approval shall be subject to any exemption provided by the Act or Rules framed thereunder and SEBI LODR Regulations as amended from time to time.

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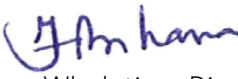


#### **E) REVIEW OF RELATED PARTY TRANSACTION**

- i. Every quarter the Audit Committee shall review all related party transactions including those for which earlier omnibus approval and / or prior approval of the shareholders has been obtained. The audit committee shall also review the related party transactions entered into by its Subsidiaries for which earlier omnibus approval and / or prior approval of the shareholders of the listed entity has been obtained.
- ii. The Audit Committee shall review the status of long-term (more than one year) or recurring related part transactions on an annual basis.
- iii. Related Party Transactions of the Company or its subsidiaries mentioned above may be reviewed by an external independent firm, if required by the Audit Committee.

#### **F) AMENDMENT**

- i. This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Act or SEBI LODR Regulations or may be otherwise prescribed by the Board from time to time. However, this Policy shall be reviewed by the Board of Directors at least once in every three years.
- ii. In case of any conflict between the clause(s) of this Policy, Act or SEBI LODR Regulations, the provisions of Act or SEBI LODR Regulations or any other statutory enactment shall prevail over this policy. Any subsequent amendment/ modification in Act or SEBI LODR Regulations, in this regard will automatically apply to this policy.

Signature:   
Designation : Wholetime Director  
Date : 29<sup>th</sup> January 2025

